



Lights and shadows of the new Spanish mortgage law

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>> A devastating scenario

- > Bursting of the real estate bubble and powerful economic crisis (2008-2017)
- > Some urgent measures in 2012 to deal with the crisis but very weak (no dation in payment, no reduction of default interest, only a moratorium on evictions in some cases)
- > More than 400 000 evictions between 2008 and 2015.
- > Empty homes in Spain (300 000 or more than 1 million ?)
- > More than 26% of the workforce unemployed (17,1% today, 39% youth unemployment).
- > The scandals of the ground clauses and mortgages costs.
- > Incomplete transposition of the Directive 2014/17... 2 years late.

>> Measures arriving from Europe

- > Early cancellation fees are limited.
- > Related sales are prohibited.
- > It facilitates the conversion of mortgages in foreign currencies to mortgages in euros, at the request of the debtor.
- > Incentives for the staff of banks that are related to attracting mortgages are eliminated.
- > The legal regime of financial intermediaries is changed.

>> Added measures

- > Free visit to the notary before signing the loan who verifies that the conditions of the contract are conform to the law (ie that there are no potentially opaque or abusive clauses), called 'pre-contractual stage' , and seven days term before signing the contract.
- > The legislation also establishes a limit to interest for late payment, which as of the entry into force of the regulations may not exceed 9%.
- > The conversion of variable mortgages to fixed mortgages is facilitated.
- > A blacklist of abusive clauses is created.
- > A type model of mortgage will be created.
- > The early expiry clause hardens: until now, a bank could activate this clause for non-payment of three monthly payments, now between 9 and 12 months.

>> ¿Really good news for the consumers?

- > A transposition of minima which still in favor of the bank.
- > Dation in payment is not included in the new text (it's supposed to be added during the legislative process).
- > There is no retroactivity for the possibility of converting multi-currency mortgages to euro or for the new conditions of early cancellation.
- > The default interest will be three times the legal interest of the money (3% in 2017) when the doctrine of the Supreme Court says that they should not exceed 2 points up the interest rate of the loan (currently, the average does not reach 2%).
- > Linked Sales are prohibited but there will be exceptions...

>> ¿And so?

- > We are waiting for the legislative process (Government want to publish the law in the first semester of 2018).
- > Part of the new law will be needed in later regulatory development that we do not know (possibility of early repayment, Art. 25 of the European directive, rules for possible early expiration, Art. 28 of the directive, etc.)
- > The measures of transparency and better information of the consumers do not convince us (incomplete paper of the notary, insufficient European information card standardized FEIN and file of standardized warnings FIAE...)
- > Art. 5.1 d) of the project, which determines the costs involved in the constitution of the mortgage loan, does not limit the imputation of the same to the borrower.
- > Less responsibility for the bank.
- > It's not joined by a genuine policy of financial education of consumers.

>> ASGECOs initiatives on financial education

HOLA BANCO

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El presente proyecto ha sido subvencionado por el Ministerio de Sanidad, Servicios Sociales e Igualdad/ Agencia Española de Consumo, Seguridad Alimentaria y Nutrición, siendo su contenido responsabilidad exclusiva de ASGECO

GUÍA DE BUENAS PRÁCTICAS BANCARIAS



DESCARGAR GUÍA

La guía del proyecto ¡Hola banco, me he informado y tenemos que hablar! de la Asociación General de Consumidores, ASGECO Confederación, pretende aportar una información útil para los consumidores y las consumidoras sobre los productos bancarios más usuales:

- Hipotecas
- Tarjetas de crédito/debito
- Cuentas bancarias (corrientes y de ahorro)
- Planes de inversión
- Planes de pensión

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Thank you.

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