

# European RMBS Outlook 2022

## Performance And Issuance At A Crossroads

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Jan. 27, 2022



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**S&P Global**  
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# Key Takeaways

- Inflation in both the U.K. and eurozone is expected to be transient and ease in the latter part of 2022. In our view, the European Central Bank (ECB) will wait until early 2024 to start raising rates. The Bank of England (BoE) is expected to act earlier and rate rises are expected in 2022.
- Overall, our credit outlook for RMBS is stable. Improved underwriting standards since the global financial crisis and structural protections mean that the majority of S&P Global Ratings-rated RMBS transactions will be resilient to challenges posed by inflation and rate rises.
- U.K. legacy RMBS collateral will likely come under pressure as the effects of rate rises and cost of living stress, including tax rises, affect borrowers with limited financial resilience. Comparable asset classes in other countries, such as reperforming in Spain and Ireland, will unlikely have rate rises to contend with.
- The U.K. is likely to be at the forefront of European issuance volumes. This will likely comprise both new collateral and refinancing of 2019 transactions. The U.K. has seen a number of new lenders launch in recent years, some with innovative products. We may see debut issuances from these lenders in 2022.
- ESG issuance is likely to be a feature in 2022. We expect Europe's banks will rush to demonstrate capability in the green space. Social RMBS remains more challenging in most countries, as lending protocols by definition typically exclude the underserved. The U.K. is more likely than anywhere to see social issuance.



# Economic Conditions | U.K. And Eurozone Economic Activity Should Exceed Pre-Pandemic Levels In Q4 2021

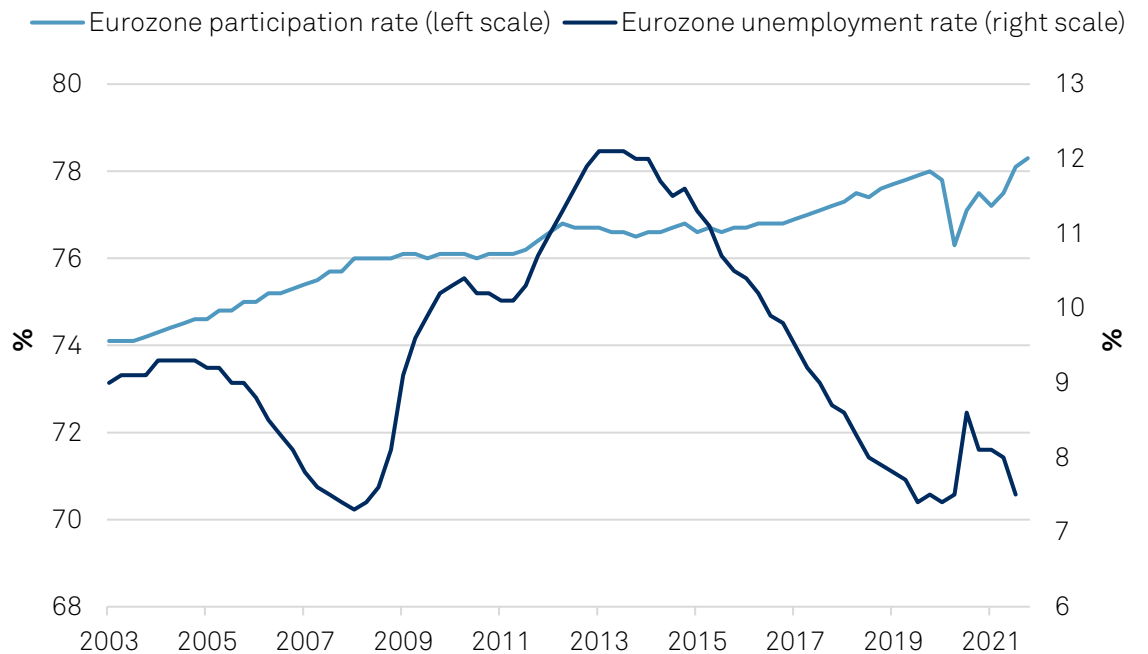
- Unemployment is unlikely to be a major influence on mortgage performance in 2022. Job creation in both the U.K. and Eurozone is robust. Anecdotal evidence also suggests younger people have been disproportionately affected by the pandemic and unemployment, but they are less likely to be mortgage borrowers.

## S&P Global Ratings' European Economic Forecasts

	Germany	France	Italy	Spain	Netherlands	Eurozone	U.K.
<b>GDP</b>							
2019	1.1	1.8	0.4	2.1	1.9	1.6	1.7
2020	(4.9)	(8.0)	(9.0)	(10.8)	(3.8)	(6.5)	(9.7)
2021	2.7	6.7	6.4	4.5	4.6	5.1	6.9
2022	4.3	3.8	4.7	7.0	3.9	4.4	4.6
2023	2.5	2.2	1.8	4.4	2.0	2.4	2.2
2024	1.5	1.6	1.0	2.4	1.8	1.6	1.9
<b>Unemployment rate</b>							
2019	3.2	8.4	10.0	14.1	3.4	7.6	3.8
2020	3.9	8.0	9.3	15.5	3.8	7.9	4.5
2021	3.6	8.0	9.6	15.1	3.3	7.9	4.6
2022	3.4	7.8	9.1	14.4	3.5	7.5	4.5
2023	3.3	7.7	8.9	14.0	3.4	7.3	4.3
2024	3.2	7.4	8.7	13.8	3.3	7.1	4.0

Source: S&P Global Ratings. [Eurozone Economic Outlook 2022: A Look Inside The Recovery](#), Nov. 30, 2021.

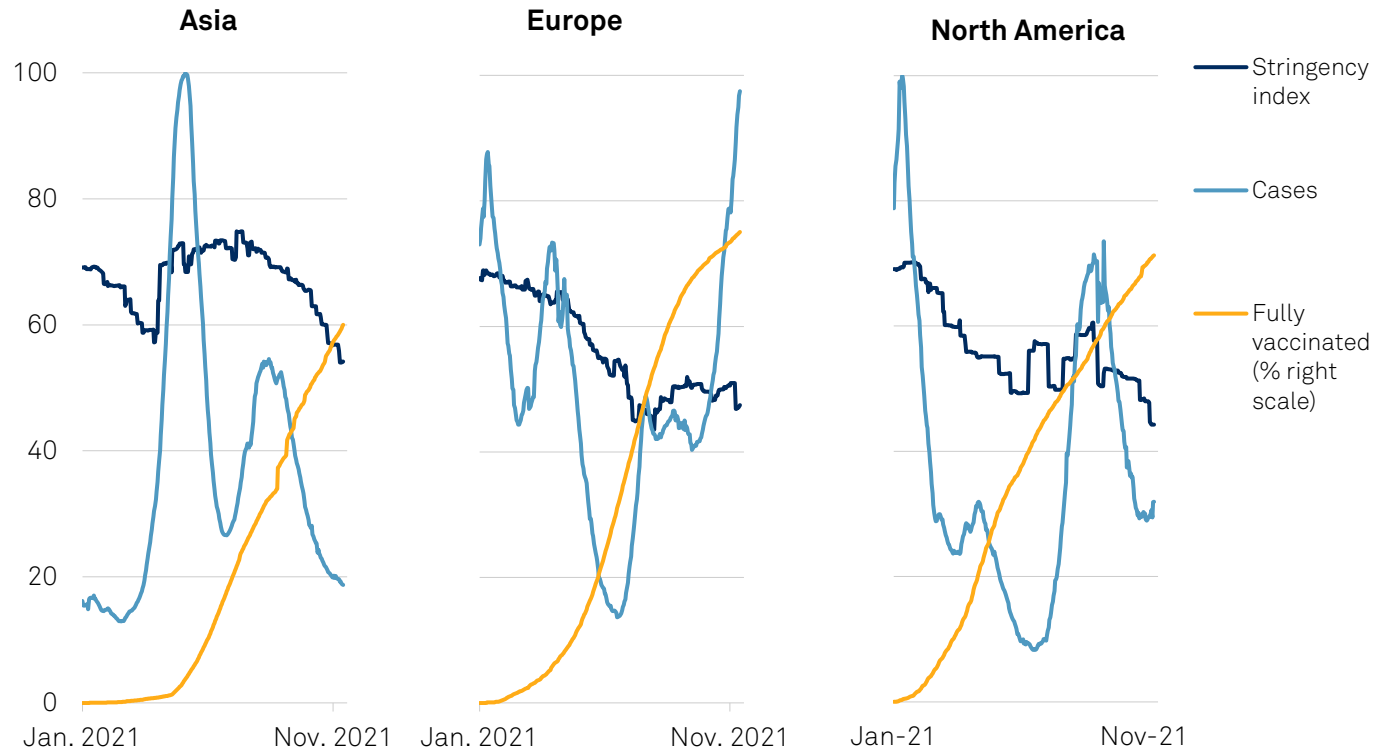
## Employment Has Recovered To Pre-Pandemic Levels, And Few Workers Have Dropped Out Of The Labor Force



Sources: Eurostat, S&P Global Ratings.

