30 June 2026

European Mortgage Federation-European Covered Bond Council (EMF-ECBC)

Proposals for Amendments in the context of the Trilogue Negotiations on the Revised Securitisation Framework

The European Mortgage Federation-European Covered Bond Council (EMF-ECBC)[1] strongly supports the European Commission's efforts to revitalise the European securitisation market and strengthen the financing capacity and resilience of Europe's financial system. We also acknowledge the envisaged reduction of the minimum risk weight for senior securitisation tranches from 10 % to 5%, as proposed by the Commission and supported by the European Parliament, in order to enhance the efficiency and attractiveness of the European Securitisation Framework.

At the same time, we believe it is important to ensure that the evolving prudential framework continues to preserve a coherent and risk-sensitive treatment across comparable high-quality asset classes, in particular Covered Bonds.

During the legislative discussions, both the European Parliament and the Council considered the possible implications of the revised securitisation treatment for covered bonds. In the European Parliament an adjustment of the risk weights applicable to high-quality covered bonds was set out in the rapporteur's draft report, but was ultimately not included in the final agreement, largely due to formal issues. Likewise, during the Council negotiations on the review of the securitisation framework, the implications for covered bonds were initially addressed, but this aspect was not reflected in the Council's General Approach due to timing and procedural constraints. As a result, the revised framework may give rise to differences in the prudential treatment of certain high-quality covered bonds and senior securitisation exposures.

Covered bonds have demonstrated exceptional resilience and extremely low loss rates over many decades, including during periods of severe market stress. In our view, it is important that the regulatory framework provides for an appropriately calibrated capital treatment for similarly safe covered bonds in order to avoid unintended shifts in investment demand driven by differences in regulatory treatment rather than differences in risk and support the continued contribution of covered bonds to financing housing, public-sector lending and the real economy.

Against this background, we expressly welcome the inclusion of a review clause for covered bonds in Article 506d CRR-E. However, we believe it is important that this review be initiated at an early stage and not only after several years of application of the revised securitisation framework.

While we would like to stress the importance of implementing an ambitious securitisation reform package without delay, we encourage the European Commission to begin its assessment of the prudential treatment of

[1] Established in 1967, the **European Mortgage Federation** (EMF) is the voice of the European mortgage industry, representing the interests of mortgage lenders and covered bond issuers at European level. The EMF provides data and information on European mortgage markets, which were worth 9.1 trillion EUR at the end of 2024 (EU27 + UK, Norway and Iceland). As of March 2026, the EMF has 13 Full Members across 11 EU Member States as well as a number of Observer Members. In 2004 the EMF founded the **European Covered Bond Council** (ECBC), a platform bringing together covered bond issuers, analysts, investment bankers, rating agencies and a wide range of interested stakeholders. As of March 2026, the ECBC has over 120 members across more than 30 active covered bond jurisdictions and many different market segments. ECBC members represent over 95% of covered bonds outstanding, which were worth 3.31 trillion EUR at the end of 2024.

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covered bonds upon the entry into force of the revised framework. In our view, the review should not only evaluate the practical impact of the securitisation amendments on covered bonds but should also examine more fundamentally whether the current risk weights for high-quality covered bonds remain appropriate in light of their proven risk profile and the revised treatment of senior securitisation tranches.

In this context, we would welcome consideration of a targeted amendment to the wording currently contained in Article 506d of the report adopted by the European Parliament. This amendment would additionally require the Commission to consider, within six months after the entry into force of the revised securitisation framework, whether, in order to maintain an appropriate balance between the prudential treatment of covered bonds and securitisation, it is necessary to adjust the risk weights for covered bonds and, if appropriate, to make a legislative proposal within that six-month period.

Such an approach would ensure that the prudential treatment of covered bonds and securitisations is assessed in a timely, coherent and risk-sensitive manner from the outset.

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