

January 10<sup>th</sup> 2025

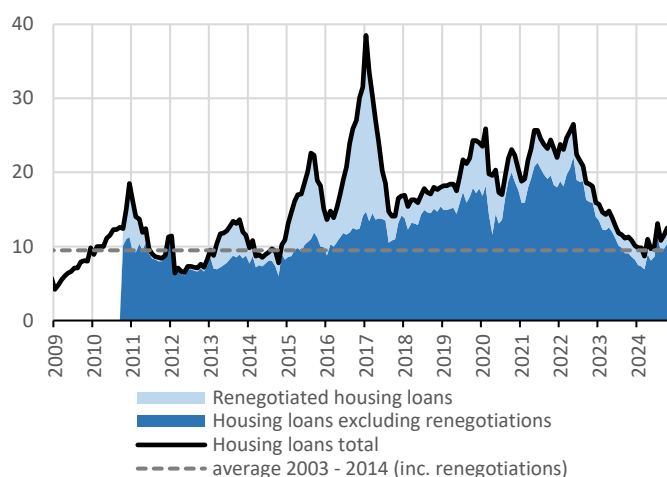
## Loans to individuals – France • November 2024

### With a further significant fall in interest rates, housing loan production remained above €10 billion in November

- **SA production of housing loans (excluding renegotiations) stood at €10.1 bn in November**, continuing the upward trend since the low of €6.9 bn in March 2024 (€9.7 bn in September and €10.4 bn in October).
- **The average interest rate on new housing loans continued to fall** in November: 3.38% in November after 3.51% in October for transactions excluding renegotiations, down 79 basis points on the peak of 4.17% in January 2024.
- Utilization of the HCSF flexibility margin, at 15.4%, remained significantly below the overall envelope of 20% available to banks.

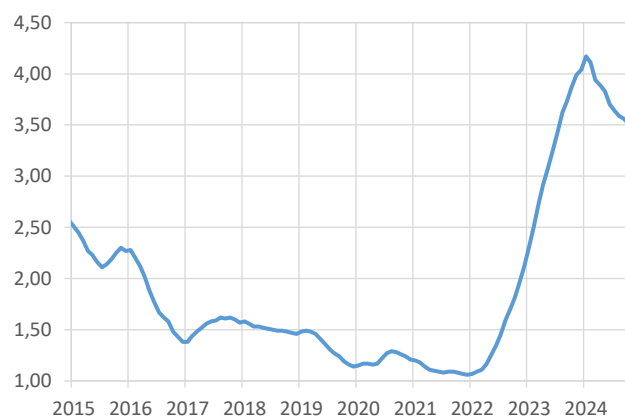
#### Production of new housing loans

(Monthly seasonally adjusted new loans in €bn)



#### Interest rates on housing loans, all maturities (excluding renegotiations)

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



#### Production of new loans (excluding overdrafts, monthly flows seasonally adjusted (a))

(volumes in €bn, proportion in percentage)

	Sep-24	Oct-24 (r)	Nov-24 (p)
- housing loans	11.5	12.5	12.0
of which housing loans excluding renegotiations	9.7	10.4	10.1
- proportion of renegotiation (not seasonally adjusted) in % (c)	15.6	16.4	15.7
- loans for consumption purposes (b)	5.7	5.9	5.6

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

(in percentage)

	Sep-24	Oct-24 (r)	Nov-24 (p)
- housing loans	3.33	3.28	3.18
of which housing loans long term and fixed rates	3.31	3.25	3.16
of which housing loans short term and floating rates	3.94	4.06	3.80
of which housing loans excluding renegotiations	3.56	3.51	3.38
- loans for consumption purposes (b)	6.41	6.46	6.52
- overdrafts for individuals (d)	7.37	7.38	7.58

