VOUGA ABOGADOS

Banking and Finance News

The Superintendency of Banks announces the modification of regulatory aspects applied to housing loans

The Superintendency of Banks through Resolution No. 19/23 dated November 8, 2023 (the "Resolution") modified the categories of applicants for credits destined to housing loans provided in Resolution No. 12 dated October 29, 2020, which was rendered ineffective by the latest Resolution.

Identification of loans granted by financial institutions

The Resolution provides that loans disbursed by financial institutions for housing financing, regardless of their amount, shall be identified as "PERSONAL DEBTORS - HOUSING". However, the Resolution provides that loans for commercial purposes will not be included in this classification.

In addition, the Resolution provides that, the loan balances destined to housing financing will be classified as "Category II Assets with 0.10 rating". This is to determine solvency indicators.

Categorization of debtors

Debtors will be categorized according to their payment behavior, based on the default observed depending on the number of days of delay. In this regard, the Resolution provides for categories that are divided on a scale from 1 to 6, with the higher scale corresponding to a longer duration of the debtor's defaults. For example, loan balances up to 60 days past due will be part of category 1, and loan balances more than 330 days past due will be part of category 6. The Resolution also provides that the projections will be applied from risk category 2 onwards.

Minimum information requirements

Financial institutions must comply with certain minimum information requirements for debtors, for example, identification of the debtor (identity card or equivalent), information on the application, purpose and conditions of the loan, among others. If a co-debtor is involved, the minimum information requirements will also apply to the latter.

Interruption of the computation of days in default

The resolution stipulates that in cases of renegotiations, whether it be renewal, refinancing and/or restructuring of housing operations, the payment by the client with their own resources of 10% of the overdue debt (capital plus interests) and other due charges will interrupt the computation of the days in default. This will allow the upgrading of the category to the next lower risk category.

Appraisal of the property and minimum projections

The Resolution also provides that 100% of the quick sale value of the appraised value of the real estate received as collateral for housing loans will be established as the computable value for the determination of the minimum projections.

The appraised value of the collateral must be updated within a period of no more than 5 years. However, when the debtor is more than 90 days in default, or any other indicator of deterioration, a new appraisal must be made, provided that the last appraisal is not less than 3 years old.

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