

## Notification template for borrower-based measures

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This notification will be made public by the ESRB once the relevant authorities have adopted and published the notified macroprudential measure<sup>1</sup>.

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	Ministry of Finance, Financial Markets and Institutions.
1.2	Country of the notifying authority	Sweden
1.3	Type of borrower-based measure	Please select one of the measures listed below: <ul style="list-style-type: none"> <li><input type="checkbox"/> Debt-service-to-income (DSTI)</li> <li><input type="checkbox"/> Loan-to-income (LTI)</li> <li><input checked="" type="checkbox"/> Loan-to-value (LTV)</li> <li><input type="checkbox"/> Debt-to-income (DTI)</li> <li><input type="checkbox"/> Loan maturity</li> <li><input checked="" type="checkbox"/> Other</li> </ul> Amortization requirement
1.4	Type of notification	What do you intend to notify? <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Activation of a new measure</li> <li><input checked="" type="checkbox"/> Change to an existing measure</li> <li><input type="checkbox"/> Extension of an existing measure</li> <li><input checked="" type="checkbox"/> Termination of an existing measure</li> </ul>

<sup>1</sup> 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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.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>In 2010 the Swedish Financial Supervisory Authority (FSA) introduced a maximum LTV ratio of 85 percent and in 2016, the FSA introduced an amortisation requirement. Under this requirement, mortgage loans with a loan-to-value ratio between 50 and 70 percent must be amortised by 1 percent per year, while loans with a loan-to-value ratio above 70 percent must be amortised by 2 percent per year.</p> <p>In 2018, the rules were amended when the FSA introduced a loan-to-income-based amortisation requirement. This means that borrowers whose mortgage loans exceed 4.5 times their gross income must amortise an additional 1 percent per year.</p> <p><b>As of April 1, 2026</b>, BBMs directed at households is regulated through a new law and no longer by the FSA.</p> <ul style="list-style-type: none"> <li>- The <b>LTV limit</b> for residential mortgages has been raised from 85 to 90 percent.</li> <li>- An <b>LTV limit</b> of 80 percent has been introduced for mortgage equity withdrawals.</li> <li>- <b>Revaluation of the home</b> for purposes of increasing the loan space is only allowed every five years, with exceptions for considerable value changes not due to general market price movements.</li> </ul> <p>The <b>initial amortisation requirement</b> that was introduced in 2016 will remain unchanged but will be regulated by law from 1 April 2016.</p> <p><b>The stricter debt-to-income-based amortisation</b> requirement has been abolished. The additional amortisation requirement introduced in 2018, which applied to borrowers whose mortgage debt exceeds 4.5 times their gross annual income, has been removed. This means that borrowers will no longer be required to</p>

		<p>amortise an additional 1 percent per year solely because of a high debt-to-income ratio.</p>
2.2	Definition of the measure	<p><b>LTV cap</b></p> <p>The ratio of the approved loan amount to the value of the property provided as collateral.</p> <p>The LTV ratio is defined as the current total mortgage credit amount in relation to the market value of the property. A lender must calculate the LTV ratio when a residential mortgage loan is granted for the acquisition of a property or when an existing mortgage loan is increased. Under the new law, the LTV ratio may not exceed 90 percent when a residential mortgage loan is granted for the acquisition of a property.</p> <p>The collateral is the residential property in Sweden securing the loan. The value of the collateral is the property's market value, defined as the price that would be achieved in a market-based sale. The market value must be assessed without taking speculative or temporary conditions into account and must be based on an individual valuation, which may rely on general price levels or the purchase price.</p> <p><b>Lower LTV cap for additional mortgage loans</b></p> <p>In cases where an existing residential mortgage loan is increased during the term of the loan the lender must ensure that the LTV ratio does not exceed 80 percent of the property's market value.</p> <p><b>Revaluation</b></p> <p>When revaluating the home for purposes of increasing the loan space, the lender must use the market value that applied when the property was acquired. A later revaluation may be used, but such a revaluation may normally only be made after five years, unless the market</p>

