



## Single Rulebook Q&A

<b>Question ID</b>	2014_1412
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - FINREP (incl. FB&NPE)
<b>Article</b>	99
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Draft ITS on Supervisory Reporting of Institutions
<b>Article/Paragraph</b>	266
<b>Date of submission</b>	02/08/2014
<b>Published as Final Q&amp;A</b>	05/03/2021
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Refinancing
<b>Question</b>	Does a derecognition on an institution's balance sheet of a forbore contract lead to an end of the forbore exposure and end to reporting duty?
<b>Background on the question</b>	Institutions offer customers in financial difficulties loan contracts that qualify as concession, but these loan contracts may be paid off if the customer is not in financial difficulties any longer (e.g. in the case customer is beneficiary of an inheritance and/or is able to obtain a new loan that does not qualify as concession).

<p><b>EBA answer</b></p>	<p>In case an exposure is derecognised as part of the forbearance measures, paragraph 266 of Annex V to Regulation (EU) no 680/2014 (ITS on Reporting) clarifies that derecognition does not interrupt the reporting of forbearance: the newly recognised exposure has to be reported as forborne, until all the exit criteria of forbearance are not met in accordance with paragraph 256.</p> <p>In the specific situation of repayment by a customer, repayment of the forborne exposure via the customer's own means (for instance an inheritance) should interrupt the reporting of the exposure as forborne.</p> <p>Alternatively, if repayment of a previously forborne exposure is made through another loan granted by the institution and the concession of the new loan qualifies as refinancing according to paragraphs 244, the new loan granted by the institution shall be considered as a forborne measure and the minimum 2 year probation period as per paragraph 256 (b) will be computed starting from the date of the new concession.</p>
<p><b>Link</b></p>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1412">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1412</a></p>

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