# Economic Conditions | COVID-19 Likely To Become Endemic, But The Economic Impact Is Fading, But Will Linger.

43% Of The World Population Is Now Fully Vaccinated, Increasing By 5% Per Month



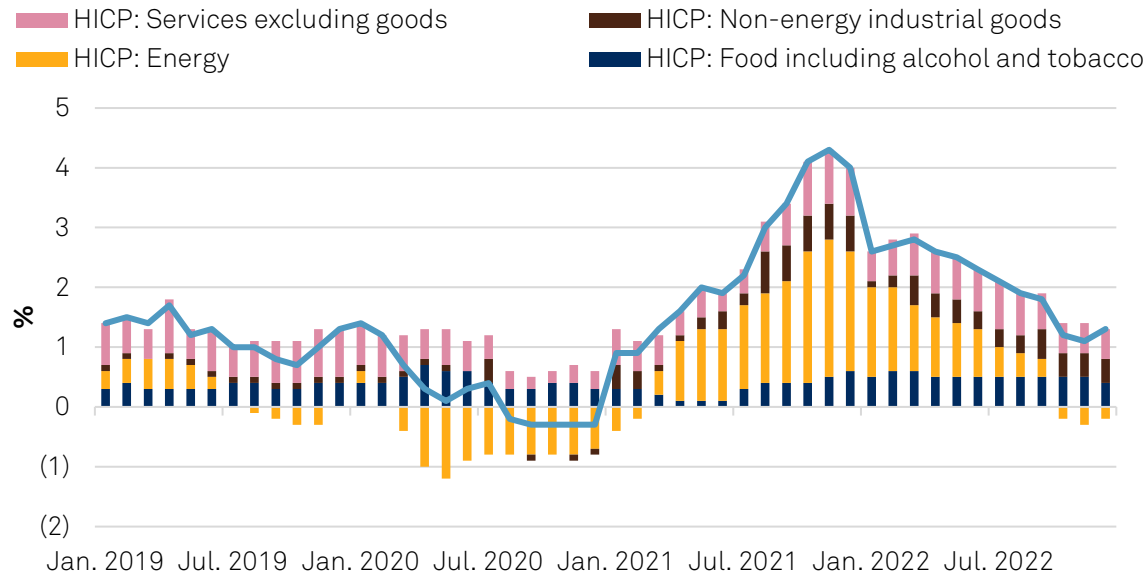
Data as of Nov. 20, 2021. Sources: Our World in Data; Oxford COVID-19 Government Response Tracker, Blavatnik School of Government, University of Oxford, S&P Global Ratings. [Global Credit Outlook 2022](#), Dec. 1, 2021.

- Europe enters 2022 having had a successful vaccine rollout. The policy response to omicron differs country to country and are evolving rapidly.
- Certain countries have restrictions that curtail industries, such as hospitality, without the combined safety net of furlough schemes and payment holidays. Although we expect servicers to be pragmatic with borrowers affected by this, arrears rates may increase in the short term.
- Although arrears have the potential to increase, litigation and liquidation of residential assets are unlikely to be realistic options for cases that are in arrears purely because of the impact of the pandemic. The inability to liquidate will likely see late-stage arrears buckets increase.

# Economic Conditions | Inflation Should Slow In 2022 And The ECB Will Likely Wait Until 2024 Before Hiking Rates

- Although many European mortgage obligors are sheltered from the effect of rate rises by virtue of being on a fixed rate, by no means all are. Rates are expected to rise sooner in the U.K. and will affect borrowers with already demonstrated lower resilience, such as legacy U.K. RMBS.
- Borrowers in the U.K. also have increased tax rates to contend with, which will add to the cost of living squeeze. U.K. legacy borrowers will likely be more affected by this cost of living squeeze. Inevitably, small rises in the cost of living have a bigger effect on those that can least afford it.

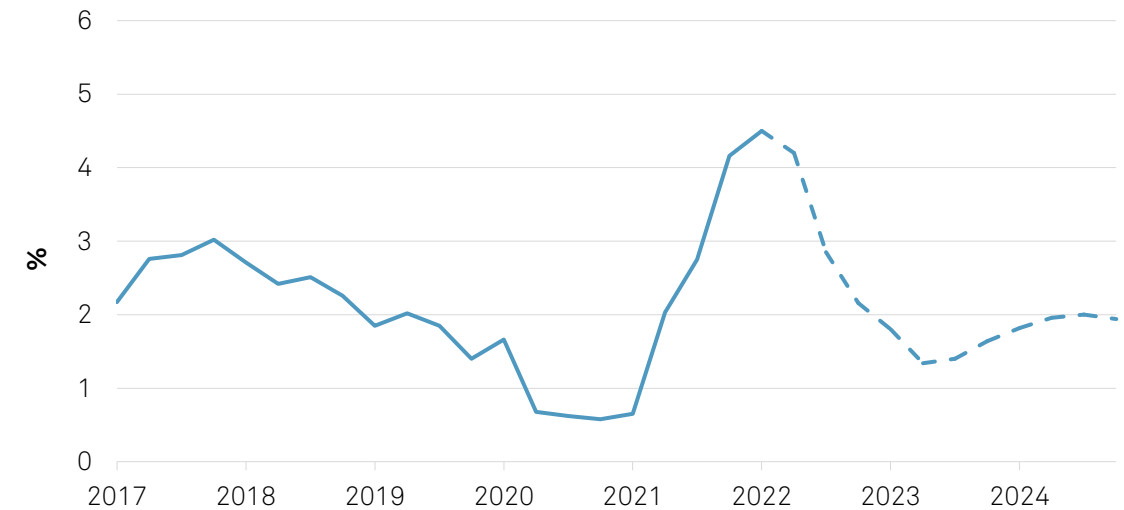
## Temporary Drivers Will Drop Out Of Inflation Next Year



HICP--Harmonized Index of Consumer Prices. Sources: Eurostat, S&P Global Ratings.