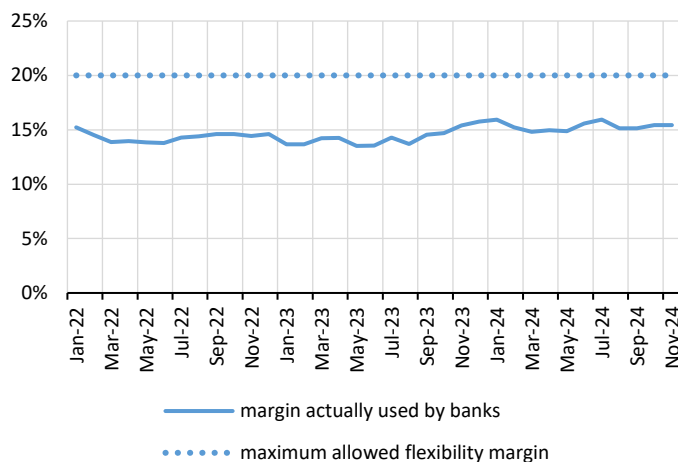
(a) Parameters for seasonal adjustment are updated each month, taking into account monthly data under review; (b) Excluding revolving loans. Loans for splitted-cost payments (mainly "loans granted on market place" and "extended credit-card credits" are included into consumption loans); (c) Ratio of renegotiated 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). (r) Revised data; (p) Provisional data

Renegotiated loans are loans where at least one of the terms of the initial contract is modified with the active participation of the borrower, giving rise to the declaration of a new contract. They include in particular loans for which the insurance contract has been modified (since February 2022 the Lemoine law authorizes the termination at any time of the borrower's insurance contracts, without any notice period or fees or penalties) even if the other characteristics of the loan remain unchanged.



## Share of new housing loans not meeting HCSF lending criteria thresholds in total production\*

(in percentage)



\* Total new housing loan production excluding renegotiations and excluding bridging loans

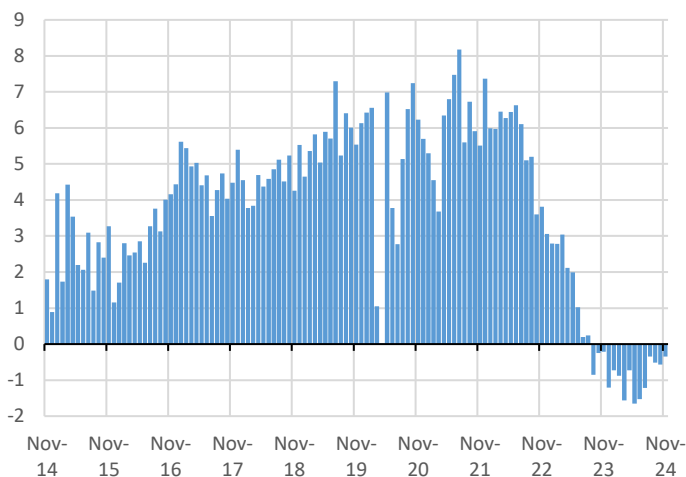
## Outstanding amounts and annual growth rates (without seasonal adjustment)

(Outstanding amounts in €bn, annual growth rates in %)

	End-of-month level			Annual growth rate		
	Sept-24	Oct-24	Nov-24	Sept-24	Oct-24	Nov-24
<b>Total</b>	<b>1,523</b>	<b>1,524</b>	<b>1,523</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>
Lending for house purchase	1,283	1,283	1,282	-0.8	-0.9	-0.9
Credit for consumption	209	211	211	2.9	3.0	2.5
Other lending	31	31	31	16.5	15.9	16.4

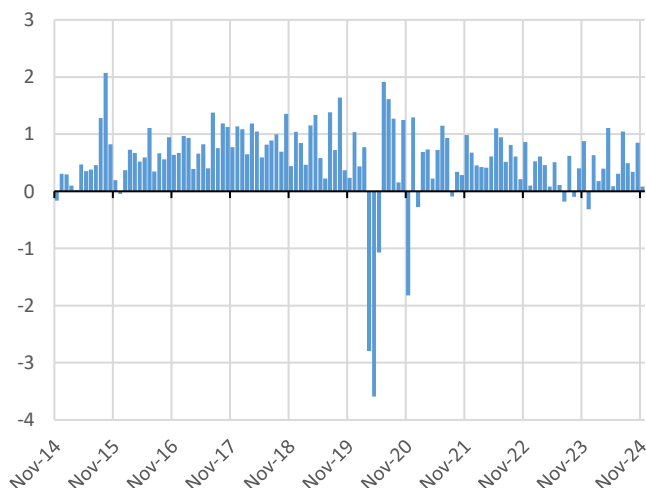
## Net flows of housing loans to individuals (seasonally adjusted)

