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Mr José Manuel Campa
Chairperson of the European Banking
Authority (EBA)
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Sent by email

Subject: Call for advice to the European Banking Authority (EBA) regarding the review of Directive 2014/17/EU¹ (Mortgage Credit Directive)

Dear José Manuel,

Article 44 of the Mortgage Credit Directive (MCD) requires the Commission to undertake a review of the Directive to consider the effectiveness and appropriateness of the provisions relating to consumers and the Single Market. In response to Article 44 requirements, the Commission published a report on 11 May 2021², concluding that the MCD has been effective in raising the standard of consumer protection and helped to harmonise mortgage lending practices across Member States. Nevertheless, the level of protection still differs between the Member States. In addition, there is a need to ensure that consumer protection rules remain fit for purpose, in particular in view of green and digital transitions.

The report also concluded that the impact on the creation of a single market for residential property loans has been limited, mostly for reasons outside the scope of the Directive. With the digitalisation of financial services comes the possibility to increase cross-border activity in the near future.

We are continuing to gather evidence, in view of a possible revision of the MCD. An Open Public Consultation and Call for Evidence³ have been published on 22 November 2021. We also intend to commission a study to support an impact assessment of any possible measures to be taken at the EU level.

¹ Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 Text with EEA relevance

² Report (COM(2021)229) from the Commission to the European Parliament and the Council on the review of the Directive 2014/17/EU of the European Parliament and of the Council on credit agreements for consumers relating to residential immovable property.

³ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13090-Mortgage-credit-review-of-EU-rules_en

Furthermore, the Commission services are seeking advice from the EBA on a number of specific topics related to the MCD. Your work will represent an important contribution to our evidence-gathering process and help us in preparation of the impact assessment. To this end, I would ask the EBA to deliver its advice to the Commission services by 30 June 2022.

My services stand ready to support the EBA in completing this advice as efficiently as possible.

Thank you in advance for your cooperation and I look forward to receiving the EBA's advice.

Yours sincerely,
(e-signed)

John BERRIGAN
Director-General

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Enclosure: Call for advice for the MCD review