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Briefing note on application of moratoria established by law and by the banking sector up to 30 April 2021

To address the economic and social impact of the COVID-19 pandemic, several support measures have been approved for workers, households and vulnerable groups. These measures include the introduction of legislative moratoria on mortgage debts¹ and the temporary suspension of payment obligations deriving from non-mortgage loan agreements for individuals who are economically vulnerable as a consequence of the health crisis caused by COVID-19, in accordance with the criteria established in the regulations.² Further, with the intention of allowing loan repayment deferrals on a broader scale, and in addition to the deferral measures initially envisaged in the legislative moratoria, a special system has been established for moratoria agreements between lenders and their customers through the banking sector associations.³ These banking sector moratoria relate both to mortgage and non-mortgage loans. Two new moratoria were approved in early July 2020 relating to the tourism sector and the public transport of goods and the charter bus sector.⁴ Lastly, in early February 2021, the application deadline and duration of the legislative moratoria were extended, and these two aspects of all the moratoria were in general adapted to the guidelines published by the European Banking Authority (EBA).⁵

¹ Initially, the moratoria only affected main residence mortgages, but the measures were subsequently extended to include property used by self-employed entrepreneurs and professionals for their economic activity, as well as rented housing other than the main residence in cases in which the mortgagor/lessor ceased to receive rent payments by application of the measures introduced to assist tenants as a consequence of the state of alert.

² See, respectively, Royal Decree-Law 8/2020 of 17 March 2020 (last update, 30 March 2021) and Royal Decree-Law 11/2020 of 31 March 2020. The definition of economic vulnerability includes conditions prior to the pandemic (for example, having in general a level of income that is three times lower than the IPREM, a Spanish public income indicator) and other conditions ensuing from the pandemic (for example, becoming unemployed).

³ Royal Decree 19/2020 of 26 May 2020 includes special moratoria measures under a sectoral framework agreement, broadening the range of persons eligible for debt deferrals beyond the economically vulnerable and allowing the latter to extend their deferrals when the legislative moratoria come to an end.

⁴ The moratorium relating to the tourism sector is regulated by Royal Decree-Law 25/2020 of 3 July 2020 on urgent measures to support economic recovery and employment. The moratorium relating to transport is regulated by Royal Decree-Law 26/2020 of 7 July 2020 on economic recovery measures to address the impact of COVID-19 on transport and housing. In contrast with the previous three moratoria, which relate only to natural persons, these two new moratoria also apply to legal persons.

⁵ See Royal Decree-Law 3/2021 of 2 February 2021 adopting measures to narrow the gender gap and on other Social Security and economic matters.

This briefing note updates that published in April⁶ and presents the information available on the application of the moratoria established by law and by the banking sector, with the data submitted by institutions to the Banco de España. In principle, this will be the last briefing note published by the Banco de España on the legislative and non-legislative moratoria regulated as described in footnotes 2, 3 and 4. Royal Decree-Law 3/2021 linked possible changes in applications for, and periods of application of, the legislative and non-legislative moratoria to possible changes in the EBA's guidelines on moratoria. The current guidelines set the deadline for applications at March 2021.

The information available up to 30 April may be summarised as follows (see tables attached):

- Almost 270,000⁷ applications for legislative moratoria on mortgage loan payments had been received, of which almost 228,000 had been granted. The outstanding amount of loan payments suspended stood at over €20.5 billion.
- More than 437,000 applications for legislative moratoria on non-mortgage loan payments had been received, of which more than 386,000 had been granted. The outstanding amount of loan payments suspended stood at more than €2.9 billion.
- Over 882,000 applications for banking sector moratoria had been received, of which more than 857,000 had been granted. The outstanding amount of loan payments suspended was over €34 billion.
- For all three types of moratorium, the vast majority of borrowers and guarantors benefiting from these measures (over 70%) are wage and salaried workers.
- In the case of self-employed workers, the breakdown by sector of activity shows that, for all three types of moratorium, the main sectors benefiting from the measures are wholesale and retail trade, accommodation and food service activities, and other services, followed at some distance by professional, scientific and technical activities, transport, and construction. Together these sectors account for almost 80% of the total moratoria granted for self-employed workers.
- For the two most recently approved types of moratorium, related to the tourism and transport sectors, the number of applications received and granted is much lower. Specifically, 2,162 applications had been received for legislative moratoria on mortgage loans for property used in tourism, of which 1,823 had been granted. The outstanding amount of loan payments suspended stood at more than €2.5 billion. In turn, 3,519 applications for legislative moratoria had been received from the transport sector, of which 3,212 had been granted, while the outstanding amount of loan payments suspended verged on €275 million.

⁶ Briefing note on application of moratoria established by law and by the banking sector up to 31 March 2021.

