

## APPENDIX: REPORTING OF ADMINISTERED LOANS, INCLUDING JOINTLY FUNDED LOANS TO THE CREDIT REGISTER

Danmarks Nationalbank – Danish Financial Supervisory Authority

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### THE ANACREDIT REGULATION AND LOANS SERVICED BY THE REPORTER

It appears from the [ECB Regulation](#) on the European credit register, AnaCredit, that loans serviced by an institution for which another institution acts as creditor, in principle, are to be reported by both institutions (provided both institutions are reporters to the credit register). In order to avoid double reporting to the credit register of loans serviced by a reporter for which another reporter acts as creditor, the ECB has specified the reporting requirements in this case in [AnaCredit Reporting Manual Part I](#), cf. Box 1. The following is stated:

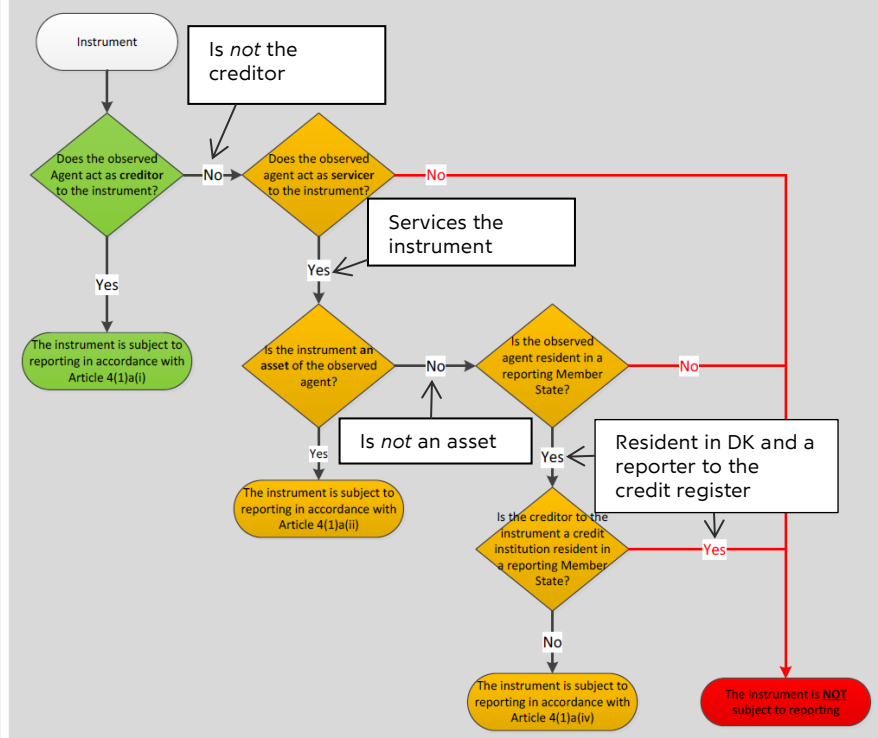
- The servicer is to report the loan to AnaCredit if the creditor is *not* an AnaCredit reporter
- However, if the creditor is an AnaCredit reporter, the servicer is *not* to report the loan to AnaCredit (instead, the creditor is to report the loan)

This entails that loans which are transferred and serviced by a reporter, but held by another reporter are, in general, to be reported by the creditor of the loan (and not by the servicer) – provided that both institutions are resident in Denmark and are reporters to the credit register and have all relevant information about the loan, counterparties etc. available.

## The ECB decision-making tree for reporting of transferred loans to AnaCredit

Box 1

Chart 9: Flow chart for instruments in which the observed agents acts either as creditor (in green) or as servicer and not as creditor (in orange)



Source: [ECB Manual Part I](#) section 4.3.

If a loan has been (partly) transferred to an entity which is not a reporter to the credit register, and the institution is still the servicer of the loan, the institution is to report the loan to the credit register where the transferred amount is reported in attribute 4.3.3 Transferred amount, cf. section 4.4.3 of the ECB [AnaCredit Reporting Manual Part II](#). However, some accounting-related data on the loan is not to be reported, since the loan is not recognised on the institution's balance sheet, cf. Table 1, and attribute 4.6.2 Balance-sheet recognition is to be reported as "Entirely derecognised".

