



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Meeting 227/08.03.2024

- Item 1: Enactment of macroprudential borrower-based measures (BBMs) for loans and other credit to natural persons secured by residential real estate in accordance with Article 133A of Law 4261/2014
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THE EXECUTIVE COMMITTEE OF THE BANK OF GREECE, having regard to:

- a) Articles 28 and 55A of the Statute of the Bank of Greece (Government Gazette A 298);
- b) Law 4261/2014 “Access to the activity of credit institutions and prudential supervision of credit institutions (transposition of Directive 2013/36/EU), repeal of Law 3601/2007, and other provisions” (Government Gazette A 107), notably Articles 4 and 133A thereof;
- c) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 “on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012” (OJ L 176, 27.06.2013);
- d) Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 “on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board” (OJ L 331, 15.12.2010);
- e) Recommendation ESRB/2013/1 of the European Systemic Risk Board of 4 April 2013 “on intermediate objectives and instruments of macro-prudential policy” (OJ C 170, 15.06.2013);
- f) Recommendation ESRB/2011/3 of the European Systemic Risk Board of 22 December 2011 “on the macro-prudential mandate of national authorities” (OJ C 41/1, 14.02.2012);
- g) “The ESRB Handbook on operationalising macroprudential policy in the banking sector”, published on 11 April 2018;
- h) the Guidelines of the European Banking Authority (EBA) on loan origination and monitoring (EBA/GL/2020/06);
- i) Executive Committee Act 175/1/29.7.2020 “Adoption of the Recommendation of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps (ESRB/2016/14), as amended by the Recommendation of the European Systemic Risk Board of 21 March 2019 (ESRB/2019/3)” (Government Gazette B 3561);
- j) the relevant explanatory note of the Bank of Greece’s Financial Stability Directorate dated 6 March 2024; and



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- k) the fact that no expenditure shall be incurred by the Government Budget as a result of the provisions of this Act,

hereby DECIDES as follows:

1. The macroprudential borrower-based measures (BBMs) introduced by this Act shall apply to loans and other credit to natural persons secured by residential real estate located in Greece and originated following the entry into force of this Act by:

- a) institutions, as defined in Article 4(1) point (3) of Regulation (EU) No 575/2013, having their head office in Greece;
- b) financial institutions, as defined in Article 4(1) point (26) of Regulation (EU) No 575/2013, having their head office in Greece;
- c) financial sector entities, as defined in Article 4(1) point (27) of Regulation (EU) No 575/2013, having their head office in Greece; and
- d) institutions or entities having their head office in another Member State of the EU or in a non-EU country, which operate through a branch in Greece.

2. The macroprudential measures laid down in this Act shall not apply to:

- a) loans and other credit falling within the scope of Articles 47a and 47b of Regulation (EU) No 575/2013 of the European Parliament and of the Council;
- b) loans and other credit disbursed under national housing policy or green transition programmes, which are subject to more specific terms and conditions;
- c) portfolios of re-performing loans purchased from credit servicing firms licensed under Law 5072/2023.

3. For the purposes of this Act, the definitions of Chapter II of Executive Committee Act 175/1/29.7.2020 (Government Gazette B 3561) shall apply.

4. The Bank of Greece establishes macroprudential borrower-based measures (BBMs) for loans and other credit to natural persons which are secured by residential real estate located in Greece, as follows:

- a) a cap on the loan-to-value ratio at origination (LTV-O ratio) of 90% for first-time buyers and 80% for second and subsequent buyers. Each of the above LTV-O caps may be waived for up to 10% of the total number of new loans and other credit originated and at least partially disbursed in each calendar quarter at institution-/entity-level. Compliance with the waiver quotas shall be assessed separately for first-time buyers and for second and subsequent buyers. The LTV-O cap shall not apply to financial real estate leasing agreements entered into by individuals;
- b) a cap on the debt service-to-income ratio at origination (DSTI-O ratio) of 50% for first-time buyers and 40% for second and subsequent buyers. Each of the above DSTI-O caps



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may be waived for up to 10% of the total number of new loans and other credit originated and at least partially disbursed in each quarter at institution-/entity-level. Compliance with the waiver quotas shall be assessed separately for first-time buyers and for second and subsequent buyers.

5. The provisions hereof shall enter into force as from 1 January 2025.

6. The Financial Stability Directorate of the Bank of Greece is hereby authorised to provide guidance and clarifications on the implementation hereof.

7. We order that this Act be published in the Government Gazette and posted on the website of the Bank of Greece.

THE SECRETARY

THE MEMBERS

THE CHAIRMAN

Yannis Stournaras

True and exact copy

Athens, 20.03.2024

The Secretary

[signed]

I. Pantou