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NOTE

from: General Secretariat of the Council
to: Delegations

Subject : *Summary record of the plenary session of the European Parliament held in Strasbourg on 10 September*
Credit agreements relating to residential property

Mr SANCHEZ PRESEDO (S&D, ES), rapporteur, pointed out that the new legislation on mortgages would become a reference in terms of consumer protection, financial inclusion and economic stability and would help to avoid the irresponsible lending and borrowing that were at the roots of the current crisis. He underlined in particular the economic importance of the debate for EU citizens, given that 70% of the EU population are owner-occupiers and the potential for growth of the internal market linked to the new scheme, since mortgages represent half of the EU GDP. He mentioned as important aspects of the new scheme the pre contractual information to the consumer, the need for evaluation of the property by an independent authority, the cooling off period granted to the borrower to withdraw from the contact, the flexibility against market changes and provisions on loans denominated in a foreign currency. Specific provisions regulate the default procedure.

Mr ŠADŽIUS, on behalf of the Council, delivered the speech set out in [Annex I](#).

Mr BARNIER, on behalf of the Commission, delivered the speech set out in [Annex II](#).

Ms THEIN (ALDE, DE) on behalf of the Committee for Legal Affairs, supported the draft Directive, although expressing some criticism on the modalities for the provision of information, considering that this reflect a more face to face approach than just the possibility of comparing online offers.

Mr SCHWAB (EPP, DE), on behalf of the Committee for the internal market welcomed the draft Directive as a step forward towards preventing fragmentation of the internal market and a way to overcome credit bubbles in MS.

Contributions on behalf of the groups

Mr PALLONE (EPP, IT) welcomed the positive outcome delivered by the rapporteur and shadows and underlined that consumer interests were protected through a relatively small number of clear provisions addressing a sector that had been at the origin of the economic and financial crisis in the US. He underlined the importance of ensuring rapid entry into force of the new scheme. In reply to a blue card from Mr VULJANIC (S&D, HR), who considered that the prevention of evictions from a family house should also have been foreseen by the scheme, he stated that the provisions already represented a good compromise, and that these could be improved later.

Ms REGNER (S&D, AT) underlined the constructive work accomplished by the EU institutions to the advantage of consumers. The scheme also provided for enhanced efficiency and competitiveness of the internal market.

Mr DE BACKER (ALDE, BE) stressed the importance of transparency for consumers in the contractual negotiations and the importance of providing the consumer with a clear picture of the risks.

Mr LAMBERTS (GREENS, BE) underlined the importance of mortgages in the financial life of EU consumers and considered that the new provisions should have gone further in protecting individuals against excessive private debt.

Ms FORD (ECR, UK) stressed the differences in the mortgage market across Europe and warned against what she qualified as a "one size fits all" approach. In her view, there was no need for such a rigid scheme, in particular with regard for the information that had to be provided.

Mr MEYER (GUE, ES) welcomed the new scheme and in particular the new political approach which considered houses as a citizens' right and not as a market commodity.

Mr BLOOM (EFD, UK) criticised political interference in the mortgage market and recalled the fact that the financial crisis had started in the US because of a political interference in the regulation of Banks' due diligence when granting a mortgage.

Ms MORVAI (NA, HU) welcomed the new scheme and underlined the family tragedies that had occurred because of mortgages entered into in foreign currencies.

Contributions on behalf of individual MEPs

Nine individual MEPs took the floor, mainly following to the positions expressed by the group coordinators.

In his concluding remarks, Mr Barnier pointed out that the scheme was a part of a broader framework aimed at ensuring consumer protection and mentioned the packaged retail investment products (PRIPs), the revision of the directive on insurance mediation, and the access to basic bank accounts and the transparency of bank fees as further important legislative texts that would complete the system of consumer protection, in line with the commitment he had given.