## U.K. Inflation Set To Remain Transitory

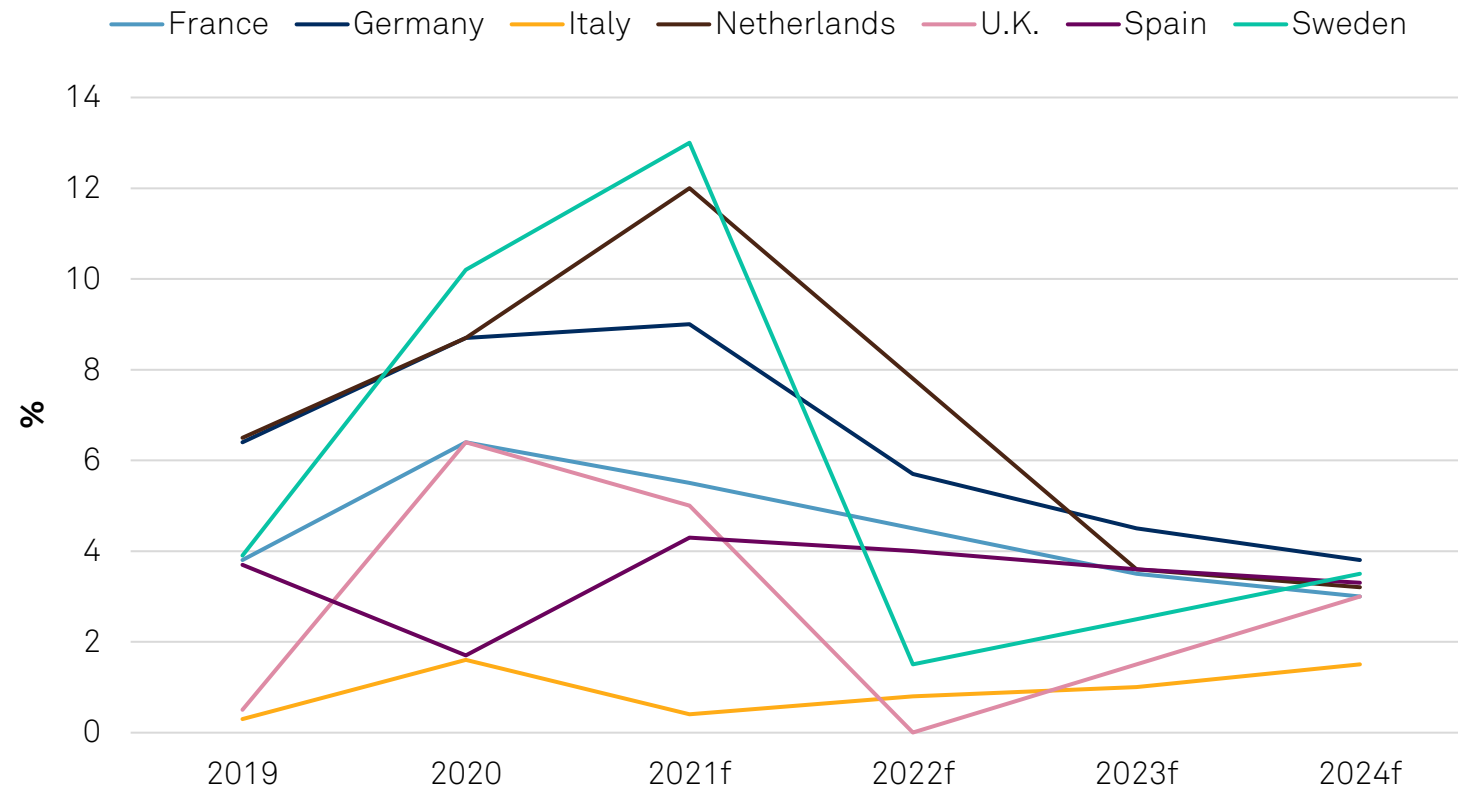
### Consumer Price Index



2022-2024 Are Forecasts. Source: S&P Global Ratings.

# Economic Conditions | The Pandemic Has Driven Housing Demand And Prices To New Highs

## Our Forecasts Show That House Price Inflation Is Here To Stay



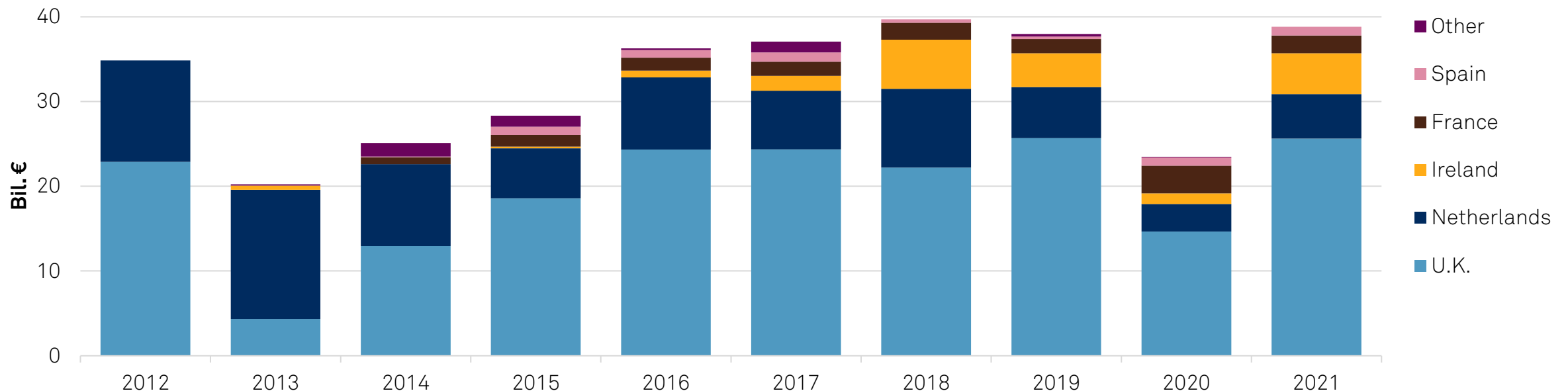
f--Forecast. Year on year annual growth in the fourth quarter. Sources: OECD, S&P Global Ratings. [European Housing Market Inflation Is Here To Stay](#), Nov. 2, 2021.

- Although borrowers' ability to pay will be challenged in 2022, the house price environment is likely to remain strong.
- For existing mortgages this will be supportive as increased housing equity levels will create conditions that help borrowers avoid default, and lower or prevent losses if they do.
- However, for newly created mortgages, high house prices create a challenge of affordability, which is likely to remain stretched and, depending on the country, may drive product innovation.

# Issuance | RMBS Issuance Bounced Back Close To Decade Highs In 2021

- The U.K. still dominates issuance volumes in Europe. Ireland and the Netherlands are the next most prevalent RMBS issuers, a trend that is likely to continue in to 2022.
- Buoyed by strong credit performance during the pandemic, and as a variable-rate asset class, RMBS could attract new investors in 2022. New issuance trends to look out for are the potential for an increase in Spanish reperforming transactions and debut issuances from recently established lenders in the U.K and Ireland.

## European Investor-Placed RMBS Issuance, By Country



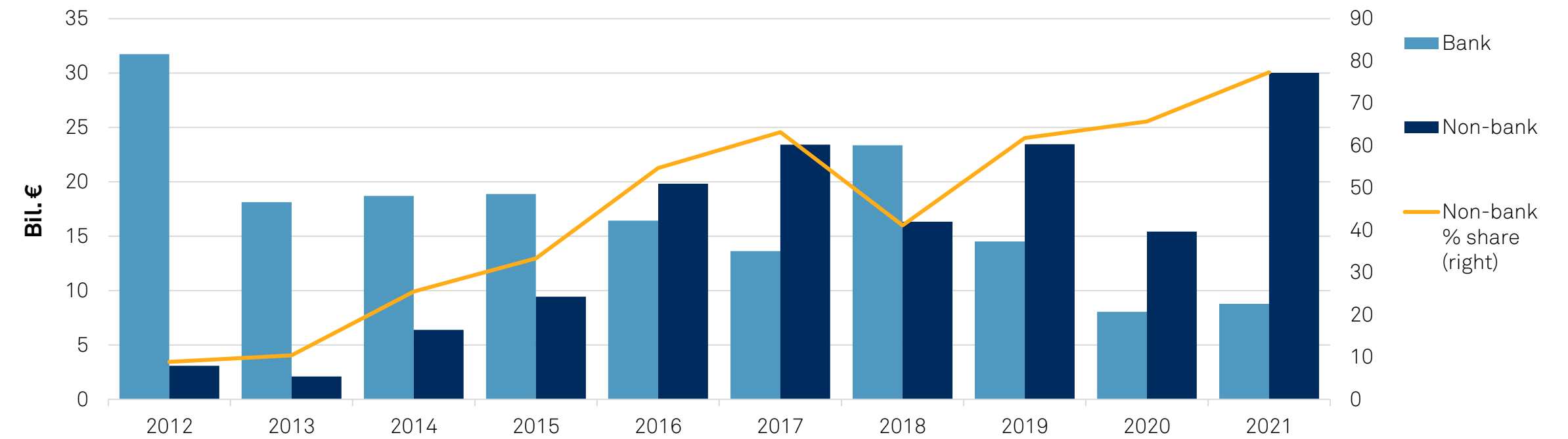
Source: S&P Global Ratings.



# Issuance | Bank Issuance At Near Decade Lows

Bank issuance has been subdued for several years. More recently, Europe's banks experienced high deposits during the pandemic. 2022 will likely be the year banks look seriously at reintegrating RMBS into their funding mix. This is especially true of the U.K. where the TFSME (Term Funding Scheme with additional incentives for SMEs) has closed for new drawdowns.

