

**EUROFINAS**

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**Danièle Nouy**

Chair  
Committee of European Banking Supervisors  
(CEBS)

By email: [nd@c-eps.org](mailto:nd@c-eps.org)

Brussels, 19 October, 2007

**EUROFINAS RESPONSE TO THE CEBS QUESTIONNAIRE ON  
NATIONAL DISCRETIONS AND OPTIONS IN THE CRD**

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Dear Mrs Nouy,

Please find the Eurofinas response to CEBS' questionnaire on national discretions and options attached to this letter.

Eurofinas has chosen to comment only on a few discretions where the Federation feels it can best contribute to the debate. This does not imply however that other discretions are not relevant for European consumer credit providers who are confronted with issues common to all institutions subject to the Capital Requirements Directive.

Issues of specific importance to the specialised consumer credit industry have been highlighted in blue in the attached spreadsheet while those issues brought to our attention by members active in other businesses such as leasing have been highlighted in green. We have introduced additional lines into the original CEBS template when discretions or options of significance for our industry were not included in the initial document. These are indicated as "**NEW**".

While full detail on our position is provided in the attached spreadsheet, the main discretions which are of concern to Eurofinas are as follows:

- For reasons of competitive distortion, intra-group exposures should receive a 0% risk weight when the appropriate conditions are fulfilled.
- Credit institutions should be able to opt for the possibility to treat credit facilities linked to a wage account as qualifying revolving retail exposures.
- The discretion allowing lower LGD levels for lease exposures under the IRBF approach should run its course until 2012 at which time the levels should be reviewed in light of data gathered.
- Discretions permitting the competent authorities to set the number of days past due between 90 and 180 days should be maintained.

Please do not hesitate to contact me or Jacqueline Mills at [j.mills@eurofinas.org](mailto:j.mills@eurofinas.org) or +32 2 778 05 66 for any further information you may require on the above points or for queries on our detailed response attached.

Yours sincerely,



Tanguy van de Werve  
EUROFINAS DIRECTOR GENERAL

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### About Eurofinas

**Eurofinas** is the main voice of the specialised consumer credit industry at European level. It currently represents 16 Member Associations, in turn bringing together more than 1 000 finance houses, captive companies, specialised and universal banks. Together, these consumer credit providers financed over 380 billion euros worth of new loans during 2006, an increase of 5.4% compared to 2005, with outstandings reaching 645 billion euros at the end of the year. Companies represented through Eurofinas employ some 85 000 individuals.

Consumer credit providers may be of several natures and our members' members can be grouped into the categories below. Around 90% of the companies represented through Eurofinas are specialised lenders, falling into the first three categories:

- Finance houses: specialised consumer credit providers without a banking licence;
- Captive companies: parent companies of these companies are manufacturers (e.g. car manufacturers). Captives may or may not have a banking licence;
- Specialised banks : institutions with a banking licence but an activity limited to consumer credit or/and mortgage lending; and
- Universal banks: banks providing all kinds of products retail, corporate, etc., including consumer credit.