

Methodological notes

Data are supplied in the framework of data collection No. 1868 entitled 'Report on residential home lending'. The reporting obligation is ordered by the Government Decree 288/2009 (XII.5) on data collections and data receptions of the National Data Collection Programme.

Personal loans are not subject to this survey.

Based on the number of days in arrears credit institutes classify mortgage loans as follows:

- 'problem free' loans are past due by between 0 and 30 days
- 'under special monitoring' loans are past due by between 31 and 60 days
- 'below average' loans are past due by between 61 and 90 days
- 'dubious' loans are past due by between 91 and 365 days
- 'bad' loans are past due by 365 days or over

Purposes of mortgages and subsidies:

- construction: building a new home, adding a new floor with mansard rooms to a detached or a semi-detached house, mansard loft conversions in case of a builder with 3 or more children
- new home purchase: buying of a new home built for sale
- purchase of a second hand home: buying of a resale home marketed in the secondary home market
- modernization, extension: an increase in the comfort of the dwelling as a result of modernization; an increase of at least one additional room in the floor area of the dwelling
- swing loan: a short-term loan that allows a homeowner to purchase a new home before selling the former residence.
- loan conversion: repayment of former mortgage
- other: home purposes not covered by the above purposes

Data providers (credit institutes) are classified as follows:

- banks
- specialized financial institutes
- specialized credit institutes
 - a. home savings banks
 - b. mortgage banks
- financial cooperatives
 - a. savings associations
 - b. credit unions

Changes affecting residential home lending

From the second half of 2011 to February 2012, a scheme was implemented to support foreign currency mortgage borrowers with the temporary option of early full repayment at a fixed exchange rate. According to the law, this option was open for those who had a foreign currency mortgage. Furthermore the government agreed with the Hungarian Banking Association on the following five-point Home Protection Action Plan:

The exchange rate fixing is to reduce significant exchange rate changes of certain foreign currencies. Discounted exchange rates were fixed for a transitional period at HUF/CHF 180, HUF/EUR 250 and HUF/JPY 2.5. Differences between the fixed and the actual rates will be collected on a 'Special Forint Account', which, after a transitional period, are to be paid out under preferential conditions.

The foreclosure quota is to regulate the auctions of credit institutes. For lower value real estate properties (apartments, detached houses) a foreclosure quota was introduced to provide safety for people with mortgage arrears and to prevent the dumping of a large number of homes on the market.

A home protection interest rate subsidy may be granted for those defaulted borrowers who convert their foreign currency loans to forint loans and live in the real estate that serves as collateral. From the first half of 2012, further measures were the establishment of the National Asset Management

Company and the authorization of credit institutes to restart foreign currency mortgage lending under more stringent conditions.

Number of respondent questionnaires

Period	Banks	Mortgage banks	Savings and loan associations	Home savings banks ^{a)}	Total
2001	14	2	183	–	199
2002	16	3	184	–	203
2003	20	3	176	–	199
2004	21	3	177	–	201
2005	20	3	173	–	196
2006	19	3	168	–	190
2007	20	3	156	–	179
2008	21	3	147	–	170
2009	22	3	137	–	162
2010	22	3	136	–	161
2011	25	3	132	2	162
2012	25	3	128	2	158
2013	26	3	123	2	154
2014	30	3	114	2	149
2015	30	3	91	2	126
2016	24	3	63	3	93
2017	23	3	21	3	50

a) Between 2011 and 2015, the two home savings banks agreed to be represented separately. The third home savings bank has been a data provider since 2016.

In 2017, out of the financial institutes engaged in residential housing loan activities, 23 banks, 3 mortgage banks, 21 savings and loan associations and 3 home savings banks provided data. Due to mergers and liquidations in the savings co-operative sector, the number of data providers has been steadily declining in recent years, this trend has accelerated in the last four years and the number of data providers dropped by two-thirds by 2017 compared to 2016. (this does not mean that the financial institutes ceased to exist, but that those having been operating separately earlier are connected to designated savings centres as affiliates).

Legend

– = no occurrence of the observed statistical phenomena

.. = no data known

0 = insignificant figure rounded to zero