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Factsheet for case **ES-2020-12/505**

Mortgage debt moratorium

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Country	Spain, applies nationwide
Time period	Temporary, 18 March 2020 - 18 April 2020
Type	Legislation or other statutory regulation
Category	Measures to prevent social hardship – Preventing indebtedness
Case created	12 April 2020

Background Information

The Council of Ministers approved in the Royal Decree 8/2020 a moratorium on the payment of mortgages for the first home of vulnerable families who have seen their income falling or are unemployed as a result of the coronavirus. The measure will be in force the same period as the Royal Decree (that is, one month), but at the same time they have left the door open to extend it if necessary. The financial sector was told in the morning that the moratorium could be extended to one additional month if necessary.

Content of measure

Vulnerability in relation to this moratorium is understood in the following terms:

- When the mortgage debtor becomes unemployed or, in case of being an entrepreneur or professional, suffers a substantial loss of income or a substantial drop in sales, at least 40%.
- When the total income of the members of the family unit does not exceed, in the month prior to the request for the moratorium the limit of three times the monthly Multiple Effects Public Income Indicator (hereinafter IPREM). This limit will be increased by 0.1 times the IPREM for each dependent child in the family unit or in case of family members with disability.
- When the mortgage payment, plus basic expenses and supplies, is greater than or equal to 35 percent of the net income received by all the members of the family unit.
- When as a consequence of the health emergency, the family unit has suffered a significant alteration in its economic circumstances. In particular, when the effort that represents the mortgage burden on the family income has been multiplied by at least 1.3.

Use of measure

There is no estimate on the number of persons / families who might benefit from this measure

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	Other workers & citizens	No special funding required

Social partners

Role of social partners	Informed
Form of involvement	No involvement

Social partners only informed, but without direct involvement in negotiations

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 18 March 2020: Royal Decree-Law 8/2020, of March 17, on extraordinary and urgent measures to face the economic and social impact of COVID-19. (www.boe.es)