

Comunicato Stampa

DIFFUSO A CURA DEL SERVIZIO SEGRETERIA PARTICOLARE DEL DIRETTORIO E COMUNICAZIONE

Rome, 8 September 2014

NEW MEASURES ON BANK LOANS ELIGIBLE AS COLLATERAL IN EUROSISTEM REFINANCING OPERATIONS

The Bank of Italy has decided to broaden the range of bank loans that its monetary policy counterparties can post as collateral in Eurosystem refinancing operations. The measures adopted aim to boost the flow of credit to small- and medium-sized enterprises (SMEs) and to households. The newly eligible collateral will also support the participation of Italian banks in the forthcoming ECB refinancing operations (Targeted Longer-Term Refinancing Operations).

The measures enter into force on 10 September 2014. They comply with the rules established by the Governing Council of the ECB for the Eurosystem's ordinary collateral framework and the temporary framework for Additional Credit Claims (ACC), which admits bank loans with less stringent risk characteristics.

In particular, Italian monetary policy counterparties can post as collateral in Eurosystem refinancing operations:

1. Within the ACC framework, portfolios of homogenous loans comprising mortgage loans to households or credits to non-financial corporations, and not just individual loans as has been the case to date. The portfolios can include loans with a debtor default probability of up to 10 per cent. The method for calculating the haircuts takes account of the portfolios' risk diversification and enables the application of haircuts that are, on average, lower compared with those applied to loans posted on an individual basis;
2. The drawn amount of credit lines recorded in the Italian Central Credit Register as "matched" (*auto liquidanti*) and "revocable" (*a revoca*) loans, a category widely used by SMEs. The Bank of Italy has identified a number of contractual amendments that the banks can adopt to enable their use as collateral;
3. Bank loans, individually or included in a portfolio, of a minimum amount of €30,000 at the time of submission as collateral, both within the ordinary and ACC collateral framework. To date, the minimum size of loans accepted as collateral has been €100,000;
4. Bank loans, when posted on an individual basis, with a debtor default probability of up to 1.5 per cent, within the ACC framework; to date, loans with a maximum debtor default probability of 1 per cent have been accepted;

5. Loans granted under financial leasing and non-recourse factoring agreements, within the ordinary framework and not, as was the case until today, only within the ACC framework , provided that they meet the eligibility criteria set by the Eurosystem, thus benefiting from lower haircuts.

Details of the new measures and the operational instructions for the counterparties are set out in the document *Strumenti di politica monetaria dell'Eurosistema - Guida per operatori*, available on the Bank of Italy's website at: http://www.bancaditalia.it/banca_centrale/polmon/strumenti