(In €bn)



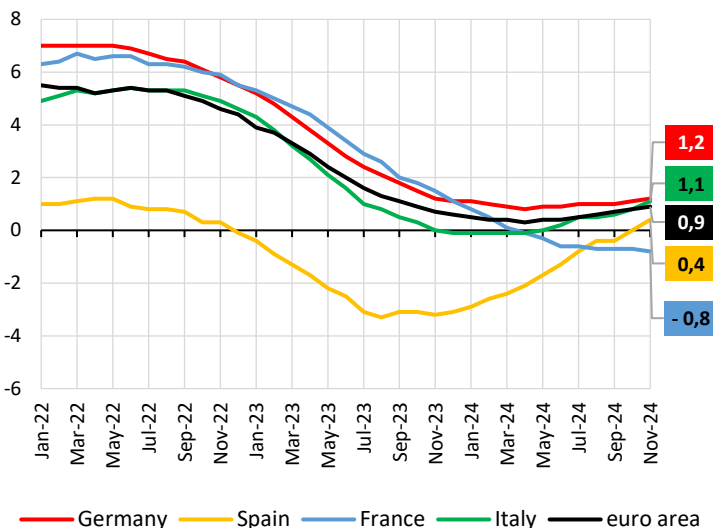
## Net flows of credit for consumption (seasonally adjusted)

(In €bn)

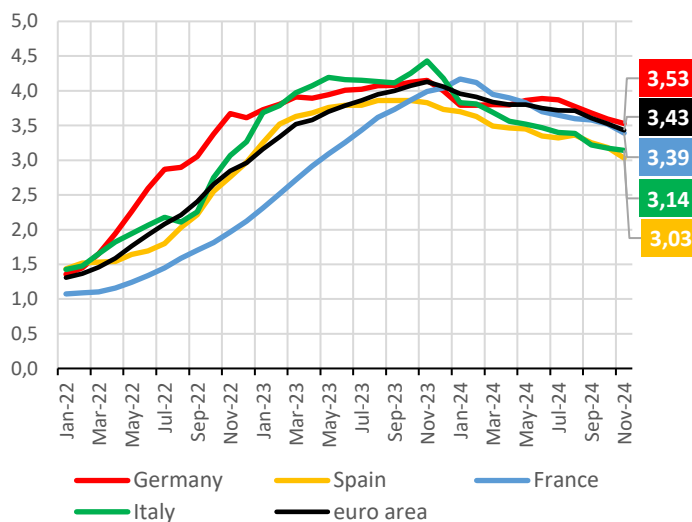




## Euro area : Annual growth rate of outstanding housing loans to households(1) (in %)

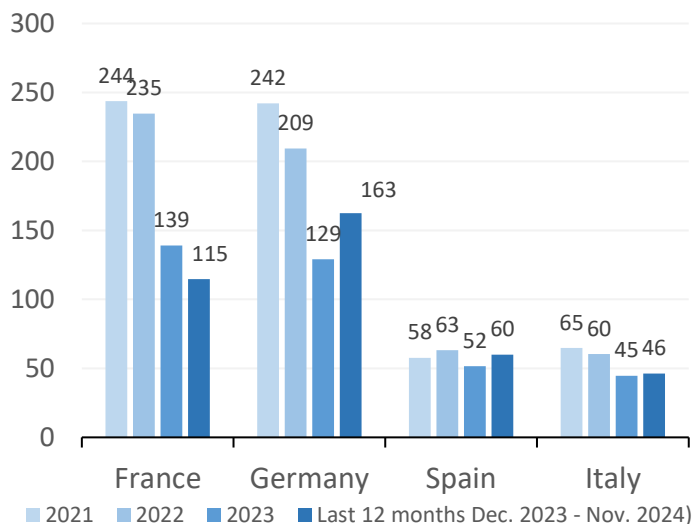


## Euro area : Interest rates for new housing loans (excluding renegotiations, in %)



(1) Households = Individuals + sole entrepreneurs + non-profit institutions serving households. The annual growth rate of outstanding housing loans to households in France is -0.8% in November 2024 and -0.9% for individuals alone.

