

Supervisory expectations of 23 October 2019 of the National Bank of Belgium regarding internal management of lending standards applied to Belgian mortgage loans

Financial institutions' compliance report

Name of the institution	
E-mail of the institution's contact person	
Year covered by the report	
Date of the report	
Number of annexes attached	

- [For banks only] The institution confirms it has correctly used the harmonised definitions of LTV, DSTI, DTI, buy-to-let loan and first-time buyer agreed with the National Bank of Belgium and used in the PHL reporting, to assess its compliance with the National Bank of Belgium supervisory expectations of 23 October 2019 regarding Belgian mortgage loans.
- [For insurance companies only] The institution confirms it has correctly used the harmonised definitions of LTV, DSTI, DTI, buy-to-let loan and first-time buyer mentioned in the Circular NBB_2018_27 (Annex 2), to assess its compliance with the National Bank of Belgium supervisory expectations of 23 October 2019 regarding Belgian mortgage loans.
- The institution certifies all the data reported in this self-assessment are correct and exhaustive.
- A 2% error margin is allowed when assessing compliance with the tolerance margins but only for reasons other than the bank's internal credit policy. The use of this error margin is documented with a brief description of the (technical) reasons affecting these specific loans.
- In case of non-compliance, the institution ensures it provides a detailed explanation for this non-compliance in the compliance report.
- The institution confirms this report has been approved by the institution's Executive board / committee and Board of directors.

Signature of the Executive board / committee 's chairman:

Signature of the Board of directors' chairman:

Expectation 1: 80% LTV-cap on buy-to-let (BTL) loans with a 10% tolerance margin and a hard 90%-LTV cap

	Amounts of loans granted during the period covered	Share of total BTL loans granted during the period covered
BTL loans with a LTV up to 80%		
BTL loans with a LTV > 80%		
BTL loans with a LTV > 90%		
Total BTL loans		100%

In case of non-compliance, please provide in the box below a detailed explanation of the reasons why the recommended tolerance margin has been breached. Please explain why your institution considers the applied credit and pricing policy as sound.

Please provide a detailed and granular overview of the characteristics and pricing of the loans that have been granted within — and if applicable above — the defined tolerance margin (nature of the investment, characteristics of the borrower and client segment, availability of non-real estate collateral, risk mitigating features, differentiated pricing policy etc...). Please distinguish between the loans within and above the tolerance margin. A high-level summary in the box below should be complemented with detailed annexes providing the requested details:

Expectation 2: 90%-LTV cap on owner-occupied loans to first time buyers (FTB) with a 35% tolerance margin and a maximum of 5% of FTB-loans with a LTV exceeding 100%

	Amounts of loans granted during the period covered	Share of total FTB loans granted during the period covered
FTB loans with a LTV up to 90%		
FTB loans with a LTV > 90%		
FTB loans with a LTV > 100%		
Total FTB loans		100%

In case of non-compliance, please provide in the box below a detailed explanation of the reasons why the recommended tolerance margin has been breached. Please explain why your institution considers the applied credit and pricing policy as sound.

Please provide a detailed and granular overview of the characteristics and pricing of the loans that have been granted within — and if applicable above — the defined tolerance margin (nature of the investment, characteristics of the borrower and client segment, availability of non-real estate collateral, risk mitigating features, differentiated pricing policy etc...). Please distinguish between the loans within and above the tolerance margin. A high-level summary in the box below should be complemented with detailed annexes providing the requested details:

Expectation 3: 90%-LTV cap on owner-occupied loans to other borrowers with a 20% tolerance margin and a hard 100%-LTV cap

	Amounts of loans granted during the period covered	Share of total Other loans granted during the period covered
Other loans with a LTV up to 90%		
Other loans with a LTV > 90%		
Other loans with a LTV > 100%		
Total Other loans		100%

In case of non-compliance, please provide in the box below a detailed explanation of the reasons why the recommended tolerance margin has been breached. Please explain why your institution considers the applied credit and pricing policy as sound.

Please provide a detailed and granular overview of the characteristics and pricing of the loans that have been granted within — and if applicable above — the defined tolerance margin (nature of the investment, characteristics of the borrower and client segment, availability of non-real estate collateral, risk mitigating features, differentiated pricing policy etc...). Please distinguish between the loans within and above the tolerance margin. A high-level summary in the box below should be complemented with detailed annexes providing the requested details:

Expectation 4: A cap on loans combining a LTV > 90% and a DSTI > 50% with a 5% tolerance margin

	Amounts of loans granted during the period covered	Share of total loans granted during the period covered
Loans with LTV ≤ 90% and DSTI ≤ 50%		
Loans with LTV > 90% and DSTI ≤ 50%		
Loans with LTV ≤ 90% and DSTI > 50%		
Loans with LTV > 90% and DSTI > 50%		
Total loans		100%

In case of non-compliance, please provide in the box below a detailed explanation of the reasons why the recommended tolerance margin has been breached. In particular, please explain why your institution considers the applied credit and pricing policy as sound.

Please provide a detailed and granular overview of the characteristics and pricing of the loans that have been granted within — and if applicable above — the defined tolerance margin (nature of the investment, characteristics of the borrower and client segment, availability of non-real estate collateral, risk mitigating features, differentiated pricing policy etc...). Please distinguish between the loans within and above the tolerance margin. For the loan contracts with variable interest rates, detailed breakdowns about the rate variability, applicable contractual caps on client rates, loan maturity and other relevant features (eg in case of accordion loans) should be provided as well. A high-level summary in the box below should be complemented with detailed annexes providing the requested details:

Expectation 5: A cap on loans combining a LTV > 90% and a DTI > 9 with a 5% tolerance margin

	Amounts of loans granted during the period covered	Share of total loans granted during the period covered
Loans with LTV ≤ 90% and DTI ≤ 9		
Loans with LTV > 90% and DTI ≤ 9		
Loans with LTV ≤ 90% and DTI > 9		
Loans with LTV > 90% and DTI > 9		
Total loans		100%

In case of non-compliance, please provide in the box below a detailed explanation of the reasons why the recommended tolerance margin has been breached. In particular, please explain why your institution considers the applied credit and pricing policy as sound.

Please provide a detailed and granular overview of the characteristics and pricing of the loans that have been granted within — and if applicable above — the defined tolerance margin (nature of the investment, characteristics of the borrower and client segment, availability of non-real estate collateral, risk mitigating features, differentiated pricing policy etc...). Please distinguish between the loans within and above the tolerance margin. A high-level summary in the box below should be complemented with detailed annexes providing the requested details:

Additional information: Loans for which no real estate is provided as collateral

Please provide detailed information on loans for which no real estate is provided as collateral (volumes, number of credits, average amount, collateral, loan amount compared to value collateral, client segment, pricing, PD/LGD...).