

VI. *New business in instrument categories other than overnight deposits, deposits redeemable at notice, credit card debt and revolving loans and overdrafts*

19. The following paragraphs 20 to 27 refer to deposits with agreed maturity, repurchase agreements (repos) and all loans other than revolving loans and overdrafts and credit card debt as defined in paragraphs 46 to 49 and 55. Paragraphs 22 to 23 on renegotiated loans refer only to loans other than revolving loans, overdrafts and credit card debt.
20. *New business* is defined as any new agreement between the household or non-financial corporation and the reporting agent. New agreements comprise:
- all financial contracts, that specify for the first time the interest rate of the deposit or loan, and
 - all renegotiations of existing deposit and loan contracts as defined in paragraph 21.
21. *Renegotiation* refers to the active involvement of the household or non-financial corporation in adjusting the terms and conditions of an existing deposit or loan contract, including the interest rate. Thus, extensions and other adjustments of the terms and conditions that are carried out automatically, i.e. without any active involvement of the household or non-financial corporation, are not renegotiations.

This means that if I have a fixed rate loan of 6% and I switch to SVR at the current SVR, then it's a renegotiated loan and included in new business, which is fair enough.

22. For the separate reporting of new business volumes of renegotiated loans to households and non-financial corporations in MFI interest rate statistics, renegotiation refers to new business loans, other than credit card debt and revolving loans and overdrafts, already on the balance sheet of the reporting agent at the end of the month preceding the reference month.
23. Loans for debt restructuring are not per se excluded from renegotiated loans. However, if the restructuring involves a renegotiation of the interest rate, and as a result, the loan is granted at a rate below market conditions as described in paragraph 28, it should not be included in renegotiated loans nor new business.

The intent of this is quite clear. If the loan is granted at a rate below market conditions, it should not be included in new business.

24. The new business rate reflects the weighted average interest rate applied to the deposits and loans in the relevant instrument category in respect of new agreements concluded between households or non-financial corporations and the reporting agent during the time reference period as defined in paragraph 35.
25. Changes in floating interest rates in the sense of automatic adjustments of the interest rate performed by the reporting agent are not new agreements and are therefore not considered as new business. For existing contracts, these changes in floating rates are therefore not captured in new business rates but only in the average rates on outstanding amounts.
26. A change from fixed to floating interest rates or vice versa (at time t_1) during the course of the contract, which has been agreed at the start of the contract (time t_0), is not a new agreement but part of the terms and conditions of the loan laid down at time t_0 . It is therefore not considered as new business.
27. A household or non-financial corporation is normally expected to take out a loan other than a revolving loan or overdraft in full at the start of the contract. It may, however, take out a loan in one or more *tranches* at times t_1 , t_2 , t_3 , etc. instead of taking out the full amount at the start of the contract (time t_0). The fact that a loan is taken out in one or more tranches is irrelevant for MFI interest rate statistics. The agreement between the household or non-financial corporation and the reporting agent at time t_0 , which includes the interest rate and the full amount of the loan, is covered by MFI interest rate statistics on new business. If a renegotiation of the terms and conditions of the loan takes place after time t_0 , the full amount granted and not yet repaid by the time the renegotiation takes place should be reported under renegotiated loans.

VII. *Treatment of bad loans and loans for debt restructuring below market conditions*

28. **Bad loans and loans for debt restructuring granted at rates below market conditions are not included in the weighted average interest rates or in the new business volumes.** Bad loans are defined in accordance with Annex II to Regulation (EU) No 1071/2013 (ECB/2013/33), and the total amount of a loan partially or totally classified as a bad loan is excluded from MFI interest rates statistics. Loans for debt restructuring, i.e. restructuring in relation to financially distressed debtors, should be defined in accordance with existing national definitions.