

Loans to households France July 2016

2 September 2016

Renegotiations represent nearly half of the new housing loans

- The annual growth rate of loans to households is stable in July 2016 at + 3.7%.
- The growth of **housing loans** is also unchanged, at 3.3%. This rate represents the change in the total outstanding amounts for all institutions, and is therefore not affected by the magnitude of renegotiations. However, the latter rise again and represent almost 50% (44%, exactly) of the new housing loans. Indeed, the decrease in interest rates continues at a steady pace for long-term fixed rate housing loans (1.78%, down from 1.85% in June) and even more significantly for those with short-term and floating rates (1.60% in July, down from 1.86%). In addition, investment in rental housing increases in the context of very low financial rates and of tax incentives: 12% of new housing loans have a “buy-for-rent” purpose (the ratio was less than 10% a year ago).
- **Consumer credits** remain buoyant (+ 5.7% in July, down from 5.9% in June). Interest rates of new loans for consumption purposes have fallen by nearly 50 basis points since early 2016.

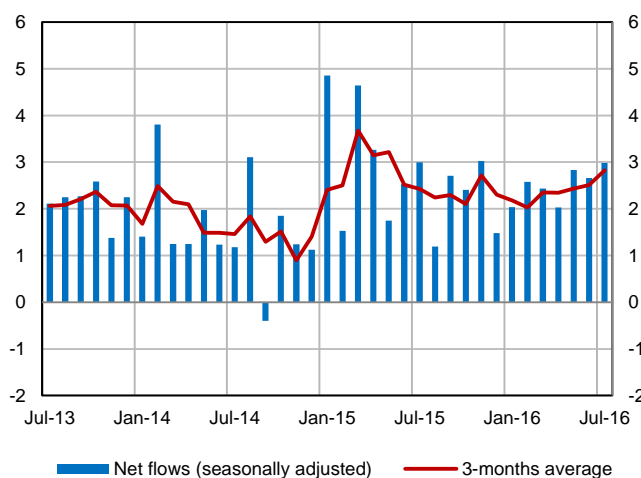
Outstanding amounts and annual growth rates (without seasonal adjustment)

(Outstanding amounts in € Bn, annual growth rate in %)

	End-of-month level Jul-16	Annual growth rate		
		May-16	Jun-16	Jul-16
Total	1 078	3.8	3.7	3.7
<i>Lending for house purchase</i>	886	3.4	3.3	3.3
<i>Credit for consumption</i>	156	5.9	5.9	5.7
<i>Other lending</i>	35	5.3	3.7	4.3

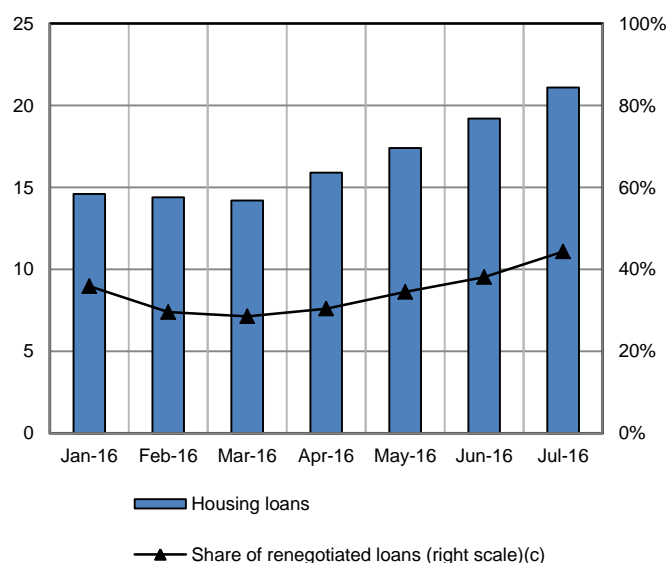
Monthly flows of housing loans (with seasonal adjustment)

(Changes in stocks in € Bn, adjusted for sales and securitization and write-offs/write-downs)



Share of renegotiation of new property loans

(Monthly flows seasonally adjusted, in € Bn and in %)



Production of new loans

(excluding overdrafts, monthly flows seasonally adjusted (a))

(in € Bn)	Dec-15	Mar-16	Apr-16	May-16	Jun-16	Jul-16
- loans for consumption purposes (b)	4.5	4.6	4.6	4.7	5.1	4.7
- housing loans	15.7	14.2	15.9	17.4	19.2	21.1
- proportion of renegotiation (not seasonally adjusted) in % (c)	35.6	28.5	30.4	34.5	38.1	44.4

Interest rates on new loans (narrow defined effective rate, monthly average)

(in %)	Dec-15	Mar-16	Apr-16	May-16	June-16 (e)	July-16 (f)
Loans to individuals :						
Of which:						
- housing loans long term and fixed rates	2.34	2.19	2.10	1.98	1.85	1.78
- housing loans short term and floating rates	2.11	2.02	1.94	1.91	1.86	1.60
- loans for consumption purposes (b)	4.42	4.48	4.37	4.37	4.02	3.98
- overdrafts for individuals (d)	6.25	6.54	6.30	6.29	6.36	6.33

(a) Parameters for seasonal adjustment are updated each month, taking into account monthly data under review.

(b) Excluding revolving loans.

(c) Ratio of renegotiated loans on housing loans, both not seasonally adjusted

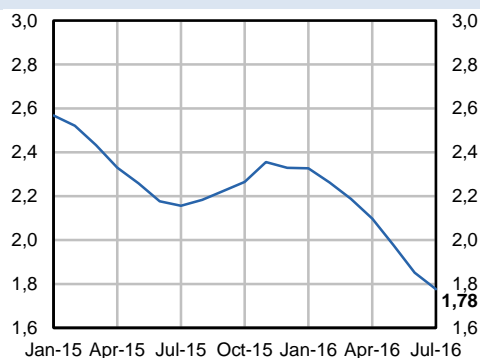
(d) Overdrafts: negative balance of ordinary accounts + commercial credits + factoring + cash credits without fixed repayment schedule (including mobilization of revolving loans).

(e) Revisional data.

(f) Provisional data.

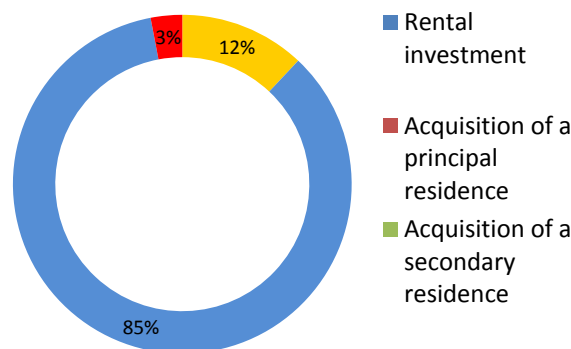
Interest rates on housing loans, all maturities

(Narrowly defined effective rate, average weighted by long and short term flows, in %)



Object of new housing loans

(Proportion in %)



Additional information

Only loans granted to individuals (households excluding sole proprietors and unincorporated partnerships) by resident monetary financial institutions are presented here.

The outstanding growth rates are calculated by correcting the effects of outstanding changes not resulting from economic transactions, particularly the derecognition of loans from the MFI's statistical balance sheet due to their sale and securitization and write-offs/write-downs but not the exchange rate effects.

The weighted average rates and new business volumes are calculated according to the harmonized definitions of the Eurosystem. Published rates are the narrowly defined effective rate (NDER). They correspond to the interest component of the Annual Percentage Rate of Charge (APRC). Renegotiated loans also include mortgage repurchase.

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