

## Template for notifying national macroprudential measures not covered by CRR/CRD

Please send this template to

- [notifications@esrb.europa.eu](mailto:notifications@esrb.europa.eu) when notifying the ESRB;
- [macropru.notifications@ecb.europa.eu](mailto:macropru.notifications@ecb.europa.eu) when notifying the ECB.

Emailing this template to the above-mentioned addresses constitutes an 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 electronically copying the information.

1. Notifying national authority and scope of the notification		
1.1	Name of the notifying authority.	Liechtenstein Financial Market Authority
1.2	Name of the macroprudential measure that is notified.	Regulation on requirements for mortgage loans
2. Description of the measure		
2.1	Description of the measure.	<p>The regulation contains the following provisions which are applicable to home loans and loans on income property:</p> <ul style="list-style-type: none"> <li>• At mortgage origination or if a mortgage is expanded, the loan-to-value ratio (LTV) must not exceed 80%. A higher LTV ratio is possible in exceptional cases, but such a loan has to be qualified as "exception to policy", implying stricter reporting requirements.</li> <li>• The mortgage has to be amortized so that the loan-to-value (LTV) ratio falls below two thirds within 20 years.</li> <li>• In accordance with Art. 124(2) of Regulation (EU) No 575/2013, Liechtenstein has exercised the option to apply the following risk weights instead of the risk weights indicated in Art. 125(2) of Regulation (EU) No 575/2013: (a) for residential properties with an LTV up to 66 2/3 %: 35%; (b) for residential properties with an LTV between 66 2/3 % and 80%: 50%.</li> </ul>

2.2	Legal basis and process of implementation of the measure.	National law / Banking Ordinance (Art. 21h BankV; Anhang 4.5 BankV)
2.3	Coverage	Credit institutions that issue mortgages in Liechtenstein
2.4	Any other relevant information.	
<b>3. Timing</b>		
3.1	Timing of the decision	20 January 2015
3.2	Timing of the publication	26 January 2015
3.3	Disclosure	National law / Banking Ordinance (Art. 21h BankV; Anhang 4.5 BankV)
3.4	Timing of the application	1 February 2015
3.5	End date (if applicable)	
<b>4. Reason for the activation of the measure</b>		

4.1	Description of the macroprudential risk to be addressed.	Credit growth and leverage
4.2	Description of the indicators on the basis of which the measure is activated.	Mortgage debt and house price inflation
4.3	Effects of the measure.	The measure is intended to make vulnerable households more resilient and will likely have some dampening effect on total borrowing and house prices.
<b>5. Cross-border and cross-sector impact of the measure</b>		
5.1	Assessment of cross-border effects and the likely impact on the internal market (Article 133(11)(d) of the CRD IV and Recommendation ESRB/2015/2)	The volume of cross-border mortgage lending to Liechtenstein is very limited, any cross-border effects or impact on the internal market are therefore negligible.
5.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	Since the measure is based on national law covering all mortgages, there is no risk of regulatory arbitrage.
5.3	Request for reciprocity	The measure applies to all mortgage lending in Liechtenstein, i.e. there is no need for a reciprocity request.

6. Miscellaneous		
6.1	Contact person(s) at notifying authority.	Martin Gächter +423 236 7392 <a href="mailto:martin.gaechter@fma-li.li">martin.gaechter@fma-li.li</a>
6.2	Any other relevant information.	