Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 24/01/1996 - Legislative proposal

OBJECTIVE: the purpose of the Commission proposal is to amend Directive 89/647/EEC on a solvency ratio for credit institutions. The aim is to reduce the risk weighting for loans applicable to certain assets whose risk does not correspond to the current weighting. SUBSTANCE: the proposal for a Directive: - makes it possible for mortgage-backed securities to be treated in the same way as the mortgage loans referred to in Articles 6 and 11 of the existing Directive from the point of view of risk; - extends the existing provision making it possible to weight certain commercial mortgage loans at 50% (instead of 100%), which is applicable to only four Member States (Denmark, Germany, Greece and Austria), and expires on 01/01/1996, to all Member States for an additional period of 5 years to 01/01/2001.