Minister ŠADŽIUS underlined the fact that protecting consumers is not political interference since it is normal legal practice to protect the weaker party to a contract. He acknowledged that the market can solve a number of difficult issues, but considered that it still needed to be regulated, which was one of the purposes of the directive. He stated that the Council was looking forward to the adoption of the text at first reading.

Mr SANCHEZ PRESEDO concluded by referring to the outstanding issue of the documents needed by the Parliament in order to assess the correct transposition of complex provisions into National law. He underlined the wide agreement in the EP on the text, that would be put to a vote and thanked the shadow rapporteurs and members of the advising EP Committees for their work.

The plenary adopted the text of the draft Directive, and in particular amended its Article 30 (Transposition) as set out in annex III. The vote on the legislative Resolution was postponed.

Mr President, honourable Members, I am really very pleased to be participating in this important debate on behalf of the Council. This debate is about credit agreements relating to the Residential Property Directive, which in our view is a very important document.

Let us remind ourselves that, historically, the crisis in 2007-2008 started from the debacle in the subprime markets of mortgage credits in the United States. This topic, I would say, was a red line during all the years of the crisis. This is really the problem we should take a view on when resolving and preventing similar crises in the future.

The main diagnosis that can be made today was that ill-informed and often vulnerable consumers were encouraged to take excessive risks. We have seen the results. The results have been very, very dangerous for the whole financial market but also, personally, for those people, because there were huge numbers of personal tragedies: of people who were evicted from their houses just for being incapable of paying their mortgages. We have to do something about that.

And we have done something. We have on our tables this proposal for a directive which would mean a new stage in European policies on mortgage credits. This directive should prevent such excesses and should lead to responsible lending. Consumers should, in the first place, get the protection they deserve. They will be better informed, because better information is the first step in getting consumers to take the right steps and the right action when they decide to change something in their lives.

But we have also, as regards mortgage providers, enhanced competition and we are coping with the fragmentation of the mortgage credit market. The mortgage credit market is now absolutely fragmented in the European Union. We actually have 28 markets. We should unite them in order for competition to increase. One of the very important novel means proposed is a European passport for mortgage credit providers, which will give them the possibility to act Europe-wide.

The difficult work has been done, so I must thank the rapporteur, Mr Sánchez, and also all the other Members who were involved in this work. I must also thank the previous Irish Presidency for the huge work which has been done and, finally, I must thank the Commission, which also participated in this activity. We have a great result on our tables.

We could adopt this proposal at first reading, and the life of this document could then start. But for this we need one technical issue to be resolved: the issue of the joint political declaration of 27 October 2011 on explanatory documents. This issue will be discussed during this debate today. As this is the last remaining issue, I would ask Members to resolve it so that we can proceed at first reading with a final result on this directive.

We must deliver for our people, for our citizens. I look forward to listening to this very important debate.

Monsieur le Président, Mesdames et Messieurs les députés, nous savons tous que la prise d'un crédit hypothécaire dans la vie d'un citoyen, d'une famille est un des engagements les plus importants, les plus lourds qui puisse exister. Cette proposition que j'ai présentée il y a maintenant près de deux ans a un double objectif: réaliser un marché intégré des crédits hypothécaires plutôt que d'avoir 28 cadres réglementaires différents et juxtaposés, et prévenir les comportements de prêt et d'emprunt irresponsables. Bref, en Europe, protéger les consommateurs et les citoyens.

Je suis très heureux que les colégislateurs – M. le ministre Šadžius et le Parlement européen –, dans un effort de compromis, aient pu travailler ensemble en vue de cette protection des consommateurs.

Je voudrais d'emblée remercier Antolín Sánchez Presedo – qui a fait un très bon travail sur ce texte très constructif – mais aussi, pour la commission du marché intérieur et de la protection des consommateurs, Andreas Schwab, et, pour la commission des affaires juridiques, Alexandra Thein, les rapporteurs fictifs qui sont ici (Alfredo Pallone, Philippe De Backer, Sven Giegold, Vicky Ford et Nikolaos Chountis). C'est un travail collectif que vous avez réalisé – je peux en témoigner – et qui a abouti à cette avancée significative pour la protection des emprunteurs.