**Specific attributes that are/are not to be reported by the institution in dataset 6. Accounting dataset if a loan has been transferred to an entity which is not a reporter to the credit register**

Table 1

Attribute	To be reported	Not to be reported
4.2.1 Contract identifier	X	
4.2.2 Instrument identifier	X	
4.6.1 Accounting classification of instruments		X
4.6.2 Balance-sheet recognition	X	
4.6.3 Accumulated write-offs		X
4.6.4 Accumulated impairment amount		X
4.6.5 Type of impairment		X
4.6.6 Impairment assessment method		X
4.6.7 Sources of encumbrance		X
4.6.8 Performing status of the instrument	X	
4.6.9 Date of performing status of the instrument	X	
4.6.10 Provisions associated to off-balance sheet exposures		X
4.6.11 Status of forbearance and renegotiation	X	
4.6.12 Date of forbearance and renegotiation	X	
4.6.13 Cumulative recoveries since default	X	
4.6.14 Carrying amount		X

Source: [ECB AnaCredit Regulation](#).

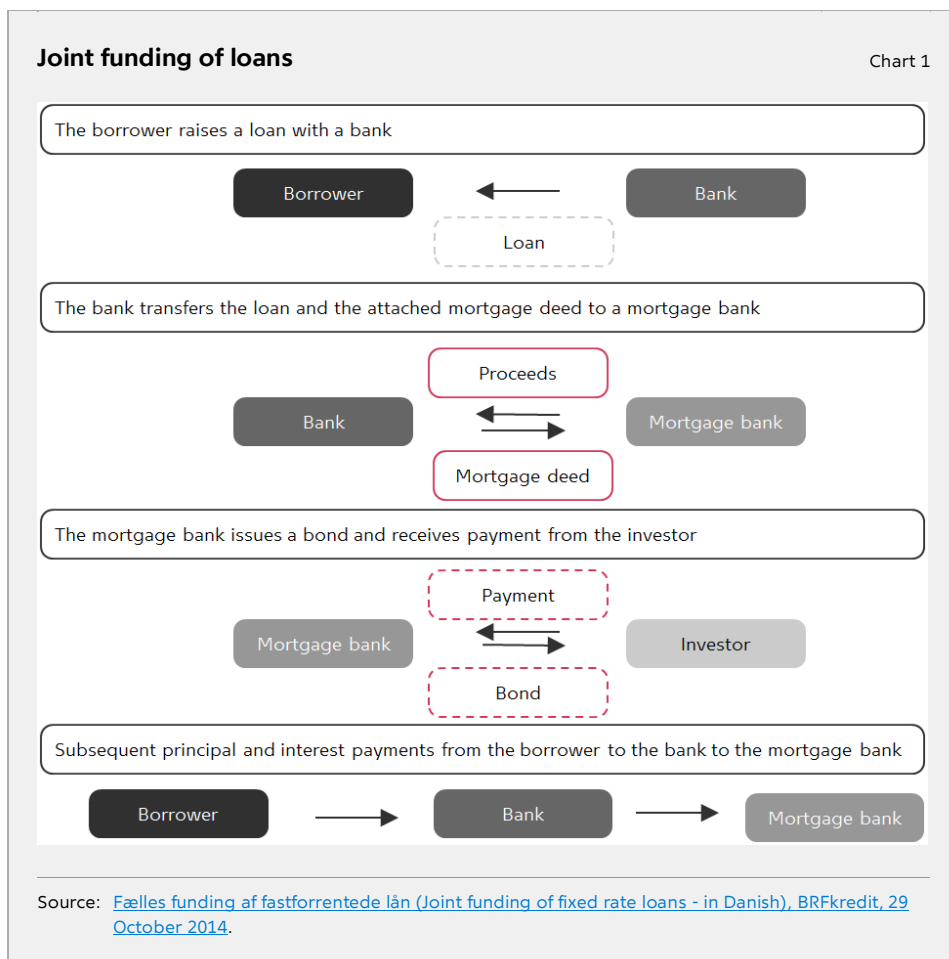
The reporting requirements in this appendix are in accordance with the reporting requirements for the BSI statistics.

### JOINTLY FUNDED LOANS

Joint funding means that a bank may fund loans secured by real estate property, using SDOs (covered bonds) issued by another bank or mortgage bank, cf. [Account by the Danish Financial Supervisory Authority of 29 January 2014 \(in Danish\)](#). This means that jointly funded loans are loans with an attached mortgage deed that are transferred for ownership from a bank or mortgage bank to another institution, and where bonds are issued on the basis of the loan transferred (in the form of SDOs or SDROs), cf. section 16d of [the Executive Order on the Financial Business Act](#).

Jointly funded loans typically continue to be serviced by the bank transferring the loan, cf. Chart 1. The mortgage bank receiving the loan

with the attached mortgage deed and issuing bonds on the basis of the transferred loan, recognises the loan in its balance sheet. Therefore, the loan will not be recognised on the balance sheet of the institution transferring the loan.



