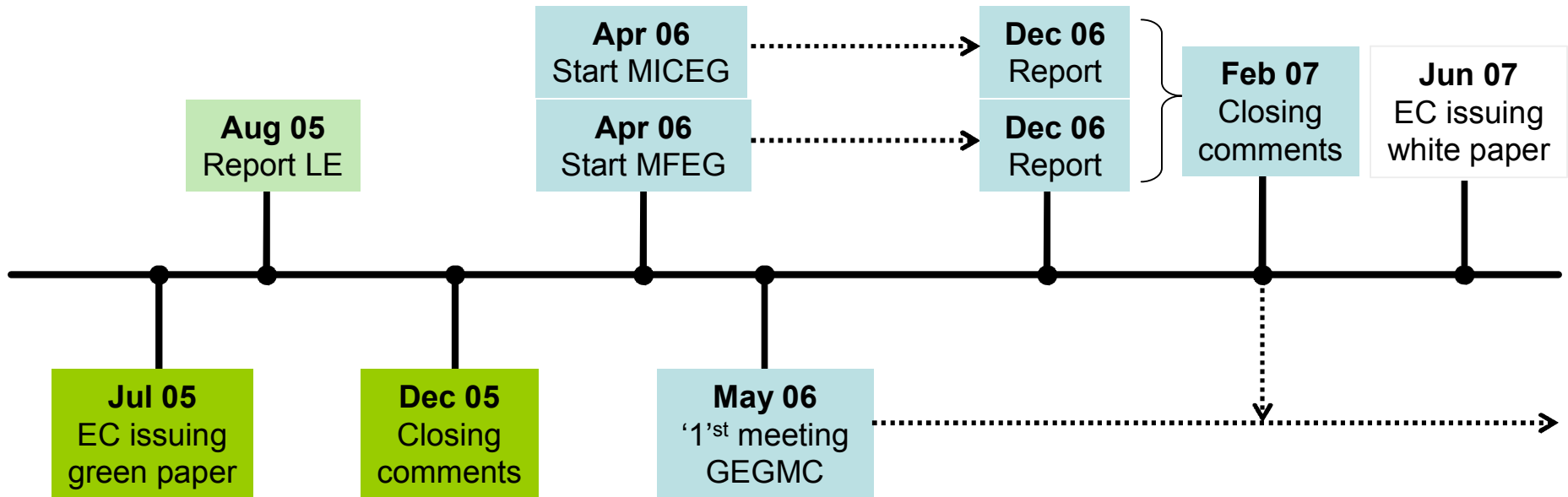


Cross border mortgage credit

Summary on developments in
relation to Land Registers and
positioning

Timeline



- EC = European Commission
- LE = London Economics
- MICEG = Mortgage Industry and Consumer Expert Group
- MFEG = Mortgage Funding Expert Group
- GEGMC = Government Expert Group on Mortgage Credit

Purposes

Institution	Purpose
Green paper EC	Examines case for EC action in EU Mortgage credit market to make it more competitive/efficient
(Report) LE	Analysis of costs and benefits for further integration
MICEG	Exploration key consumer protection issues
MFEG	Review barriers for efficient mortgage market/solutions
GEGMC	Assist and advise EC in development of policy on mortgage credit

Green paper

Conclusions Commission

- Land registers record, and to a certain extent, determine, legal property ownership rights. Land Registers do not always reflect accurately all charges that could affect property ownership rights. An understanding of their contents and operation, as well as easy access to them, is crucial for cross-border mortgage credit activity of any kind (including funding).
- This has already been recognized by the Commission through its funding of the pilot phase of the EULIS project.
- The Commission questions whether it should continue to play an active funding role in such initiatives. Given the use of such registers by lenders and investors, one can assume that they would have a direct interest in contributing to and investing in such initiatives.
- Before making further assessments, the Commission would welcome input on all these issues.

Feedback on green paper: Eulis

Eulis was unanimously supported

Effort should be undertaken:

- To encourage more countries to join
- To standardize its content in order to ensure credibility of Eulis
- To facilitate remote access
- To examine legal status of registers on Eulis and inform people about their legal status/how binding is information on line?

(Several) proposals urged Eulis to consider:

- Classification of real property
- Structure and how to update
- Content of mortgage rights

Feedback on green paper: Land registration

General consensus: Cross border access should be facilitated

- Access was difficult in some countries (name/date of birth not known)
- Accuracy of land registers is essential (quality guidelines/ minimum requirements on rights)
- Agreement on completeness (all charges in register and publicly available, ranking on 1st registered, hidden charges not allowed)
- A few other contributions:
 - projects to introduce electronic registry of charges
 - eurotitle

Mortgage Funding Expert Group Report/Barriers

- In some countries a transfer of surety to a new lender requires registration of a new mortgage deed. This means extra costs.
- In some states a true sale of a loan portfolio requires consent of each borrower mentioned. Extra complicity is added to administrative procedures.
- In 6 member states mortgage registers are not accessible cross-border. Reasons: technique or legislation/standards imposed by authorities.
- In almost all states electronic mortgage registers are in place. In only half the states online registration is accessible.
- In 5 states non-registered (hidden) mortgages and preferences exist. Scope and size is uncertain. If used widely, it could be a source of uncertainty.
- Registration time 15-30 days. Costs 1-6%, average = < two percent.

Mortgage Funding Expert Group Report /Recommendations

Commission should assure that:

- Mortgage loan portfolios are transferable to a new lender in all member states without registration of a new mortgage deed for each loan in the transferred portfolio.
- Transfer of loan is not subject to consent of the borrower if loan conditions are not altered to disadvantage of the borrower.
- Equal access in all member states to mortgage registers (for domestic and foreign lenders).
- Development of central and dematerialized registers should be encouraged.
- To enhance transparency recommendation of discontinuation of hidden mortgages.

Government Expert Group on Mortgage Credit In general

Est: early 2005/'1'st meeting 31 May 2006/ongoing Group

Task: Assist Commission in development of policy on mortgage credit

4 additional questions on Land Registry:

- Who has right to access registers, possibility of cross border access, same rights for non nationals as for nationals
- What information is needed to access register, costs involved, difference between national and cross-border inquiries
- Are there any hidden charges?
- What principle used on ranking. Basis first registered, first in rank

Feedback on questions received in 2006

Current stage: Asks for input on reports MFEG/MICEG < 15/02/2007

White paper: end of June 2007

Opportunities for us in relation to the cross border mortgage issue

Keeping up with the ongoing developments and communicate these to our members. Our webpage is the main source of information

The white paper is (just) a milestone; it's an ongoing process. If we are not directly involved in drafting the document we need to be involved in implementing the relevant issues and report it back to our members

We offer our help and assistance

We look for potential co-operation with other organizations involved and try to draw proposals possibly together (ELRA)

How do we promote ourselves as the organization for the NMCA's?

What is in place and what do we need?