Bank Versus Non-Bank RMBS Issuance



Source: S&P Global Ratings.

# ESG | Highlights

- 2021 may be the year that both green and social RMBS came to the center stage in Europe. Although, and as we predicted last year, volumes of both green and social RMBS were relatively trivial from an overall issuance perspective, the completed transactions forced the debate on the future of social and green issuance and educated the market as to what the barriers are and how they may be overcome.
- With the emergence of green and social labelled RMBS, it has raised some concerns from market participants surrounding the legitimacy and credibility of these instruments. In particular, investors have expressed fears that sustainable debt instruments may not be much different from their vanilla counterparts.
- We launched several environmental, social, and governance (ESG) transparency initiatives in 2021, including ESG Industry Report Cards, dedicated ESG paragraphs in presale reports, publishing our ESG principles criteria, and releasing a monthly ESG In Credit Ratings Newsletter (see "[ESG Industry Report Cards For Structured Finance Published](#)," published March 31, 2021, and "[Environmental, Social, And Governance Principles In Credit Ratings](#)," published Oct. 10, 2021, and "[ESG In Credit Ratings Newsletter](#)," published Dec. 1, 2021).
- We also began publishing ESG Credit Indicators for the corporate and infrastructure, banking, and insurance sectors, which reflect our opinion of how material the influence of ESG factors is on the various analytical components in our rating analysis (see "[ESG Credit Indicator Definitions And Application](#)," published Oct. 13, 2021). We anticipate rolling out ESG Credit Indicators to other asset classes in 2022, including structured finance.

# ESG | Highlights

## Green RMBS

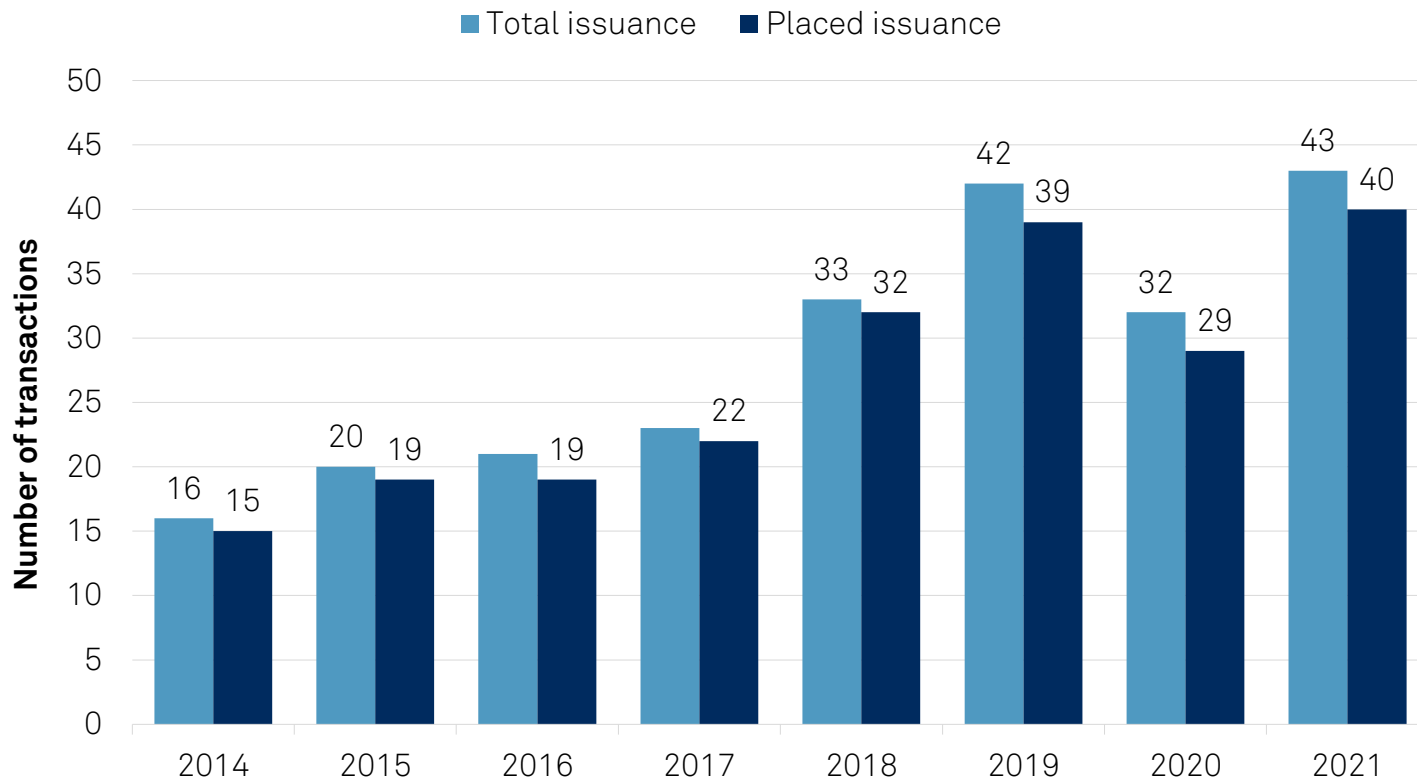
- Mortgage lenders across Europe are now originating "green" collateral. Green being defined here with reference to Energy Performance Certificates (EPCs). Two trends are visible. Firstly, from a volume perspective it is larger banks that have originated most green collateral. Secondly, lenders offer a discount to standard pricing for higher EPCs.
- 2021 saw a number of so-called use-of-proceeds transactions, where funds raised by RMBS issuance are earmarked to originate green collateral, rather than the mortgages backing the issuance being green. The industry has witnessed lengthy debates on the merits of use-of-proceeds transactions. Consensus seems to be that it is a necessary first step in the establishment of green mortgage financing.
- Use-of-proceeds transactions are those where the lender executing the transaction must use all of the funding raised originating another green RMBS. As such, smaller lenders are likely to be infrequent green RMBS issuers, initially. Therefore, although more use-of-proceeds transactions are likely in 2022, for green RMBS to become common, focus will fall on banks to fulfil demand.
- We have not yet seen enough evidence to draw any conclusions on whether the green home loans will exhibit fundamentally better or worse credit performance than traditional mortgage loan collateral.

## Social RMBS

- The social RMBS issued in 2021 generally funded mortgages to underserved borrowers. However, underserved borrowers may be loosely defined in an originator's social bond framework and there is a risk that the collateral for specific RMBS transactions could have relatively weak social credentials.
- The U.K., with its strong culture of innovation combined with already strong RMBS issuance, will be at the forefront of social RMBS issuance.
- The challenges of green RMBS and social RMBS issuance are analyzed in depth in "[Green Mortgages And Green RMBS: What Are The Challenges?](#)," published June 28, 2021, and "[Social RMBS: Is The Pursuit Of Housing Equality A Risky Business?](#)," published Sept. 1, 2021.

# U.K. | Overview

## U.K. RMBS Issuance By Transaction Count



Source: S&P Global Ratings.

- Mortgage origination saw an all-time high in the U.K. in 2021, and RMBS issuance by transaction count was the highest since the global financial crisis.
- Banks have been relatively infrequent users of securitization recently. Non-banks, who have specialized in underwriting borrowers with complex income, have scaled back or ceased origination of owner-occupied collateral. Buy-to-let (BTL) legacy nonconforming RMBS have been and are likely to remain important to overall issuance levels. 2019 saw a high number of transactions, a number of which will need refinancing in 2022.
- High transparency has seen U.K. RMBS enjoy strong demand throughout the pandemic, which has improved the visibility of the asset class beyond its recent sponsors.

# U.K. | Buy-To-Let

## 2022 Buy-To-Let Issuance Outlook

- Competition in U.K. BTL is fierce. A number of new lenders have entered the market in 2021. House price growth and increased borrower equity means equity withdrawal to re-lever and grow portfolios is likely to sustain the market in 2022.
- However, it is not a given that this will lead to growth in issuance. The recent acquisition of several U.K. non-bank BTL lenders will change their funding needs and brings into question their reliance on RMBS.
- Lenders that set up origination platforms in 2019-2021 seem likely to come to market with debut offerings.
- Bumper 2019 issuance is likely to lead to calls and refinancing of a number of transactions.

