

## Participation in debt moratoriums

The Bank of Italy's sample survey of banks gathers data on: the implementation of the government measures contained in the 'Cure Italy' and 'Liquidity' decree laws, sectoral initiatives and those offered bilaterally by individual banks to their customers. On the basis of provisional data, on 17 July more than 2.7 million applications or notifications for debt moratoriums were received, for a total value of €295 billion<sup>1</sup>. It has been estimated that, in terms of the amounts involved, around 91 per cent of the applications and notifications for moratoriums have been accepted by banks, even if there are some differences between the various measures – to date about 5 per cent have been rejected and the rest are still being examined.

Some 44 per cent of applications for a moratorium came from non-financial corporations (in relation to loans totalling €194 billion). As regards SMEs, applications under Article 56 of the 'Cure Italy' decree law (more than 1.2 million) were in relation to loans and credit lines for €158 billion, while participation in the moratoriums sponsored by ABI (50,000) accounted for €12 billion worth of financing to SMEs.

Households applied for loans amounting to around €92 billion<sup>2</sup>. The banks received around 202,000 applications for suspension of instalments on first home mortgage loans (via the 'Gasparrini' Fund), for an amount averaging around €94,000. In this case, it is estimated that because of the more complex approval process, applications still being considered may account for almost one fifth of the amounts requested; 54 per cent have already been accepted, and around 26 per cent rejected<sup>3</sup>. The debt moratoriums offered to households by ABI and Assofin, which started at the end of April, have had almost 450,000 participants, for about €19 billion worth of loans.

---

<sup>1</sup> The number of requests for debt moratoriums and the relative amounts may be lower than in previous weeks. This is because some loans, previously subject to the moratoriums, have reached their maturity date or because the data previously reported by the banks have been revised and corrected.

<sup>2</sup> The 'households' category used here also includes some companies that differ from non-financial corporations such as craft businesses for example.

<sup>3</sup> Access to the 'Gasparrini' Fund became more rapid following the implementation of the changes in the regulations introduced at the time of the conversion of the 'Liquidity' decree law (Law 40/2020).

**Table 1. Participation in debt moratoriums in Italy (1)**

(as at 17 July 2020)

	1. Number of applications				2. Value of applications (2)			
	Received (thousands)	Approved (%)	Rejected (%)	Under evaluation	Received	Approved (%)	Rejected (%)	Under evaluation
<b>Moratoriums under the 'Cure Italy' decree</b>	<b>1,461</b>	<b>91</b>	<b>5</b>	<b>4</b>	<b>177</b>	<b>93</b>	<b>4</b>	<b>3</b>
(A) SMEs (Article 56)	1,259	98	1	1	158	98	1	1
- 'freezing' of revocable loans (par. 2.a)	199	98	2	0	17	99	0	0
- extension of loan terms (par. 2.b)	42	96	2	2	4	97	2	2
- suspension of loan/leasing instalments (par. 2.c)	1,018	98	1	1	136	98	1	1
(B) Households ('Gasparini' Fund, Article 54)	202	52	27	20	19	54	26	20
<b>Moratoriums following financial sector initiatives</b>	<b>1,246</b>	<b>91</b>	<b>6</b>	<b>3</b>	<b>119</b>	<b>92</b>	<b>3</b>	<b>5</b>
(C) Moratoriums promoted by trade associations	502	92	6	2	31	92	3	5
- ABI - Businesses ( <i>Imprese in ripresa 2.0</i> )	50	95	1	4	12	91	1	9
- ABI - Households - 21 April 2020	246	92	5	3	17	93	4	4
- Assofin - Households - Consumer credit	206	90	10	1	2	90	9	1
(D) Other (3)	745	91	6	3	88	92	3	5
<b>Total (A+B+C+D)</b>	<b>2,707</b>	<b>91</b>	<b>5</b>	<b>3</b>	<b>295</b>	<b>93</b>	<b>3</b>	<b>4</b>
(non-financial corporations)	1,198	97	1	1	194	96	1	3
(households) (4)	1,452	89	7	5	92	88	6	6
(other) (5)	57	37	58	5	9	70	26	4

