

FENCA welcomes Political Agreement on NPL Directive

As the European Parliament has announced, a provisional political agreement has been reached on the Directive on Credit Servicers and Credit Purchasers in the last Trilogue meeting between Parliament, Commission and Council.

Commenting on today's announcement, **Claus Spedtsberg**, President of FENCA said:



“FENCA welcomes the fact that over three years after the publication of the Commission proposal an agreement on this very important piece of legislation has finally been reached. As Europe’s voice for credit servicers and credit purchasers we have always emphasised the need to help enliven the secondary market for NPLs across the EU by providing a regulatory level playing field, while at the same time increasing safeguards for consumers. Specialised credit servicers and purchasers form a key part of the solution, particularly given the expected rise in numbers of NPLs in the wake of the COVID-19 pandemic. With purchasers taking non-performing exposures out of the balance sheets of credit institutions to free up their capacities for further lending, credit servicers will continue to find individually tailored solutions for distressed borrowers, taking into account their financial situation, to help them getting out of debt. We look forward to seeing how the key political points of the agreement will be implemented at technical level.”

About FENCA

FENCA, the Federation of European National Collection Associations, represents the interests of the European credit management, debt collection and debt purchase sector on the European level, coordinating the exchange with the institutions of the European Union, stakeholders in the European financial services industry, consumer groups and the European public.

Founded in 1993, FENCA's 23 national member associations represent 75% of all credit management, debt collection and debt purchase companies in Europe and hold 80% of the market share within the EU, with well over 80,000 staff providing services for more than five million businesses, including SMEs, European and overseas banks, as well as the public sector across the EU.

The European credit purchasing, credit servicing, and debt collection sector re-injects between 45 and 55 billion Euros of valid claims back into the EU-economy each year, thereby securing above all the liquidity of micro, small and medium enterprises within the EU, while helping to keep the cost of credit at a reasonable level for all consumers.

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