### Examples of reporting of jointly funded loans in the credit register

Assume that a bank has created and disbursed a loan to a counterparty secured by real estate property with an attached mortgage deed at time  $t$ . At time  $t+1$ , the loan with the attached mortgage deed is transferred to a mortgage bank. The bank still services the loan on behalf of the mortgage bank, i.e. receives principal and interest payments, while the loan is recognised on the mortgage bank's balance sheet (and no longer on the bank's balance sheet).

***Loans transferred before the implementation of the credit register (before 30 June 2019<sup>1</sup>)***

Below, it is assumed that a bank has created, disbursed and transferred the loan to a mortgage bank *prior* to the launch of the credit register.

*Reporting by bank*

If the loan is transferred before the implementation of the credit register, the bank is *not* to report the loan.

*Reporting by mortgage bank*

The loan is to be reported by the mortgage bank, cf. Table 2, as this institution has recognised and acts as creditor of the loan.

In dataset 1. Counterparty reference dataset, counterparty data on the three counterparties involved in the loan are reported: borrower, bank and mortgage bank.

In dataset 4. Counterparty-instrument dataset, the roles of the counterparties are reported: the borrower is the debtor, the bank is the servicer and the mortgage bank is the creditor.

"0" is reported in attribute 4.3.3 Transferred amount, given that the loan is reported by the creditor, while attribute 4.2.7 Inception date is reported with the inception date of the loan with the bank before the loan is transferred to the mortgage bank. In some cases (when a mortgage loan is transferred for funding at a mortgage bank), data on the inception date with the bank is not transferred at change of creditor and in attribute 4.2.7 Inception date "Not required" is reported. In attribute 4.2.20 Settlement date, the settlement date of the loan with the bank is reported. "No" is to be reported in attribute 4.2.6 Fiduciary instrument, given that the mortgage bank does not service the loan on behalf of a third party, but acts as creditor of the instrument. Data on the mortgage deed, etc., is to be reported in the Protection received datasets (datasets 7, 8 and 11). As the mortgage deed is registered in the Land Registry, the mortgage deed is to be reported with Document Alias or Document Identifier in attribute 4.7.19 Registered protection identifier, cf. the Reporting Guidelines.

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<sup>1</sup> As the credit register will be launched on 30 September 2019, loans transferred between institutions during the 3rd quarter of 2019 (from 1 June to 30 September) are to be reported as at 30 September as described in the appendix.

**Example: Reporting of loan transferred before the implementation of the credit register (before 30 June 2019<sup>2</sup>)**

Table 2

Dataset and attribute	Value	Value	Value
<b>Dataset 1. Counterparty reference dataset</b>			
4.1.1 Counterparty identifier	YYYYYYYY	ZZZZZZZZ	XXXXXXXXXX
4.1.6 Name	Mortgage bank	Bank	Borrower
4.1... Other attributes in dataset 1	...	...	...
<b>Dataset 2. Instrument dataset</b>			
4.2.1 Contract identifier	Contract 1		
4.2.2 Instrument identifier	Instrument 1		
4.2.6 Fiduciary instrument	No		
4.2.7 Inception date	20160110		
4.2... Other attributes in dataset 2	...		
<b>Dataset 3. Financial dataset</b>			
4.2.1 Contract identifier	Contract 1		
4.2.2 Instrument identifier	Instrument 1		
4.3.3 Transferred amount	0		
4.3... Other attributes in dataset 3	...		
<b>Dataset 4. Counterparty-instrument data</b>			
4.1.1 Counterparty identifier	YYYYYYYY	ZZZZZZZZ	XXXXXXXXXX
4.2.1 Contract identifier	Contract 1	Contract 1	Contract 1
4.2.2 Instrument identifier	Instrument 1	Instrument 1	Instrument 1
4.4.1 Counterparty role	Creditor	Servicer	Debtor
<b>Dataset 7. Protection received dataset</b>			
4.7.1 Protection identifier			Mortgage deed 1
4.7.19 Registered protection identifier			Document Alias or Document Identifier
4.7... Other attributes in dataset 7			...

Note: Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Information on the mortgage deed is not included in the example.

***Loans transferred after the implementation of the credit register (after 30 June 2019)<sup>3</sup>***

Below, it is assumed that a bank creates, disburses and transfers the loan to a mortgage bank *after* the launch of the credit register.

<sup>2</sup> Cf. footnote 1.

<sup>3</sup> Cf. footnote 1.

*Reporting by bank in period t (the loan has not been transferred to the mortgage bank)*

In period t, the loan has been created and disbursed by the bank, cf.

