



**EUROPEAN CENTRAL BANK**  
BANKING SUPERVISION

**Andrea ENRIA**

Chair of the Supervisory Board

*COURTESY TRANSLATION*

Mr Ernest Urtasun  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 10 June 2020

**Re: Your letter (QZ-033)**

Honourable Member of the European Parliament, dear Mr Urtasun,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 7 May 2020.

In your letter you raise two questions regarding the implementation of measures adopted by the Spanish government to manage the economic and social impact of the coronavirus (COVID-19), especially with regard to the deferral of mortgage payments.

Since the beginning of the COVID-19 outbreak, ECB Banking Supervision has been collecting detailed information about the measures taken by national authorities or by the private sector to tackle the current crisis, and we are monitoring their implications for the banking sector. This is in line with the guidelines on legislative and non-legislative moratoria issued by the European Banking Authority (EBA)<sup>1</sup>, which apply to the ECB and to the national competent authorities in their respective areas of competence. In accordance with these guidelines, national competent authorities must notify the EBA of any use of general payment moratoria in their jurisdictions and provide relevant information on each moratorium.

Regarding your first question about the adoption of extraordinary measures, ECB Banking Supervision has publicly expressed its support for all initiatives which can provide sustainable solutions to temporarily distressed debtors in the context of the current outbreak.<sup>2</sup> To this end, the ECB has introduced supervisory flexibility regarding the treatment of non-performing loans (NPLs), in particular to allow banks to fully benefit from guarantees and moratoria put in place by public authorities to tackle the current distress. In particular,

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<sup>1</sup> See [EBA guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis](#).

<sup>2</sup> See [ECB Banking Supervision press release of 20 March](#).

ECB Banking Supervision introduced supervisory flexibility for exposures covered by eligible payment moratoria related to COVID-19, taking into account all available support measures.<sup>3</sup>

In response to your second question, on the monitoring of Spanish financial institutions' handling of requests for deferrals of mortgage payments, I would like to stress that it is the responsibility of banks to ensure that applications received from customers meet the requirements set by the relevant legislation. Any complaints about the outcome of individual assessments would fall within the competence of national authorities. In line with its responsibility as prudential supervisor, the ECB is collecting aggregate information on the number and volume of moratoria requests that individual banks have received, processed, approved and rejected. These data will feed into our ongoing prudential analysis of banks.

Yours sincerely,

[signed]

Andrea Enria

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<sup>3</sup> See [FAQs on ECB supervisory measures in reaction to the coronavirus](#).