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Briefing note on mortgage foreclosure processes

Total deposit institutions, figures for the first half of 2014

The Banco de España is today publishing figures on mortgage foreclosure processes during the period from January to June 2014. The main conclusions are as follows:

- To June 2014, there were 26,549 repossessions, accounting for 0.41% of mortgages granted to households for house purchase (0.33% for principal residences).
- Dations in payment in the first six months of 2014 accounted for 27.1% of repossessions, with the percentage standing at 29.4% for principal residences.
- In 91.1% of the cases to June involving judicial repossessions, the dwellings were unoccupied at the time of repossession. For principal residences the figure was 90.2%.
- A total of 16 judicial repossessions involved the intervention of law enforcement agents.
- In 86.3% of judicial repossessions of dwellings, the related mortgage was originated before December 2007.

Comparison of events in the first half of 2014 with the same period in 2013 reveals:

- A decline in the total number of repossessions, which were down 24.4% from 35,098 to 26,549. The decline was even greater for principal residences (30.5%).
- The reduction in total dations in payment (36.5%). Those relating to principal residences followed a similar trend, declining by 34.9% relative to June 2013.
- A reduction in judicial repossessions in June 2014 compared with the same month a year earlier (10.7%). Distinguishing between cases where the dwelling is unoccupied as opposed to occupied, there was a decline of 12.8% in the former case while in the latter there was an 18% increase relative to June 2013.
- Finally, repossessions involving the intervention of law enforcement agents fell by 81.8% in June 2014 compared with the same month a year earlier.

January-June 2014 figures compared with those for January-June 2013

	January-June 2014			January-June 2013		
	Principal residence	Other dwellings	Total dwellings	Principal residence	Other dwellings	Total dwellings
1. No. of mortgages to households for house purchase*	5,953,411	600,059	6,553,470	5,964,807	595,559	6,560,366
2. Repossessions	19,565	6,984	26,549	28,170	6,928	35,098
2.1 Voluntary repossessions	7,131	1,946	9,077	12,719	2,812	15,531
Of which: dations in payment	5,761	1,446	7,207	8,856	2,492	11,348
2.2 Judicial repossessions	12,434	5,038	17,472	15,451	4,116	19,567
2.2.1 Judicial repossessions of unoccupied dwellings	11,216	4,709	15,925	14,410	3,846	18,256
2.2.2 Judicial repossessions of occupied dwellings	1,218	329	1,547	1,041	270	1,311
With involvement of law enforcement agents	13	3	16	59	29	88

*Row 1 shows the number of outstanding mortgage loans to households for house purchase as at June 2014 and as at June 2013, respectively.

The information on mortgage foreclosure processes was published for the first time by the Banco de España in May 2013, with the aim of providing statistical data on a matter on which such data had until then been virtually non-existent. To do this, the Banco de España conducted a survey directed at a representative set of banks. Since then, on a half-yearly basis, the Banco de España has required this information of all banks, publishing it in briefing notes.

There have, however, been notable advances since in the availability of public information on mortgage foreclosures. In particular, on 30 June 2014, INE (the National Statistics Institute) published the first results of its new statistic on mortgage foreclosures. The information from INE will be quarterly, will break the information down into different types of properties, including individuals' principal dwellings, and will likewise offer figures broken down by region.

In light of the publication by INE of its new mortgage foreclosure statistic, the Banco de España is studying the advisability of discontinuing its own statistic, since the new statistic to be published by INE will be in greater detail and more frequent than what the Bank can compile. That said, the Banco de España will complete the statistic for 2014 as a whole before taking any decision in this connection.