		<p>value has changed substantially for reasons other than general housing price developments. The same revaluation rule applies when the borrower seeks to reduce their amortisation burden.</p> <p><b>The amortisation requirement based on LTV</b></p> <p>The LTV based amortization requirement is from 1 April 2026 regulated in law, instead of set by the FSA. Otherwise, no changes are made.</p> <p>If the LTV ratio exceeds 50 percent but not 70 percent, the residential mortgage loan must be amortised annually by at least 1 percent of the highest total credit amount after the latest valuation. If the LTV ratio exceeds 70 percent, the loan must be amortised annually by at least 2 percent of that amount.</p> <p>The amortisation amount is calculated as a percentage of the highest credit amount after the latest valuation. This means the annual repayment obligation is based on the total mortgage credit amount when it was at its highest after the most recent valuation. The relevant value is the property's market value, normally the value at acquisition or a later permitted revaluation.</p> <p>The loans included are residential mortgage loans secured on the same property. The amortisation obligation is calculated on the basis of the total mortgage debt attached to the property, regardless of the number of borrowers or lenders.</p> <p>Lenders are allowed to give borrowers exemptions from the amortisation requirement, if there are special grounds.</p> <p>Furthermore, mortgage firms may waive the amortisation requirement for a loan collateralised by a newly produced residential property, although for a maximum of five years.</p>
2.3	Legal basis and process of implementation of the measure	<p>The notified measure is implemented through primary legislation. The relevant borrower-based macroprudential measures are set out in the new Mortgage Credit Restrictions Act (<i>Iag [2026:226] om begränsning av bostadskrediter</i>), which entered into force on 1 April 2026</p>

		<p>(<a href="#">SFS2026-226.pdf</a>). The Act contains rules on restrictions for residential mortgage loans and applies to residential mortgage loans secured by collateral in housing in Sweden. The measures are legally binding.</p>
2.4	Coverage	<p>Credit institutions: The measures apply to Swedish credit providers and branches of foreign credit providers in Sweden when granting residential mortgage loans secured by housing in Sweden.</p>
		<p>Borrowers: The measures apply to mortgage loans secured by housing in Sweden. It is therefore linked primarily to the type of credit and collateral, rather than to the legal status of the borrower. This includes both natural persons and legal entities.</p>
		<p>Types of lending: The measures cover mortgage loans.</p>
2.5	Calibration	<p>The aim is to maintain a sound amortisation culture, reduce barriers to entry on the housing market and improve the conditions for different groups to own their home, without compromising financial stability.</p> <p>The original LTV-based amortisation requirement is held unchanged, as it is considered to support a sound amortisation culture and household resilience. The stricter debt-to-income-based amortisation requirement was removed because its negative effects on access to the housing market were assessed to outweigh its benefits. The LTV cap for new housing purchases was raised to 90 percent to reduce down-payment barriers</p>

		<p>and the use of unsecured credit, while an 80 percent LTV cap for additional borrowing and a five-year revaluation rule were introduced as balancing measures to limit excessive leverage and dampen procyclical effects.</p> <p>For further background on the decision see Government Bill 2025/26:119, Development of the Macroprudential Policy Area (<a href="#">Utveckling av makrotillsynsområdet</a>).</p>
<b>3. Timing for the measure</b>		
3.1	Timing for the decision	<p>What is the date of the official decision of the notified measure?</p> <p>04/03/2026</p>
3.2	Timing for publication	<p>What is the date of publication of the notified measure?</p> <p>11/03/2026</p>
3.3	Disclosure	<p>The measures were communicated through the ordinary Swedish legislative process. After public consultation of the memorandum in June–October 2025 (<a href="#">Utveckling av makrotillsynsområdet - Regeringen.se</a>), the Government published a Council on Legislation referral on 18 December 2025 (<a href="#">Utveckling av makrotillsynsområdet - Regeringen.se</a>), together with a press release explaining the proposed changes (<a href="#">Förslag på höjt bolånetak och slopande av skärpt amorteringskrav - Regeringen.se</a>).</p> <p>The Council on Legislation issued its opinion on 28 January 2026, after which the Government submitted the proposition, published on 5 February 2026 (<a href="#">Utveckling av makrotillsynsområdet - Regeringen.se</a>), which was followed by adoption by the Riksdag on 4 March 2026 (<a href="#">Utveckling av makrotillsynsområdet (Proposition 2025/26:119)   Sveriges riksdag</a>).</p> <p>The new Mortgage Credit Restrictions Act (lag [2026:226] om begränsning av bostadskrediter) was published in the Swedish Code of Statutes on 11 March 2026, providing the official and legally authoritative version of the</p>

		measure to the market ( <a href="#">Lag om begränsning av bostadskrediter   Svensk författningssamling</a> ).
3.4	Timing for the application	What is the intended date for application of the measure? 01/04/2026
3.5	End date (if applicable)	There is no end date.
<b>4. Reason for activation of the measure</b>		
4.1	Description of the macroprudential risk	<p>Restrictions on loan-to-value ratios and requirements to amortise loans are intended to curb excessive indebtedness. These measures should be maintained, but they need to be adjusted, since parts of the current design of the borrower-based macroprudential measures — the loan-to-value limit of 85 percent and the stricter amortisation requirement — may, to an excessive extent, make it more difficult to enter the owner-occupied housing market and reduce the ability to move to another home.</p> <p>The proposed amendments strengthen the financial margin and the ability of the most highly indebted households to build up a liquid buffer as protection against unforeseen economic events. To ensure that households' increased access to credit does not create new risks for individuals or for the economy as a whole, a stricter limit for additional loans is proposed.</p> <p>For further background to the changes see Government Bill 2025/26:119, Development of the Macroprudential Policy Area.</p>

