Basic information

2006/2102(INI) INI - Own-initiative procedure	Procedure completed
Mortgage credit in the European Union. Green paper **Subject** 2.50.04 Banks and credit	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	PURVIS John (PPE-DE)	05/09/2005

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection (Associated committee)	MEDINA ORTEGA Manuel (PSE)	07/03/2006
JURI Legal Affairs	LECHNER Kurt (PPE-DE)	30/01/2006

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	MCCREEVY Charlie

Key events

Date	Event	Reference	Summary
19/07/2005	Non-legislative basic document published	COM(2005)0327	Summary
18/05/2006	Committee referral announced in Parliament		
18/05/2006	Referral to associated committees announced in Parliament		
10/10/2006	Vote in committee		Summary
19/10/2006	Committee report tabled for plenary	A6-0370/2006	
14/11/2006	Decision by Parliament	T6-0487/2006	Summary

14/11/2006	Results of vote in Parliament		
14/11/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2102(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/30136

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE374.100	12/05/2006	
Amendments tabled in committee		PE376.448	13/07/2006	
Committee opinion	JURI	PE376.750	04/10/2006	
Committee opinion	IMCO	PE376.602	06/10/2006	
Committee report tabled for plenary, single reading		A6-0370/2006	19/10/2006	
Text adopted by Parliament, single reading		T6-0487/2006	14/11/2006	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2005)0327	19/07/2005	Summary

Mortgage credit in the European Union. Green paper

2006/2102(INI) - 19/07/2005 - Non-legislative basic document

PURPOSE: to present a Green Paper on “Mortgage Credit in the EU”.

CONTENT: this Green Paper examines the case for greater EU action in the residential mortgage credit market. Much of the Paper’s content is based on a Commission funded study examining the costs and benefits of further mortgage integration. The presentation of this Green Paper forms an important element for the integration of financial services and retail financial services in particular.

In 2003, outstanding residential loans in the EU stood at around 44% of the EU’s GDP. Most of these loans were taken out with national and local lenders. Consumers appear reluctant to do business with foreign lenders for loans of this size and importance. Nor have foreign lenders exploited the EU’s internal market and offered their services in countries other than those in which they are based. The slow-uptake of cross-border mortgage lending is attributed to differences in marketing and the difficulty of comparing products, differing national legal rules on mortgage products and practical difficulties such as credit worthiness and property valuations.

The Paper questions what the potential benefits of mortgage integration could be. Estimated benefits include overall lower cost of the mortgage or home loan, better value for money ancillary products such as mortgage and home insurance; being able to target more borrowers (including those currently marginalised due to poor or incomplete credit ratings); plus the overall benefits associated with the EU's economy of scale.

This Green Paper also examines what role, if any, the Commission should play in stimulating an dynamic internal market in mortgages. In addition it considers what, if any, benefits such an internal market would have on consumers. A number of questions are posed and include: Could Commission action result in better choice? How could consumers be best advised about mortgages to help them make an informed decision? What are the benefits, if any, of standardised rules on calculating interest rates or the fees charged when switching loans. How to improve access to cross-border information on matters relating to residential mortgage lending? Should the EU be encouraging more cross-border activity in mortgage loans? Is there scope for a new kind of mortgage lender, that is not a bank and therefore not subject to banking rules?

In preparing the Green Paper the Commission has taken four main distinct, but interrelated, areas into account namely, consumer protection, legal issues, collateral and funding. All of these issues are examined in detail. The Commission welcomes views on all matters covered in the paper and on any further issues considered key to the increased integration and efficiency of the EU mortgage credit markets.

Mortgage credit in the European Union. Green paper

2006/2102(INI) - 14/11/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by John **PURVIS** (EPP-ED, UK) on the Commission Green Paper on mortgage credit in the EU. (For a summary of the main points of the resolution, please refer to the document dated 10/10/2006.)