



BANK ĊENTRALI TA' MALTA
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CENTRAL BANK OF MALTA

MEDIA RELEASE

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CENTRAL BANK OF MALTA ISSUES A NOTICE TO AMEND DIRECTIVE 16 ON BORROWER-BASED MEASURES, RELATED TO COVID-19

The Central Bank of Malta understands that the outbreak of COVID-19 has had a negative impact on the real estate market, with social distancing affecting the purchase process, causing disruptions in banking and notarial services, as well as putting pressure on households' incomes and cash buffers.

For this reason, the Bank has introduced the following amendments.

Directive 16 specifies that those who wanted to buy a second property (Category II buyers) with financing from credit institutions would have to make a minimum 15% down payment until 30 June 2020. The amount was due to increase to 25% as from 1 July 2020 – but this is now being postponed by a year to 1 July 2021.

The buyers in the category affected by this extension are mainly those who are not first-time buyers, and those who already have a primary residence. (Please refer to Directive 16 for full details.)

The Bank has also temporarily eased restrictions on the maximum extent of the permitted repayment burden by borrowers set at 40% in the Directive. This limit is being relaxed for a period of six months, provided that the borrower can demonstrate that the exceeding of this limit is temporary. This concession is totally at the discretion of the lender.

Read the full Notice [here](#).

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