## 2022 Buy-To-Let Origination Trends

- Regulation means that the core mainstream market is unlikely to evolve significantly in 2022.
- Some new entrants, and existing lenders looking to tap higher yielding areas of the market, may lead to BTL product offerings evolving and risks increasing at the fringe of the market.
- 2021 saw some unregulated areas of lenders' credit criteria being relaxed. For example, the requirements to have an owner-occupied mortgage and minimum income levels were removed or lowered. In 2022, we may see some more relaxation in core underwriting requirements such as lower debt service coverage ratios (DSCRs) and larger houses in multiple occupations (HMOs) or more esoteric properties.

## 2022 Credit Performance Outlook

- We do not anticipate deterioration in the performance of prime BTL. This is supported by fundamentals and strong performance, even with rent arrears reaching 10% at the peak of the pandemic (see "[Why U.K. Buy-To-Let Has Defied Gravity Through COVID-19](#)," published Aug. 3, 2021).
- Although interest rates are expected to increase, high house prices combined with no obvious solution to low housing supply means that renting will remain a necessity for many people and will underpin the already improving rental demand.
- BTL has been a predominantly five-year fixed-rate market for a number of years, meaning that any payment shock arising from rising rates is likely to be limited.



# U.K. | Owner Occupied

## 2022 Issuance Outlook

- The end of TFSME which closed for new drawdowns in the fourth quarter of 2021 should, if market conditions are favorable, herald a renaissance of bank-issued RMBS in the U.K.
- Securitization of owner-occupied collateral from non-bank lenders is likely to be dominated by programmatic issuers. During the pandemic, some lenders curtailed their activity in the specialist owner-occupied space, owing to concerns about the viability of RMBS as a means of refinancing. As such concerns have decreased, non-bank specialist owner-occupied RMBS should become more common.
- The U.K. has seen several new lenders launch in the past two to three years and so 2022 may see these lenders launch debut RMBS issuances.

## 2022 Owner-Occupied Origination Trends

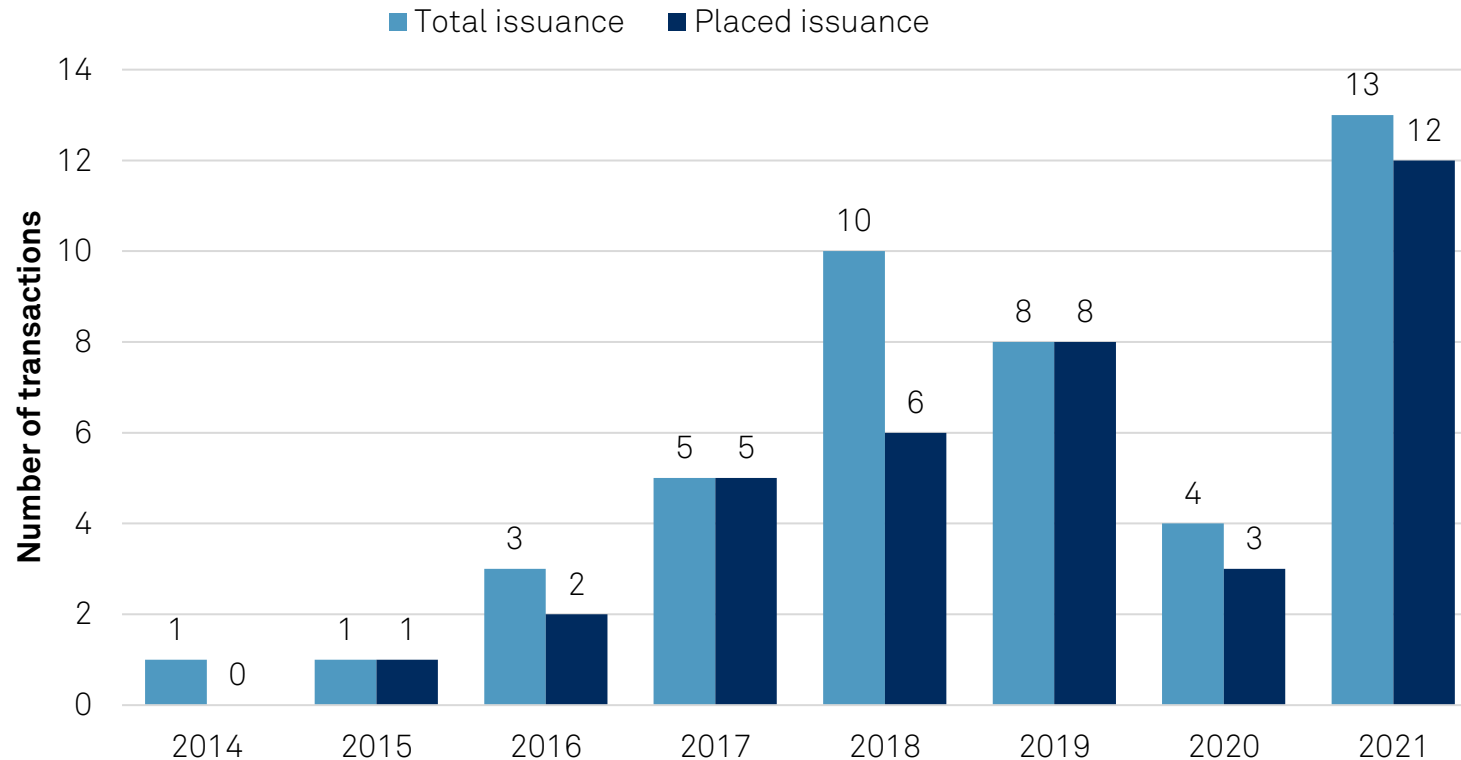
- In December 2021, the U.K. regulator announced that it intends to consult on the relaxation of affordability rules in the U.K. The proposal is to relax the stress test that affordability must be demonstrated at three percentage points above the reversion rate of the mortgage.
- If the proposal goes ahead, loans will become available to borrowers who would have previously been rejected. As these borrowers will, by definition, have less ability to deal with financial turbulence, 2022 vintages may exhibit higher default rates than more tightly regulated vintages, all other things being equal.
- We expect the U.K. mortgage origination process to become increasingly automated. Appropriate use of technology is credit positive, in our view, but the use of technology could be extended to situations it was not intended or appropriate for.

## 2022 Credit Performance Outlook

- Owner occupied credit performance will diverge in 2022. Post-global financial crisis collateral should remain stable, whereas nonconforming collateral from the time of the crisis has the propensity to deteriorate. Legacy borrowers on variable rates are more vulnerable to the threat of inflation, both from rate increases and from increases in the costs of living (higher price and taxes) leaving less surplus income. Such borrowers tend to have less financial resilience and, given the current sympathetic servicing environment, they are likely to prioritize other outgoings in the near term, meaning arrears may build through 2022.
- Prime owner-occupied borrowers have been underwritten to a higher standard and also are more likely to be on a fixed rate, making them generally immune to the immediate risk of payment shock in 2022.

# Ireland

## Irish RMBS Issuance By Transaction Count



Source: S&P Global Ratings.

- Irish RMBS issuance in recent years has been dominated by reperforming/nonperforming and BTL securitization.
- Investor-placed bank issuances of prime RMBS backed by recently originated, post-global financial crisis assets have been a rarity for a number of years. This is in part the result of the eurozone-wide ECB activity and, more recently, high bank deposit rates.
- The Irish banking system finds itself in a state of flux. Both Ulster Bank DAC and KBC Bank Ireland PLC, two past RMBS issuers, have announced they are leaving the market. This creates a void likely to be filled, to some degree, by non-bank lenders.
- Banks have been prioritizing offloading capital-intensive reperforming positions.