Table 3. Two counterparties are involved in the loan: the borrower and the bank as the loan has not yet been transferred to the mortgage bank.

In dataset 1. Counterparty reference dataset, counterparty data on both counterparties is reported (counterparty data on the mortgage bank is not to be reported, as the loan has not been transferred to the mortgage bank at this point).

In dataset 4. Counterparty-instrument dataset, the roles of the counterparties are reported; the bank is reported both as "Creditor" and "Servicer" and the borrower is reported as "Debtor". This means that although only two counterparties are involved in the loan, three rows are to be reported in dataset 4. Counterparty – instrument dataset.

As the loan has been created but not transferred, "0" is to be reported in attribute 4.3.3 Transferred amount, while attribute 4.2.7 Inception date is to correspond to the inception date of the loan with the bank. "No" is to be reported in attribute 4.2.6 Fiduciary instrument, given that the bank does not service the loan on behalf of a third party, but acts as creditor of the instrument. Data on the mortgage deed, etc., is to be reported in the Protection received datasets (datasets 7, 8 and 11). As the mortgage deed is registered in the Land Registry, the mortgage deed is to be reported with Document Alias or Document Identifier in attribute 4.7.19 Registered protection identifier, cf. also the Reporting Guidelines. This is necessary to enable the loan to be matched across the reporting by the bank and the mortgage bank, respectively.

**Example: Reporting of loan transferred after the implementation of the credit register (after 30 June 2019<sup>4</sup>)** Table 3

Dataset and attribute	Value	Value
<b>Dataset 1. Counterparty reference dataset</b>		
4.1.1 Counterparty identifier	ZZZZZZZZ	XXXXXXXX
4.1.6 Name	Bank	Borrower
4.1... Other attributes in dataset 1	...	...
<b>Dataset 2. Instrument dataset</b>		
4.2.1 Contract identifier		Contract 1
4.2.2 Instrument identifier		Instrument 1

4 Cf. footnote 1.

4.2.6 Fiduciary instrument	No		
4.2.7 Inception date	20160110		
4.2... Other attributes in dataset 2	...		
<b>Dataset 3. Financial dataset</b>			
4.2.1 Contract identifier	Contract 1		
4.2.2 Instrument identifier	Instrument 1		
4.3.3 Transferred amount	0		
4.3... Other attributes in dataset 3	...		
<b>Dataset 4. Counterparty-instrument data</b>			
4.1.1 Counterparty identifier	ZZZZZZZZ	ZZZZZZZZ	XXXXXXXX
4.2.1 Contract identifier	Contract 1	Contract 1	Contract 1
4.2.2 Instrument identifier	Instrument 1	Instrument 1	Instrument 1
4.4.1 Counterparty role	Creditor	Servicer	Debtor
<b>Dataset 7. Protection received dataset</b>			
4.7.1 Protection identifier	Mortgage deed 1		
4.7.19 Registered protection identifier	Document Alias or Document Identifier		
4.7... Other attributes in dataset 7	...		
<p>Note: Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Information on the mortgage deed is not included in the example.</p>			

*Reporting by mortgage bank in period t+1 (the loan has been transferred to the mortgage bank)*

As far as the mortgage bank is concerned, the reporting of the example for period t+1 fully corresponds to the reporting specified in Table 2 (albeit with other dates, etc.). Now three counterparties are involved in the loan, as it has now been transferred to the mortgage bank:

1. Borrower
2. Bank
3. Mortgage bank

In dataset 1. Counterparty reference dataset, counterparty data on the three counterparties involved in the loan are to be reported. In addition, the roles of the counterparties are to be reported in dataset 4.

Counterparty-instrument dataset; the bank is now reported in the role of "Servicer", while the mortgage bank is reported in the role of "Creditor".

"0" is reported in attribute 4.3.3 Transferred amount, as the loan is reported by the creditor. In attribute 4.2.7 Inception date, the inception date of the loan with the bank is reported. In some cases (when a mortgage loan is transferred for funding at a mortgage bank), data on



the inception date with the bank is not transferred at change of creditor and in attribute 4.2.7 Inception date "Not required" is reported. In attribute 4.2.20 Settlement date, the settlement date of the loan with the bank is reported. "No" is to be reported in attribute 4.2.6 Fiduciary instrument, given that the mortgage bank does not service the loan on behalf of a third party, but acts as creditor of the instrument.

*Reporting by bank in period t+1 (the loan has been transferred to the mortgage bank)*

As the loan has been transferred to another institution which is also a reporter to the credit register, the bank is not to report data on the loan.