## Euro area: New housing loans (excluding renegotiations) to households, cumulative in €bn





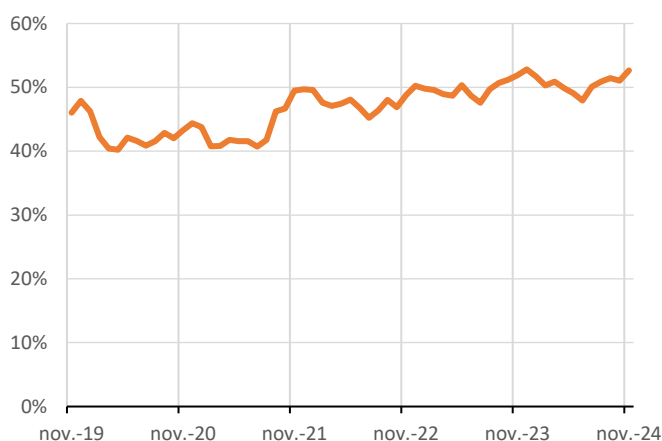
## Additional information on access to real estate credit for first-time buyers

The Banque de France collects additional information from resident banks on housing loans, which makes it possible to break down loans according to their characteristics as well as those of the borrowers (loan amount, number of loans, average term, first-time buyer or not, etc.). This more granular information is based on a sample of 12 banks representing 90% of total outstanding loans, and is available with a small time lag. Analysis of the data shows that:

- The proportion of first-time buyers taking out a housing loan to purchase a primary residence accounts for just over half of new loans.
- The average maturity of housing loans for the purchase of a principal residence is slightly above 23 years for all borrowers and 23 years and 7 months for first-time buyers.

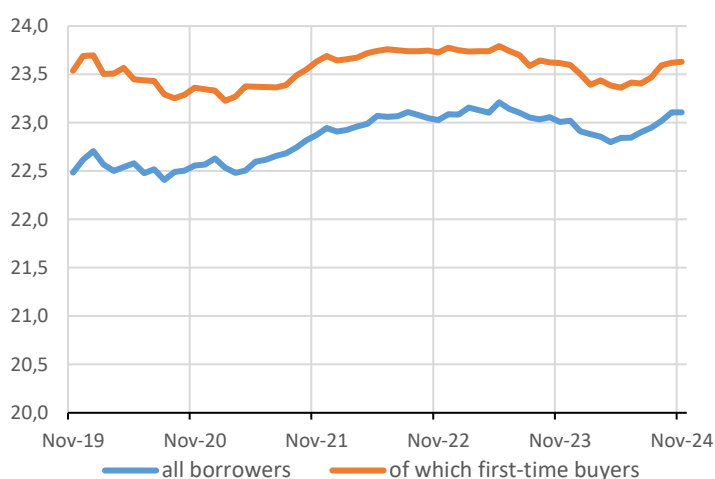
### Share of first-time buyers in the production of housing loans for the acquisition of a principal residence

(in %)



### Average maturity of housing loans for the purchase of a principal residence

(in years)



## Additional information

- 'Individuals' are a subset of the 'households' economic sector, which also includes sole proprietors and unincorporated partnerships and NPISH.
- The outstanding growth rates are calculated from monthly changes in stocks (including sales and securitization) by correcting from modifications that do not reflect economic changes, especially, the accounting derecognition of loans from the MFI's statistical balance sheet due to write-offs/write-downs. Conversely, exchange rate effects are taken into account without any change for technical reasons.
- Monthly growth rates are those of new loans agreed, i.e. disbursed. Nevertheless, new loan production represents new loans granted, even when they are not actually disbursed to the borrower, in accordance with the Eurosystem harmonised methodology. For this reason, the production of new loans differs from monthly changes in outstanding loans. Indeed, on the one hand, outstanding loans are recorded after the effective disbursement of funds and, on the other hand, they are reduced by the amortization of old loans.
- 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 external mortgage repurchases.