Le ministre Šadžius a rappelé le drame qu'a constitué la crise des *subprimes* aux États-Unis. L'Europe elle-même n'a pas été épargnée par de tels risques ou de telles crises. Voilà pourquoi ce texte est justifié, qui crée ce marché unique du crédit hypothécaire et qui garantit cette meilleure protection des consommateurs.

Je rappellerai télégraphiquement quelques points clés de cette directive.

Premièrement, elle introduit des exigences nouvelles en matière d'examen de la solvabilité avant l'octroi du crédit hypothécaire.

Deuxièmement, elle introduit l'exigence, imposée à ceux qui apportent le crédit, d'une information claire, standardisée, une capacité de comparaison au service des consommateurs.

Troisièmement, elle introduit des dispositions spécifiques pour certains types de prêt plus "risqués", comme les prêts à taux variable et – M. Sánchez Presedo l'a dit – les prêts en devises étrangères.

Enfin, elle introduit des règles harmonisées et un passeport pour les intermédiaires de crédit.

C'est là que nous construisons ensemble ce marché unique du crédit: en réduisant les obstacles qui empêchent – nous avons tous des exemples autour de nous – les consommateurs, les prêteurs et les intermédiaires de prendre ou de proposer un prêt dans un pays autre que le leur.

Tous ces éléments relèvent bien de la protection des consommateurs et également d'une meilleure concurrence entre les prestataires et les offres au profit des prêteurs, bien sûr des intermédiaires mais, aussi et surtout, des consommateurs.

Je veux, une fois de plus, rappeler et dire à l'extérieur que le Parlement a non seulement contribué à ce texte mais l'a amélioré, comme c'est très souvent le cas. Par exemple, Monsieur le rapporteur, sur les ventes liées ou sur la tolérance raisonnable dont doit faire preuve le prêteur en cas de défaut de paiement de l'emprunteur.

Nous avons donc avec ce texte un des exemples – auxquels je tiens comme vous, Mesdames et Messieurs les députés – de cette Europe concrète, de cette Europe citoyenne proche des gens, de leurs problèmes, de leurs difficultés ou de leurs éléments de leur vie quotidienne.

Il reste un dernier point en suspens – vous le savez tous –: cette question des documents d'explication et le fait de savoir s'ils doivent faire, pour leur publication, l'objet d'un considérant ou d'un article. Je connais l'importance de cette question et la sensibilité du Parlement. J'ai d'ailleurs une attitude compréhensive et de la sympathie à l'égard de la position du Parlement. Très franchement, ce texte est tellement important pour les citoyens que je pense que nous devons trouver une solution. Il ne peut s'agir d'un obstacle pour empêcher ou retarder l'adoption de ce texte – qui est attendu – pour la protection des consommateurs. Avec la sympathie que j'ai pour la position du Parlement, en tant que commissaire, je suis prêt – je le dis à M. le ministre – à contribuer, dans les prochaines heures, à un accord sur cette question, mais il faut aboutir pour mettre en place le texte le plus rapidement possible.

"Article 30

Transposition

1. Member States shall adopt and publish, by ...^{*}, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those measures.

Where the documents accompanying notification of transposition measures provided by the Member States are not sufficient to assess fully the compliance of those measures with certain provisions of this Directive, the Commission may, upon EBA's request with a view to carrying out its tasks under Regulation (EU) No 1093/2010, or on its own initiative, require Member States to provide more detailed information regarding the transposition of this Directive and the implementation of those measures.

- 1a. *Member States* shall apply measures referred to in paragraph 1 from ...^{*}.

When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive."

^{*} OJ please insert date: two years after the entry into force of this Directive.