



European Banking Industry Committee

European Banking Federation (EBF) • European Savings Banks Group (ESBG) • European Association of Cooperative Banks (EACB)
European Mortgage Federation (EMF) • European Federation of Building Societies (EFBS)
European Federation of Finance House Associations (Eurofinas)/European Federation of Leasing Company Associations (Leaseurope)
European Association of Public Banks (EAPB)

Mr. Elemér Terták
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European Commission
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To: elemer.tertak@ec.europa.eu
Cc: jennifer.robertson@ec.europa.eu

Brussels, 9 April 2009

Subject: Third Industry Progress Report on the Implementation of the Code of Conduct

Dear Mr. Terták,

Further to your letter dated 15 December 2008, in which you invited the Industry to carry out a Third Progress Report on the Implementation of the European Voluntary Code of Conduct on Home Loans, the European Banking Industry Committee (EBIC) is pleased to provide you with the results of the Industry's survey¹.

Compared to the previous review, it remains positive that the Industry's Progress Report shows that the Code of Conduct's coverage in the EU continues to be wide and is widening over time. Indeed, the Industry is pleased to report that lenders in 20 Member States and Norway adhere to and have implemented the Code. Moreover, the level of coverage is between 90 and 100% in the vast majority of Member States and, since 2005, the level of adherence and /or implementation and in some cases coverage of the national market has increased in a number of Member States i.e. Cyprus, Czech Republic, Estonia, Finland, France, the Netherlands, Sweden and the UK. EBIC would like to take this opportunity to underline that this increase has occurred despite the ongoing uncertainty regarding the future of the Code which accounts to a large extent for the hesitancy of Member States from the EU12 in particular to adhere to the Code. The Industry firmly believes that a number of the remaining gaps in coverage could be filled if a positive signal, which acknowledges the Industry's long-standing commitment to the Agreement, were to be sent by the Commission.

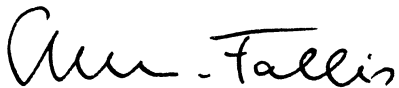
EBIC would like to take this opportunity to reiterate that the provision of complete, transparent and understandable information to the prospective borrower is of primary importance to the Industry. The Code achieves this consumer-oriented outcome and the Industry remains strongly committed to the Agreement. Indeed, the Industry firmly believes that the Code, and specifically its European

¹ For ease of lecture, the Industry's Progress Report is divided into two sections: Section I is an Executive Summary; section II comprises the full Results of the Survey.

Standardised Information Sheet (ESIS), is the most appropriate tool to enable prospective borrowers to make informed decisions based on transparent and comparable information.

We would be happy to meet to discuss the Report's findings, and remain at your disposal should you require any further background information.

Yours sincerely,



Karl-Peter SCHACKMANN-FALLIS
EBIC Chairman



Michael COOGAN
EBIC Working Group on Mortgage Credit Chairman