



REALKREDITRÅDET  
ASSOCIATION OF DANISH MORTGAGE BANKS

By e-mail

CEBS

15 august 2008  
H 520 - jcg

**Consultation paper on CEBS's technical advice to the European Commission on options and national discretions**

CEBS has on 22 May 2008 published a consultation paper concerning options and national discretions". The Association of Danish mortgage banks did on the 19 June 2008 sent its initial comments to the consultation paper. We have now had the time for a further review of the paper and have some further comments cf. below.

**31. Standardised approach, Annex VI Part 1 Point 64 (Directive 2006/48/EC)**

It is in the consultation paper considered to remove this national discretion or alternatively to keep it with mutual recognition. The Association of Danish mortgage banks is of the opinion, that the discretion should be kept in its present form. The reason for this is that the exposure already shows a lower risk resulting from the value adjustment of at least 20 per cent. The mortgage collateral which secures the amount of the outstanding loan is also part of a developed market, and the credit institution fulfills the requirements in the directive concerning the monitoring and valuation of the collateral. This allows for a relatively precise calculation of the proceeds from a forced sale.

The proposed CEBS compromise draft proposal may also result in an inappropriate tightening.

**34. Standardised approach, Annex VI Part 1 Point 68 (e) (Directive 2006/48/EC)**

The possibility of mortgaging of commercial properties up to a LTV of 70 per cent is incorporated in the Danish mortgage credit legislation and is used by the Danish mortgage banks. The Association of Danish mortgage banks therefore fully support CEBS proposal to keep this discretion in its present form.

The Association of Danish mortgage banks also support the proposed treatment of the points 102-105, 110-111, 136-138 and 141-143.

Best regards,

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