**Bundessparte Bank und Versicherung**

**EBA Wirtschaftskammer Österreich**

 Wiedner Hauptstraße 63 | Postfach 320

 1045 Wien

T +43 (0)5 90 900-DW | F +43 (0)5 90 900-272

E bsbv@wko.at

W http://wko.at/bsbv

Ihr Zeichen, Ihre Nachricht vom Unser Zeichen, Sacharbeiter Durchwahl Datum

 BSBV 115/Egger 3137 2nd Oct. 2015

**Response to EBA-Consulation on conditions for capital requirements for mortgage exposures**

The Division Bank and Insurance of the Austrian Federal Economic Chamber, as representative of the entire Austrian banking industry, appreciates the possibility to respond to the EBA-Consultation on conditions for capital requirements for mortgage exposures and would like to forward the following position.

We would like to point to some unclear terms. In order to avoid discussions about possible room for interpretation we recommend a higher level of detail.

**Question 4:**

* Some terms have from our perspective to be specified more in detail – for example:
	+ Art 2 para 2 lit (d): what exactly is meant by the “fundamental drivers”?
	+ Art 3 para 1: what exactly is meant by “a material impact”?
	+ Art 3 para 1 lit (a): “significant decline” and “material disruption” are not specified more in detail
* Based on the fact to have a high credit quality with a collateralization as high as possible we do not think it is meaningful (looking on the incentive effect) to increase the minimum LGD ratio. This is mainly based on the fact that the losses seen in this segment have been rather low in the last years.
* For a better comparability (also towards a whole market) we think it is better to focus more on the macro-economic effects (and not going to much into detail for example for a special region).

We kindly ask you to consider our remarks.

Yours sincerely,

Dr. Franz Rudorfer

Managing Director

Division Bank and Insurance

Austrian Federal Economic Chamber

Wiedner Hauptstraße 63

1045 Wien

Tel.-Nr.: +43 (0)5 90 900-3131

Fax-Nr.: +43 (0)5 90 900-272

E-Mail: bsbv@wko.at