# Ireland

## 2022 Issuance Outlook

- BTL and securitization of reperforming assets (including refinancing existing transactions) are likely to feature in the mix.
- The exit strategies of Ulster Bank DAC and KBC Bank Ireland PLC may also drive the issuance of RMBS, to the extent that portfolios are sold and re-securitized. This is a theme that may persist beyond 2022.
- As for all eurozone countries with past RMBS issuances, all eyes are on banks as to whether they will dust off their secured funding programs.
- Non-bank lenders that attempt to fill the lending void created by KBC Bank Ireland and Ulster Bank's exit are more likely to use securitization

## 2022 Origination Trends

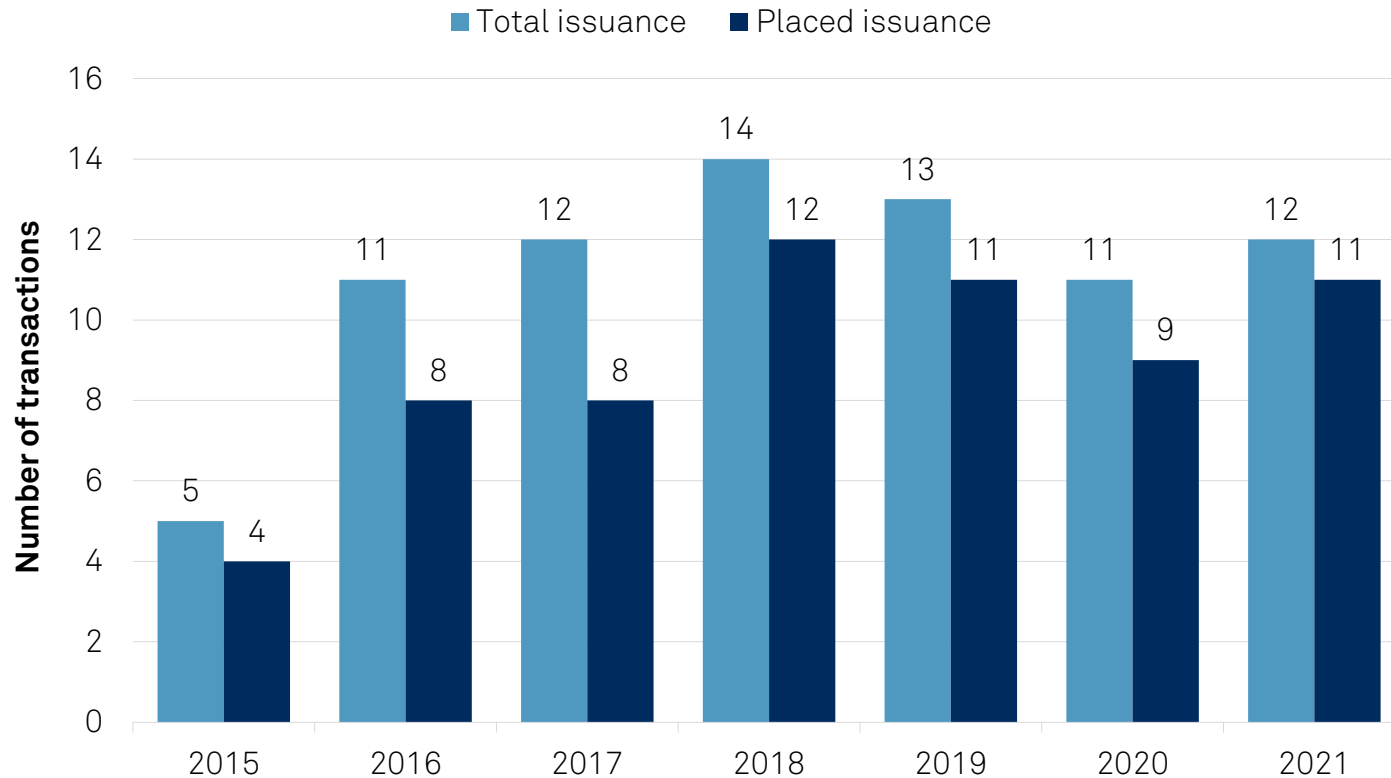
- There is growing evidence to suggest that borrower allegiance to banks is waning. Broker usage has increased and non-banks lenders such as Dilosk, Finance Ireland, and Avant Money have entered the RMBS market.
- Irish Macro Prudential rules on mortgage lending are strict and limit lenders' ability to loosen underwriting standards in any significant way.
- There has been increasing disquiet from some market participants as to whether the rules are too restrictive and are contributing toward people's inability to access the housing market. These themes are explored in more detail in "[European RMBS Market Update Q3 2021](#)," published Nov. 24, 2021.
- For now, the combination of these factors means non-banks are likely to compete on loan pricing rather than on core underwriting standards.

## 2022 Credit Performance Outlook

- As in the U.K., some of Ireland's least resilient borrowers find themselves on variable rates. However, as eurozone rates are not expected to rise until 2024, Irish borrowers should only have to deal with cost-of-living pressures in 2022.
- Although restructuring a loan involves a re-underwriting of the loan, including full reassessment of affordability, inflationary pressures will test the robustness of re-underwriting at the restructuring stage.
- Although inflation in the eurozone is forecast to be lower than in the U.K. in 2022, legacy collateral with past performance issues is likely to exhibit above-average sensitivity to cost-of-living increases.

# Netherlands

## Dutch RMBS Issuance By Transaction Count



Source: S&P Global Ratings.

- Dutch RMBS issuance has been subdued, albeit consistent, for a number of years. Non-banks, operating an originate-to-distribute model account for the bulk of issuance by transaction count.
- The BTL market is the most noteworthy recent development in the Netherlands and now has three active issuers.
- The general lack of growth in RMBS issuance can be attributed to the recent rise in unstructured mortgage funds as a means of funding mortgage origination, and more recently to the eurozone-wide phenomenon of banks being awash with deposits resulting from the COVID-19 pandemic.

# Netherlands

## 2022 Issuance Outlook

- BTL and non-banks are expected to remain the mainstay of Dutch RMBS issuance in 2022.
- As for all eurozone countries with past RMBS issuances, banks are more likely to issue in 2022 than in recent years.
- Banks' increased likelihood of issuing RMBS and the Netherlands' maturity in green mortgage origination may combine to see 2022 as the year that green RMBS from Dutch banks become the rule rather than the exception.
- Significant house price growth will, similar to in the U.K., see BTL borrowers seek to re-lever portfolios, which may see robust remortgage activity in the BTL space.

## 2022 Origination Trends

- Like other countries, the Dutch owner-occupied mortgage market is tightly regulated, and so we do not expect any material changes in origination trends.
- Recent Dutch house price growth has been among the strongest in Europe. This has led to politicization of the housing supply, placing the Dutch Central Bank, who advocate removal of fiscal incentives to owner occupiers, at odds with the Dutch government. Given the importance of government policy in the Dutch mortgage market, this debate is worthy of attention. These themes are explored in detail in "[European RMBS Market Update Q2 2021](#)," published Aug. 16, 2021.
- New restrictions on investor purchases of new build domestic property may force BTL lenders to pivot away from pure residential origination and toward mixed-use collateral. Or it could move them into entirely new asset classes, e.g., assets that may reasonably qualify as social.