**Source:** Bank of Italy, sample survey of banks.

**Note:**

(1) The data concern the measures contained in the 'Cure Italy' decree (Legislative Decree 18/2020) and private initiatives, and they refer to a weekly sample survey of the banks which provide just under 90 per cent of loans to households and firms. The data reported are provisional estimates of the overall amounts, and have been readjusted in relation to the total amount of the loans provided by banks and financial corporations to households and firms. Compared with similar estimates published on the subject, these estimates are based on a larger sample of banks and different readjustment criteria have been used to calculate total loans to households and firms. This provides a more accurate estimate and, thanks to the different readjustment criteria used, an increase in the overall amounts compared to previous estimates. See, for example, the press releases of the Joint Task Force, coordinated by the Ministry of Economy and Finance of [13 April 2020](#) and of [6 May](#).

(2) The value of the applications refers to the full residual value of the loan for which the moratorium or payment suspension has been requested, even if it has only been requested for some of the loan instalments.

(3) The change in this item is affected by the progressive completion of the documentation of the requests for a moratorium from customers, which allows to reclassify some moratoriums granted voluntarily by the banks in the categories envisaged by the decrees (lines A and B).

(4) The 'households' category also includes companies not classified as 'non-financial corporations'.

(5) Moratoriums granted to debtors other than financial companies and households (for example to companies in the financial sector).

## Financing backed by the Central Guarantee Fund (FCG)

Banks continue to receive and deal with a high number of requests for financing backed by the Central Guarantee Fund (Fondo Centrale di Garanzia, FCG). The procedures and the timeframe for disbursing loans depend on the specific support measures, which in some cases require a complete review of the application, in line with internal processes and prudential safeguards. The time taken to reply to customers has also been affected by the organizational solutions imposed by remote working and the use of external companies; however, the additional workload is now returning to normal levels.

On the basis of the Bank of Italy's weekly survey, it has been estimated that the number of requests to banks for funding under Article 13 of the 'Liquidity' decree law (SME Guarantee Fund) continued to rise in the week from 10 to 17 July to €1.07 million, for a total amount of funding of almost €79 billion. The loans disbursed have grown even more rapidly. At 17 July, almost 87 per cent of the loan applications had been fully guaranteed by the Fund under Article 13(m). The percentage of loans disbursed has grown even further compared with the end of the previous week, not only in terms of the number of requests but also in terms of the amounts involved.

**Table 2. Applications for financing backed by the Guarantee Fund for SMEs (Law 662/96) under Article 13 of Decree Law 23/2020 ('Liquidity' decree) (1)**

	1. Number of funding operations (thousands)		2. Value of funding operations (billions of euros)	
	Applications received	Funding disbursed	Applications received	Funding disbursed
	<i>Panel A: at 17 July 2020</i>			
<i>Art. 13 (m) - (Loans up to €25,000, 100% guarantee)</i>	928.7	805.4	18.3	16.0
<i>Art. 13 (e) - (Renegotiations)</i>	43.3	13.9	16.5	5.1
<i>Art. 13 -(Other operations)</i>	99.7	38.1	43.9	15.9
<b>Total under Art. 13 of Decree Law 23/2020 ('Liquidity' decree)</b>	<b>1,071.7</b>	<b>857.4</b>	<b>78.7</b>	<b>36.9</b>

**Source:** Bank of Italy, sample survey of banks

**Note:**

(1) The data concern the measures contained in the 'Liquidity' decree (Decree Law 23/2020), and refer to a weekly sample survey of banks which provide just under 90 per cent of loans to firms. The data reported are provisional estimates of the overall amounts, and have been readjusted in relation to the total amount of loans provided by banks and financial corporations to firms.