

**Question for written answer E-002000/2022
to the Commission**

Rule 138

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Subject: Lending to EU nationals in EU Member States other than their country of residence

One of the EU's main objectives is the creation of a single internal market. However, in some cases it does not function or functions ineffectively. One area of concern is the market for housing loans to individuals and loans to SMEs.

Interest rates on housing loans vary considerably across the EU, and it is practically impossible to gain access to loans for business development or property acquisition in other Member States where interest rates are lower. This reduces the competitiveness of companies from countries with higher interest rates and makes it more difficult for individuals to acquire property.

Several factors contribute to this situation: Member States lack a unified framework for how banks should assess the creditworthiness of borrowers, e.g. one bank's assessment that a person is creditworthy may be irrelevant to another bank; asset valuations are not universally accepted, and there is no common EU database that banks can use to see the value of collateral and thus make the loans that they issue safer.

Each Member State essentially has separate markets for housing loans, which substantially reduces the choices available to EU citizens, and this limited competition in some Member States penalises EU citizens.

How does the Commission intend to address this problem so that EU citizens have the same freedom to take out a loan (particularly for housing) from any bank in any Member State that provides such loans, regardless of where they live or where they own property?