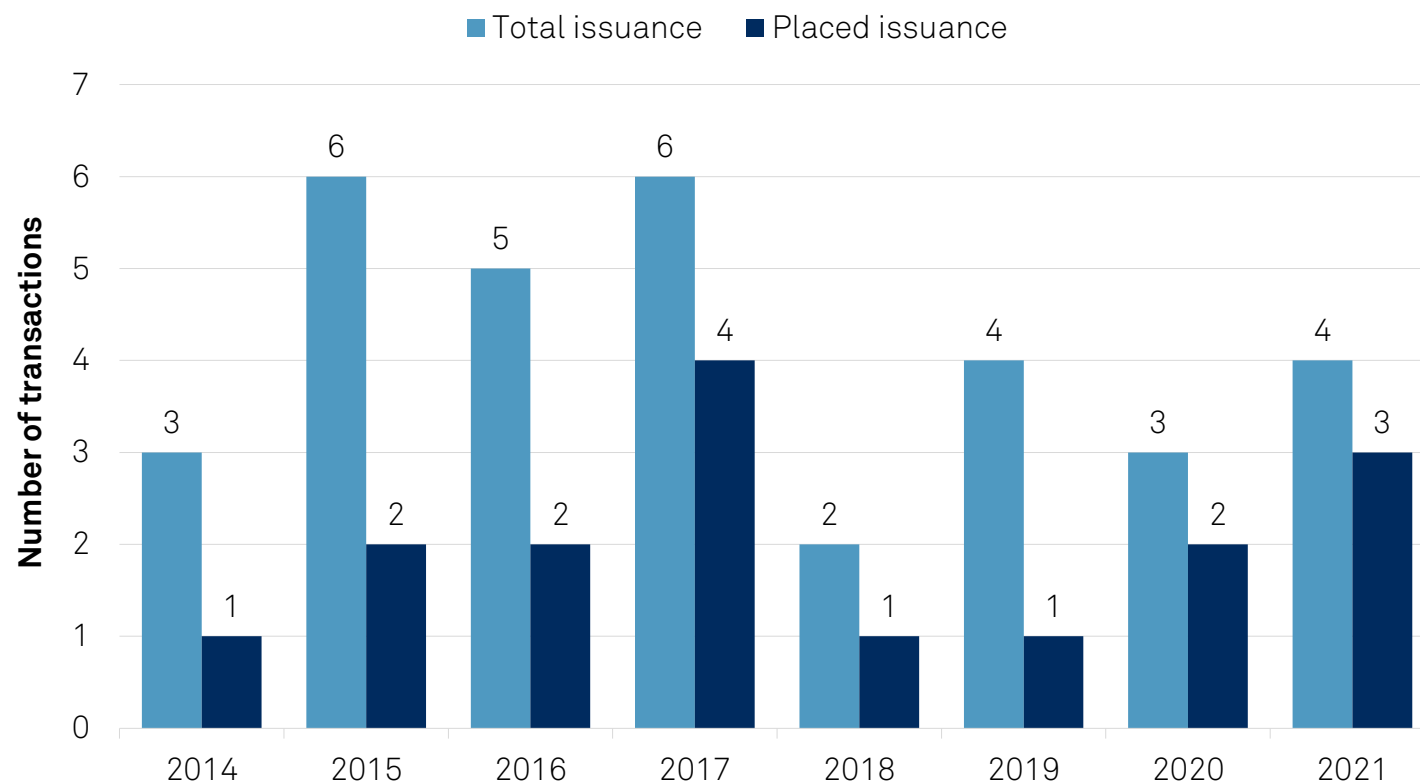
## 2022 Credit Performance Outlook

- We do not expect adverse performance in the Netherlands. This is underpinned by the tightness of mortgage regulation and the credit culture.
- Most borrowers are on medium- to long-term fixed rates, which will provide immunity against rate rises.
- As highlighted in "[European RMBS Market Update Q2 2021](#)," published Aug. 16, 2021.
- We expect BTL performance to also remain robust. Any ban on the acquisition of domestic new build property by BTL investors will limit the supply of rental property and support demand for the existing supply, which is already backing RMBS transactions.



# Spain And Portugal

## Spanish And Portuguese RMBS Issuance By Transaction Count



Source: S&P Global Ratings.

- As in other eurozone countries, Spanish and Portuguese RMBS issuance has been limited in recent years, particularly so for investor-placed issuance.
- Mortgage origination in both Spain and Portugal has been strong in recent years, and there is no shortage of collateral for secured funding structures.
- Despite the abundance of potential collateral and the relatively strong performance in the lead up to and during the COVID-19 pandemic, the prospects for an immediate and significant reversal in issuance trends would appear limited. Although, reperforming transactions are expected to become more common in 2022.

# Spain And Portugal

## 2022 Issuance Outlook

- Issuance has historically been dominated by banks and, as in other eurozone countries, the expectation is that Spain's and Portugal's banks may move to a "securitization readiness" footing in 2022. Whether this materializes depends on the relative cost of other funding alternatives.
- Given the recent success of Spanish reperforming RMBS transactions, we expect such transactions to become increasingly common in 2022.

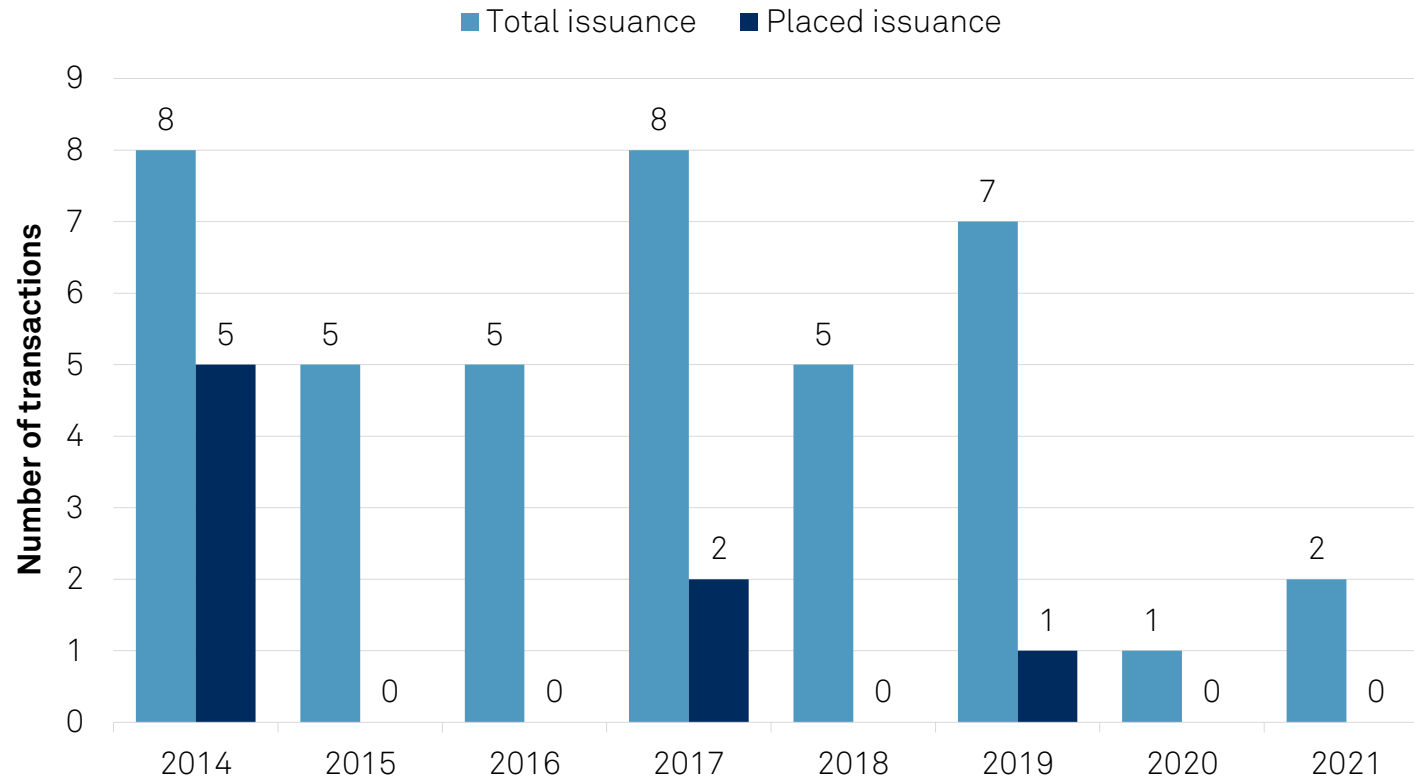
## 2022 Origination Trends

- Market convention means that mortgage origination in both Spain and Portugal does not change significantly year to year. The Spanish and Portuguese mortgage markets have been relatively unaffected by the rise of fintech and general innovation.
- As with most other European countries, the pandemic has seen house prices in Spain and Portugal increase, taking the prospect of home ownership further away from many. Consequently, vigilance should be given as to how affordability measures evolve and whether techniques aimed at stretching affordability, such as lengthening the term of the loan, become more commonplace.
- The possibility of an emerging BTL market in Spain is explored in "[European RMBS Market Update Q3 2021](#)," published Nov. 24, 2021.