4.2	Indicators used for activation of the measure	See 4.1.
4.3	Effects of the measure	<p>Below is an extract of the most significant impacts of the changes in borrower-based measures as of 1 April 2026. For the full reasoning regarding the assessed impact, see Government Bill 2025/26:119, Development of the Macroprudential Policy Area.</p> <p>The proposed changes affect households, credit providers, supervisory authorities and the financial system. Raising the mortgage cap for acquisitions from 85 to 90 per cent and removing the stricter amortisation requirement may make it easier for households with sufficient repayment capacity but limited savings to enter the owner-occupied housing market. The effect may be larger for first time buyers and households in areas with high housing prices.</p> <p>The reforms may increase borrowing opportunities for some households and could therefore lead to somewhat higher indebtedness for those households. At the same time, the composition of debt is likely to change, with an increase in mortgage credit and a decrease in unsecured credit. Overall, the adjustments to the mortgage regulations are not expected to have any significant impact on the risk that households will need to reduce their consumption during periods of economic stress.</p> <p>Most of the existing borrower-based measures remain in place and will continue to have a restraining effect on household debt.</p> <p>The original amortisation requirement remains unchanged, the acquisition mortgage cap still requires an equity contribution, and additional credit is capped at 80 per-cent of market value. The assessment is that these</p>

		<p>safeguards reduce the risk that the reforms will materially weaken financial stability.</p> <p>Competition for mortgage borrowers among credit providers is not expected to be affected to any significant extent by the proposed changes.</p> <p>For credit providers the rules are broadly based on existing frameworks, which limits the scale of adaptation.</p> <p>Credit providers that also offer unsecured loans may, however, experience reduced income from lending related to unsecured credit or credit secured by assets other than housing, as demand for such credit is expected to decline.</p> <p>The proposal is not expected to have significant direct consequences for public finances.</p> <p>The proposals entailing relaxations in credit restrictions are expected to increase access to home ownership for groups that previously have had difficulty financing their first home, and to improve mobility in the housing market. Increased mobility in the housing market can have positive effects on both economic growth and society's ability to adapt and undergo structural transformation.</p> <p>Access to housing makes it easier for household to move for studies and work and contributes to an efficient matching process in the labour market.</p> <p>With regard to effects on prices, it is considered that greater access to housing credit, may lead to rising housing prices. It is assessed that this primarily applies in the short term. The supply of housing adjusts more slowly than housing credit. Over time, supply may increase, as higher prices can stimulate construction and thereby help to moderate price developments.</p>
<p><b>5. Sufficiency, consistency and non-overlap of the policy response</b></p>		

5.1	Sufficiency of the policy response	The measures are expected to be sufficient to ensure sustainable lending standards and mitigate risk related to household lending.
5.2	Consistency of application of the policy response	No additional information.
5.3	Non-overlap of the policy response	There are no other borrower-based policy instruments in place to address the same systemic risk.
<b>6. Cross-border and cross-sector impact of the measure</b>		

6.1	Assessment of cross-border effects and the likely impact on the Internal Market (Recommendation ESRB/2015/2 <sup>2</sup> )	Cross border effects are not expected. The measures only concern residential mortgage loans secured by housing in Sweden. The measures apply to Swedish credit providers and branches of foreign credit providers in Sweden when granting residential mortgage loans secured by housing in Sweden. The same types of institutions are covered as before, as the regulation remains unchanged in this respect.
6.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	See 6.1.
6.3	Request for reciprocation	No

<sup>2</sup> 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	-
<b>7. Miscellaneous</b>		
7.1	Contact person(s)/mailbox at notifying authority	Anna Widenfalk <a href="mailto:anna.widenfalk@regeringskansliet.se">anna.widenfalk@regeringskansliet.se</a> Head of the Banking Unit Ministry of finance
7.2	Any other relevant information	-
7.3	Date of the notification	Please provide the date on which this notification was uploaded/sent. Click or tap to enter a date.