

Notification template for borrower-based measures

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- macropru.notifications@ecb.europa.eu when notifying the European Central Bank (ECB);
- [DARWIN/ASTRA](#) when notifying the European Systemic Risk Board (ESRB).

This notification will be made public by the ESRB once the relevant authorities have adopted and published the notified macroprudential measure¹.

E-mailing/uploading this template to the above addresses constitutes official notification; no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows the information to be read electronically.

1. Notifying national authority and scope of the notification		
1.1	Name of the notifying authority	Magyar Nemzeti Bank
1.2	Country of the notifying authority	Hungary
1.3	Type of borrower-based measure	Please select one of the measures listed below: <ul style="list-style-type: none"> <input type="checkbox"/> Debt-service-to-income (DSTI) <input type="checkbox"/> Loan-to-income (LTI) <input checked="" type="checkbox"/> Loan-to-value (LTV) <input type="checkbox"/> Debt-to-income (DTI) <input type="checkbox"/> Loan maturity <input type="checkbox"/> Other (please provide a short, name-like description here and provide more details in Section 2)
1.4	Type of notification	What do you intend to notify? <ul style="list-style-type: none"> <input type="checkbox"/> Activation of a new measure <input checked="" type="checkbox"/> Change to an existing measure <input type="checkbox"/> Extension of an existing measure <input type="checkbox"/> Termination of an existing measure

¹ On request by the notifying authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

2. Description of the measure		
2.1	Description of the measure	<p>From January 1, 2024, the MNB applies a 10 percentage-points-higher, 90% LTV-limit for first-time homebuyers for HUF loans secured by a mortgage on real estate as collateral and for financial leases. The higher LTV limit was extended to clients under the age 41 without current or past ownership of at least 50 percent in any residential unit.</p> <p>With the current amendment the MNB has decided to repeal the age limit of 41 years for the 90% LTV limit for first-time home buyers, effective from 2 September 2025.</p> <p>Additionally, to further improve the efficiency of lending processes, starting in December 2025, first-time homebuyers who qualify for the higher LTV limit will need to be identified by lenders only through property registry queries.</p>
2.2	Definition of the measure	<p>The amendment of the BBM Regulation does not affect the applicable definitions, only the applicable limits.</p> <p>The legislation is available here: Borrower-based Measures Regulation (available in Hungarian)</p>
2.3	Legal basis and process of implementation of the measure	<p>As macroprudential authority in Hungary, the MNB in the event of any disturbance in the credit market shall adopt measures to control excessive credit growth to ensure that the financial intermediary system functions in a balanced way in financing the economy, as stipulated in Law CXXXIX of 2013 on the Magyar Nemzeti Bank (the MNB Act). In line with this, Section 171 (1) k) ka) of the MNB Act empowers the Governor of the MNB to decree measures for the reduction of risks stemming from excessive credit growth if these measures are required to prevent the build-up of systemic risks and to mitigate systemic risks, and to increase the resilience of the financial intermediary system within the strategic framework defined by the Monetary Council, based on the decision of the Financial Stability Board.</p>

		<p>The measures are applied via amendment of the BBM Regulation.</p> <p>The legislation is available here: Borrower-based Measures Regulation (available in Hungarian)</p>
2.4	Coverage	<p>The amendment does not affect the institutional coverage of the BBM Regulation.</p> <p>After the amendment, according to Section 3 (1a) of the Decree, eligible (FTB) borrowers are those clients who until the day of submitting the loan application have had an ownership share of less than 50 percent in any residential unit, or they have only had ownership in a residential unit that – regardless of the amount of the ownership share – was burdened with usufructuary rights based on legislation. From 1 December 2025, the creditor shall ascertain the circumstances defined in Section 3 (1a) solely based on the real estate register.</p> <p>The amendment applies to loans secured by a mortgage on real estate as collateral]</p>
2.5	Calibration	<p>The MNB calibrated the repeal of the age limit of 41 years taking into consideration the stability of the LTV distribution of new housing loans, the limited number of affected clients, and the appropriate portfolio quality of mortgage exposures.]</p>
<p>3. Timing for the measure</p>		

3.1	Timing for the decision	<p>What is the date of the official decision of the notified measure?</p> <p>The repeal of the age limit of 41 years: 02/09/2025.</p> <p>First-time homebuyers identified by lenders only through property registry queries: 01/12/2025.</p>
3.2	Timing for publication	<p>What is the date of publication of the notified measure?</p> <p>02/09/2025</p>
3.3	Disclosure	<p>Press release, available in English:</p> <p>https://www.mnb.hu/en/pressroom/press-releases/press-releases-2025/central-bank-reviews-real-estate-lending-toolkit</p> <p>See further details on the Hungarian BBM framework here:</p> <p>https://www.mnb.hu/en/financial-stability/macprudential-policy/the-macprudential-toolkit/borrower-based-measures-ltv-dsti</p>
3.4	Timing for the application	<p>Date of application:</p> <p>02/09/2025</p>
3.5	End date (if applicable)	Not applicable.
4. Reason for activation of the measure		
4.1	Description of the macroprudential risk	<p>The main reason of the amendment is to ensure the efficient application of the regulation and the smoothness of lending processes.</p> <p>As the volume of new housing loans with an LTV above 80% has remained below 5% and the share of borrowers above 41 years of age in this LTV category is around 20%, the deletion of the age limit has no significant effect on the coverage of the higher LTV limit and credit risk.</p>

4.2	Indicators used for activation of the measure	We assessed the distribution of the LTV and DSTI ratios by various dimensions.
4.3	Effects of the measure	The amendment preserves the effectivity of the currently applicable BBM framework and is not expected to materially affect lending risks due to the limited scope of potentially eligible borrowers.
5. Sufficiency, consistency and non-overlap of the policy response		
5.1	Sufficiency of the policy response	The modification supports the smooth functioning of mortgage lending in a changing environment without increasing systemic risks.

5.2	Consistency of application of the policy response	The amendment aims to preserve the effectivity of the currently applicable BBM framework and the smoothness of the lending processes.
5.3	Non-overlap of the policy response	<p>The amendment aims to preserve the effectivity of the currently applicable BBM framework and therefore could not be substituted by other measures.</p> <p>The main objective of the BBM framework is to ensure the shock resilience of borrowers and to avoid excessive lending.</p>
6. Cross-border and cross-sector impact of the measure		
6.1	Assessment of cross-border effects and the likely impact on the Internal Market	The amendment does not have significant cross-border effects and does not affect the Internal Market.

	(Recommendation ESRB/2015/2 ²)	
6.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	The BBM regulation covers all loans and leases lent in the territory of Hungary, thus the potential regulatory leakages are assessed to be negligible.
6.3	Request for reciprocation	No, cross-border household lending is negligible in Hungary.

² Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2015/3) (OJ C 97, 12.3.2016, p. 9).

6.4	Justification for the request for reciprocation	Not applicable.
7. Miscellaneous		
7.1	Contact person(s)/mailbox at notifying authority	Mr János Szakács Head of Macroprudential Policy Department szakacsj@mnb.hu
7.2	Any other relevant information	-
7.3	Date of the notification	19/09/2025