⁷ The number of applications for legislative moratoria on mortgage and non-mortgage loan payments and for tourism sector moratoria are slightly lower than those recorded in the previous briefing note. This is because some banks have adjusted the data reported after verifying the number rejected or cancelled by customers. Also, some banks have reclassified some of their legislative mortgage and non-mortgage moratoria as banking sector moratoria.

Table 1. Information on legislative mortgage debt moratoria, total system

APPLICATIONS	Number	
Moratoria applications submitted	269,715	
Moratoria applications granted	227,852	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	20,524	470,767
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	272,715	72.3
Self-employed (entrepreneurs or professionals)	104,599	27.7
GUARANTORS*	Number	Percentage
Wage and salaried workers	73,062	91.2
Self-employed (entrepreneurs or professionals)	7,092	8.8
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,697	1.6
B Mining and quarrying	64	0.1
C Manufacturing	4,879	4.7
D Electricity, gas, steam and air conditioning supply	151	0.1
E Water supply	84	0.1
F Construction	5,769	5.5
G Wholesale and retail trade	19,990	19.1
H Transportation and storage	7,331	7.0
I Accommodation and food service activities	20,279	19.4
J Information and communication	1,078	1.0
K Financial and insurance activities	495	0.5
L Real estate activities	1,559	1.5
M Professional, scientific and technical activities	8,091	7.7
N Administrative and support service activities	2,976	2.8
O Public administration and defence; compulsory social security	42	0.0
P Education	2,186	2.1
Q Human health and social work activities	2,727	2.6
R Arts, entertainment and recreation	2,852	2.7
S Other service activities	22,296	21.3

* The number of borrowers benefiting from the suspension measures does not coincide with the number of moratoria applications granted because one loan may include more than one borrower. Similarly, the number of guarantors benefiting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.

Table 2. Information on legislative suspension of payment obligations deriving from non-mortgage loan agreements, total system

APPLICATIONS	Number	
Moratoria applications submitted	437,317	
Moratoria applications granted	386,499	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	2,905	179,699
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	324,745	73.4
Self-employed (entrepreneurs or professionals)	117,444	26.6
GUARANTORS*	Number	Percentage
Wage and salaried workers	13,847	78.2
Self-employed (entrepreneurs or professionals)	3,858	21.8
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,465	1.2
B Mining and quarrying	56	0.0
C Manufacturing	4,331	3.7
D Electricity, gas, steam and air conditioning supply	131	0.1
E Water supply	106	0.1
F Construction	5,196	4.4
G Wholesale and retail trade	21,333	18.2
H Transportation and storage	12,052	10.3
I Accommodation and food service activities	23,296	19.9
J Information and communication	1,369	1.2
K Financial and insurance activities	674	0.6
L Real estate activities	1,285	1.1
M Professional, scientific and technical activities	7,245	6.2
N Administrative and support service activities	2,962	2.5
O Public administration and defence; compulsory social security	59	0.1
P Education	2,393	2.0
Q Human health and social work activities	2,349	2.0
R Arts, entertainment and recreation	3,460	3.0
S Other service activities	27,493	23.4

* The number of borrowers benefiting from the suspension measures does not coincide with the number of moratoria applications granted because one loan may include more than one borrower. Similarly, the number of guarantors benefiting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.

Table 3. Information on banking sector moratoria, total system

APPLICATIONS	Number	
Moratoria applications submitted	882,524	
Moratoria applications granted	857,250	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	34,267	650,466
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	923,851	80.5
Self-employed (entrepreneurs or professionals)	223,594	19.5
GUARANTORS*	Number	Percentage
Wage and salaried workers	85,378	89.7
Self-employed (entrepreneurs or professionals)	9,794	10.3
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	8,865	4.0
B Mining and quarrying	355	0.2
C Manufacturing	10,597	4.7
D Electricity, gas, steam and air conditioning supply	350	0.2
E Water supply	224	0.1
F Construction	12,720	5.7
G Wholesale and retail trade	42,143	18.8
H Transportation and storage	18,096	8.1
I Accommodation and food service activities	38,535	17.2
J Information and communication	2,966	1.3
K Financial and insurance activities	2,295	1.0
L Real estate activities	4,084	1.8
M Professional, scientific and technical activities	25,176	11.3
N Administrative and support service activities	6,504	2.9
O Public administration and defence; compulsory social security	198	0.1
P Education	4,570	2.0
Q Human health and social work activities	5,946	2.7
R Arts, entertainment and recreation	5,830	2.6
S Other service activities	34,162	15.3

* The number of borrowers benefiting from the suspension measures does not coincide with the number of moratoria applications granted because one loan may include more than one borrower. Similarly, the number of guarantors benefiting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.