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Briefing note on application of moratoria established by law and by the banking sector up to 31 August 2020

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 to both mortgage and non-mortgage loans. Lastly, two new moratoria, applying to natural and legal persons, were approved in early July relating to the tourism sector and the public transport of goods and discretionary transport of passengers by bus.⁴

This briefing note updates that published a month ago⁵ 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. The information may be summarised as follows (see tables attached):

- A total of 269,012 applications for legislative moratoria on mortgage loan payments had been received, of which 226,644 had been granted. The outstanding balance of loan payments suspended amounted to €20,300 million.

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, 8 July 2020) 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 less 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, whereas 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 [Briefing note on application of moratoria established by law and by the banking sector up to 31 July 2020.](#)

- A total of 439,631 applications for legislative moratoria on non-mortgage loan payments had been received, of which 391,904 had been granted. The outstanding balance of loan payments suspended amounted to €2,883 million.
- A total of 731,667 applications for banking sector moratoria had been received, of which 666,699 had been granted. The outstanding balance of loan payments suspended amounted to €25,700 million.
- 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 of activity account for almost 80% of the total moratoria for self-employed workers granted to date.
- For the two most recently approved types of moratorium, related to the tourism and transport sectors, the number of moratoria applied for and granted is much lower. Specifically, a total of 310 applications had been received for legislative moratoria for mortgage loans on property used in tourism, 78 of which had been granted. The outstanding balance of loan payments suspended amounted to €91 million. In turn, a total of 477 applications for legislative moratoria had been received from the transport sector, 314 of which had been granted, representing an outstanding balance of loan repayments suspended of €26 million.

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

APPLICATIONS	Number	
Moratoria applications submitted	269,012	
Moratoria applications granted	226,644	
LOANS SUSPENDED	€m	Total system loans (€m)
Balance outstanding of loans suspended	20,367	471,510
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	273,650	72.3
Self-employed (entrepreneurs or professionals)	104,813	27.7
GUARANTORS*	Number	Percentage
Wage and salaried workers	72,618	91.1
Self-employed (entrepreneurs or professionals)	7,131	8.9
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,650	1.6
B Mining and quarrying	64	0.1
C Manufacturing	4,871	4.6
D Electricity, gas, steam and air conditioning supply	151	0.1
E Water supply	86	0.1
F Construction	5,816	5.5
G Wholesale and retail trade	20,179	19.3
H Transportation and storage	7,096	6.8
I Accommodation and food service activities	20,299	19.4
J Information and communication	1,048	1.0
K Financial and insurance activities	476	0.5
L Real estate activities	1,580	1.5
M Professional, scientific and technical activities	8,270	7.9
N Administrative and support service activities	2,926	2.8
O Public administration and defence; compulsory social security	44	0.0
P Education	2,198	2.1
Q Human health and social work activities	2,757	2.6
R Arts, entertainment and recreation	2,813	2.7
S Other service activities	22,490	21.5

* 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	
Payment suspension applications submitted	439,631	
Payment suspension applications granted	391,904	
LOANS SUSPENDED	€m	Total system loans (€m)
Balance outstanding of loans suspended	2,883	189,877
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	335,093	74.3
Self-employed (entrepreneurs or professionals)	115,952	25.7
GUARANTORS*	Number	Percentage
Wage and salaried workers	12,954	79.1
Self-employed (entrepreneurs or professionals)	3,417	20.9
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,736	1.5
B Mining and quarrying	72	0.1
C Manufacturing	4,198	3.6
D Electricity, gas, steam and air conditioning supply	126	0.1
E Water supply	102	0.1
F Construction	5,115	4.4
G Wholesale and retail trade	20,672	17.8
H Transportation and storage	10,942	9.4
I Accommodation and food service activities	22,431	19.3
J Information and communication	1,303	1.1
K Financial and insurance activities	718	0.6
L Real estate activities	1,263	1.1
M Professional, scientific and technical activities	9,214	7.9
N Administrative and support service activities	2,813	2.4
O Public administration and defence; compulsory social security	53	0.0
P Education	2,321	2.0
Q Human health and social work activities	2,346	2.0
R Arts, entertainment and recreation	3,221	2.8
S Other service activities	27,306	23.5

* 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	
Payment suspension applications submitted	731,667	
Payment suspension applications granted	666,699	
LOANS SUSPENDED	€m	Total system loans (€m)
Balance outstanding of loans suspended	25,741	661,387
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	717,691	80.6
Self-employed (entrepreneurs or professionals)	172,494	19.4
GUARANTORS*	Number	Percentage
Wage and salaried workers	61,415	89.7
Self-employed (entrepreneurs or professionals)	7,023	10.3
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	5,666	3.3
B Mining and quarrying	297	0.2
C Manufacturing	8,041	4.7
D Electricity, gas, steam and air conditioning supply	261	0.2
E Water supply	188	0.1
F Construction	9,977	5.8
G Wholesale and retail trade	33,175	19.2
H Transportation and storage	13,691	7.9
I Accommodation and food service activities	29,190	16.9
J Information and communication	2,425	1.4
K Financial and insurance activities	1,702	1.0
L Real estate activities	3,199	1.9
M Professional, scientific and technical activities	18,121	10.5
N Administrative and support service activities	4,853	2.8
O Public administration and defence; compulsory social security	177	0.1
P Education	3,625	2.1
Q Human health and social work activities	4,952	2.9
R Arts, entertainment and recreation	4,501	2.6
S Other service activities	28,453	16.5

* 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.