## 2022 Credit Performance Outlook

- Most recently issued Spanish RMBS is on a fixed rate, lending some immunity to rising interest rates.
- However, like the U.K and Ireland, most legacy, pre-global financial crisis collateral is on a variable rate. Such collateral generally falls into two groups. It is either well-performing and seasoned and as such likely to be able to deal with possible payment shock of rate rises. Or, it is poorly performing and rate rises will, at a portfolio level, lead to asset deterioration.
- Performance trends following the conclusion of payment holidays are discussed in "[Payment Holidays For Spanish RMBS Come To An End Without Intensifying Credit And Liquidity Risk](#)," published July 6, 2021, and "[Portuguese RMBS Collateral Performance Likely To Remain Robust Following End Of Mortgage Payment Holidays](#)," published Dec. 1, 2021.

## Italian RMBS Issuance By Transaction Count



Source: S&P Global Ratings.

- We consider Italy to be the sleeping giant of the European RMBS issuance market. Issuance of investor-placed and retained RMBS has been subdued for several years.
- Italy does not have any non-bank lending activity and so securitization issuance needs to be originated by banks, who have concentrated activity on offloading capital-intensive nonperforming loan (NPL) positions.
- As for other Southern European peers, a short-term reversal of the issuance trends seen in recent years does not seem likely.

## 2022 Issuance Outlook

- Issuance is likely to remain subdued in 2022. High deposit rates mean that for many banks, alternative sources of funding are cheaper and easier to obtain than through RMBS.
- However, as the COVID-19 pandemic winds down, banks will be seeking to diversify funding and RMBS may feature in this in the short to medium terms.
- Although potentially past its peak, NPL activity is likely to dominate banks' securitization plans in 2022.

## 2022 Origination Trends

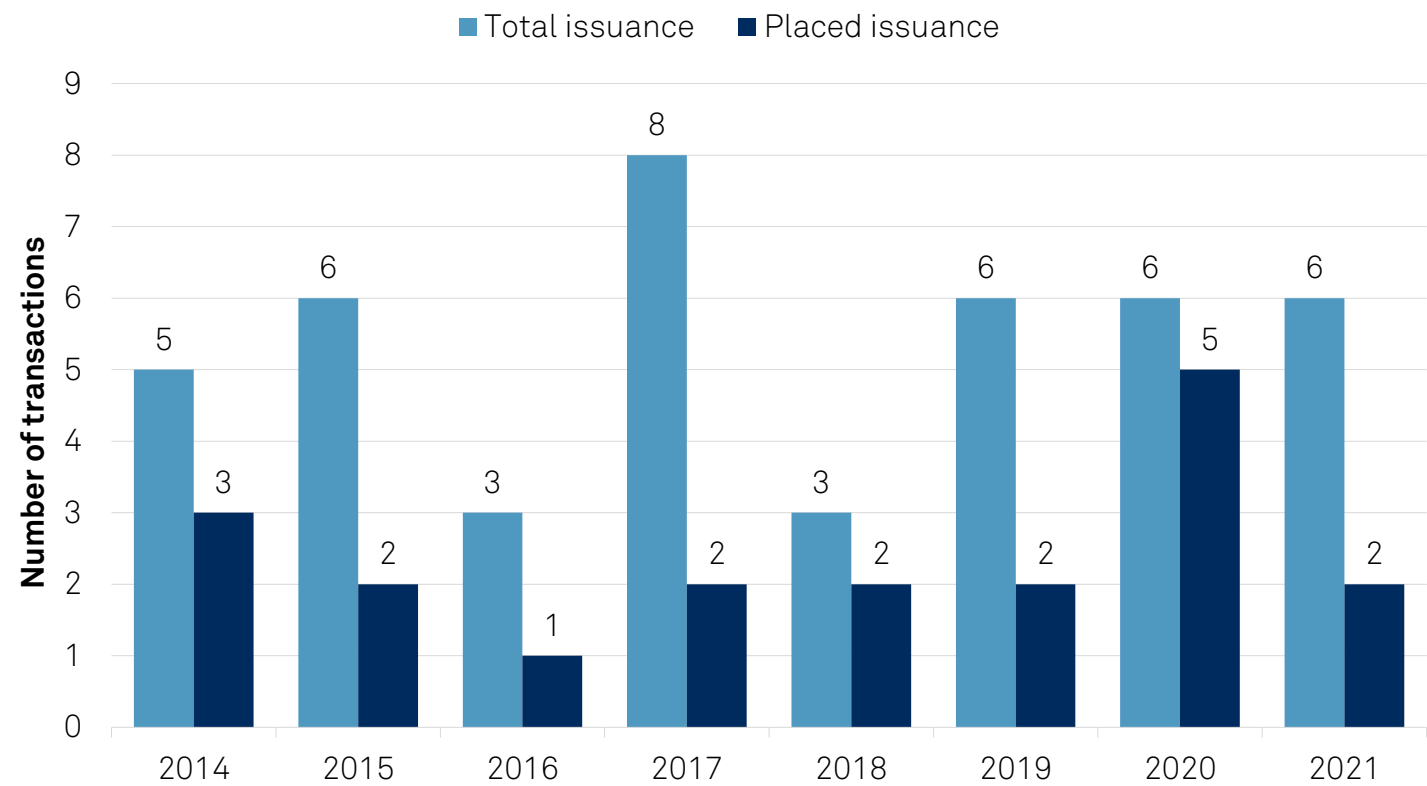
- Given the traditional nature of Italy's banking market, lending standards rarely shift significantly and this is likely to persist into 2022.
- Despite relatively weak house price growth compared with other European countries, Italy also faces challenges concerning how younger borrowers access the housing market. Loan-to-value (LTV) ratios in Italy tend to be lower than in other countries, meaning deposit requirements are higher. Higher house prices only exacerbate this. There are certain mitigants such as a state guarantee that covers up to 80% of the principal for loans to younger borrowers if certain characteristics are met.
- In this context, and in a competitive environment, LTV ratios may start to creep up.

## 2022 Credit Performance Outlook.

- Generally, credit performance in Italy is strong, with the long repossession process mitigated by low LTV ratios. Furthermore, given recent weak RMBS issuance, a large cohort of outstanding Italian RMBS transactions benefit from significant asset seasoning. Therefore, transaction-level credit enhancement is often significant.
- As in other countries, legacy collateral is often on a variable rate, meaning pockets of borrowers will be vulnerable to inflationary pressures.
- However, the scale of this, given the nature of the collateral, is expected to be limited.

# France, Belgium, And Germany

French, Belgian, And German RMBS Issuance By Transaction Count



Source: S&P Global Ratings.

- These countries account for a relatively small but stable issuance of both investor-placed and retained RMBS.
- The market is dominated by programmatic issuers of retained transactions.
- German RMBS transactions are worthy of note in that, although rare, they tend to be large and can skew issuance charts presented on a euro basis.



# France, Belgium, And Germany

## 2022 Issuance Outlook

- French RMBS issuance levels are likely to be on par with recent years as programmatic issuers continue to come to market.
- German and Belgian RMBS transactions are more difficult to predict and are driven by the specific needs of the issuers at the time.
- Belgium, in particular, has a number of banks that have previously issued RMBS transactions and so diversification of funding may lead some lenders back to the market.

## 2022 Origination Trends

- France has seen a regulatory tightening of certain lending criteria for mortgage origination in recent months, e.g., debt-to-income ratio requirements and loan maturity). All things remaining equal, this may improve the credit quality of future mortgage origination in France.
- House prices in Germany have increased significantly in recent years. However, rents are also high and housing supply is becoming an increasingly political issue. So, to enable borrowers with the same absolute level of deposit to buy more expensive houses, LTV ratio limits may be relaxed.

## 2022 Credit Performance Outlook.

- For all three countries, collateral performance is likely to be generally stable.

# Recent Research

- [European RMBS Market Update Q3 2021](#), Nov. 24, 2021
- [European RMBS Index Report Q3 2021](#), Nov. 9, 2021
- [European RMBS Market Update Q2 2021](#), Aug. 16, 2021
- [European Housing Market Inflation Is Here To Stay](#), Nov. 2, 2021
- [EMEA Structured Finance Chart Book: December 2021](#), Dec. 2, 2021
- [Why U.K. Buy-To-Let Has Defied Gravity Through COVID-19](#), Aug. 3, 2021
- [How Will European RMBS Respond When COVID-19 Relief Measures Come To An End?](#), July 12, 2021
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