

**Priority question for written answer P-006362/2020
to the Commission**

Rule 138

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Subject: Changes to the new EU rules on non-performing loans following the impact of the COVID-19 pandemic on the economy

The COVID-19 pandemic is a major shock to the global and European economy. This situation is leading to a series of economic shocks that are testament to a sharp drop in supply and demand, which is having substantial repercussions on GDP, with a serious risk of a rise in unemployment.

Against this background, the full entry into force in the EU, as of next January, of the new definition of default, with regard to non-performing loans, will create huge problems for millions of households and businesses unless it is reviewed and coordinated with the current complex situation of the economy. Indeed, the new legislation provides that any economic operator should be reported as a 'bad payer' (past due) after only 90 days of delay in paying back his or her loan and that, subsequently, the bank should initiate its own recovery and write-down measures in accordance with mandatory timetables ('calendar provisioning'). This would also involve the need for further provisioning for banks, which would become even more cautious when granting credit.

In view of the above:

1. Does the Commission not agree, in the current economic climate, being undermined by the pandemic, that changes should be made to these rules – even on a temporary basis – to allow for greater credit flexibility?
2. Does it not agree – in particular with regard to the 'up to 90 days past due' rule – that this rule should be temporarily relaxed for the COVID-19 emergency, in order to avoid the negative social impact of such a tight timetable?