



FEDERATION  
BANCAIRE  
FRANCAISE

*Banking supervision  
And Accounting issues Unit  
The Director*

Paris, April 30<sup>th</sup> 2013

**French Banking Federation comments on the Joint Forum Consultative Document on Mortgage insurance: market structure, underwriting cycle and policy implications.**

Dear Sir,

The French Banking Federation (FBF) represents the interests of the banking industry in France. Its membership is composed of all credit institutions authorized as banks and doing business in France, i.e. more than 425 commercial, cooperative and mutual banks. FBF member banks have more than 39,000 permanent branches in France. They employ 380,000 people in France and around the world, and service 48 million customers.

The French Banking Federation appreciates the opportunity to offer its views on the mortgage insurance recommendations proposed by the Joint Forum and we endeavor to comment on each recommendation proposed by the Forum (Part 2 of the document). We recognize that the Joint Forum rightly highlights the issues related to mortgage loan insurance that have been disregarded or forgotten in many cases. In our response we support the recommendations proposed by the Joint Forum and insist on the characteristics of the French residential loans secured by a guarantee.

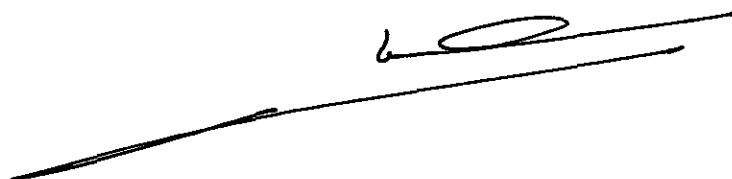
The French Banking Federation notes with satisfaction that the annex of the consultation devoted to France rightly highlights the effectiveness of French financial services practices in relation to property lending.

However, there continues to be a misunderstanding of the guarantee system provided by guarantee insurance in France, as well as the idea that mortgage would be a better or more secured guarantee than guarantee insurance. This is why we consider it useful to clarify the scope and functioning of the residential loan guarantee system in France, in order to confirm that it belongs to the "Mortgage Insurance" category.

**Secretariat of the Joint Forum  
Mr Wayne BYRES  
Secretary General of the BCBS  
Bank for International Settlements  
CH-4002 Basel  
Switzerland**

You will find in the annex our general comments and our positions on the six recommendations raised in the Joint Forum consultative document. We thank you for the consideration of our remarks and remain at your disposal for any question or additional information you might have.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a loop and a long horizontal stroke that extends to the right and slightly upwards.

Jean-Paul CAUDAL