

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

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- 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.	Bank of Slovenia
1.2	Name of the macroprudential measure that is notified.	Ammendment to the macroprudential restrictions on household lending
2. Description of the measure		
2.1	Description of the measure.	<p>On November 1st 2019, the DSTI limit became legally binding for all new loans to households. DSTI is calculated as the ratio between the cost of total debt servicing in the next 12 months and the borrower's income in the last 12 months. For further information please see attached annex.</p> <p>Due to COVID-19 some individuals might have experienced temporary declines in their income, which do not necessary, reflect a change in their long-term credit worthiness. Therefore, the macroprudential restrictions on household lending were amended to provide some temporary flexibility when calculating income.</p> <p>If the borrower's income was temporarily affected by COVID-19 and has since normalized (i.e. the bank has information for at least one month of normalized income), the banks can exclude the months with decreased earning. In this case, the income is annualized using the information for remaining months.</p>

2.2	Legal basis and process of implementation of the measure.	The Bank of Slovenia issued the macroprudential restrictions pursuant to Articles 4, 17 and 19 of the Macroprudential Supervision of the Financial System Act (Official Gazette of the Republic of Slovenia, No. 100/13).
2.3	Coverage	Same as the parent measure.
2.4	Any other relevant information.	/
3. Timing		
3.1	Timing of the decision	The Governing Board of the Bank of Slovenia amended the macroprudential restrictions on household lending at its 643 th meeting held on 12 May 2020.
3.2	Timing of the publication	The amendment to the macroprudential restrictions on household lending was published in the Official Gazette of the Republic of Slovenia, No. 72/20 that was issued on the 22 May 2020. The information about the amendment was published on Bank of Slovenia's website on the same day.
3.3	Disclosure	Banks were informed about the change in the measure on the same day that the measure was published in the Official Gazette of the Republic of Slovenia.
3.4	Timing of the application	The changes entered into force on the 1 st of June 2020.
3.5	End date (if applicable)	/
4. Reason for the activation of the measure		

4.1	Description of the macroprudential risk to be addressed.	Same as the parent measure.
4.2	Description of the indicators on the basis of which the measure is activated.	/
4.3	Effects of the measure.	The purpose of the amendment is to mitigate the effects of temporary income declines on the credit worthiness of the population.
5. Cross-border and cross-sector impact of the measure		
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)	Cross-border effects are not expected.
5.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	The amendment does not change the potential for regulatory arbitrage and leakages. The Bank of Slovenia will monitor potential circumventions of macroprudential measures.

5.3	Request for reciprocation	No.
6. Miscellaneous		
6.1	Contact person(s) at notifying authority.	Mark Požlep, tel: +386 1 47 19 351 e-mail: mark.pozlep@bsi.si Miha Pučnik, tel: + 386 1 47 19 588, e-mail: miha.pucnik@bsi.si .
6.2	Any other relevant information.	Please visit the following webpage for more information on the macroprudential restrictions and its full text: https://www.bsi.si/en/financial-stability/macroprudential-supervision/macroprudential-instruments/macroprudential-restrictions-on-household-lending . Annex: Annex_SI_CB_Notification_document_for_macroprudential_measure_LTV_DSTI_2019.doc