

Information Document

This document is a summary of the protective measures aimed at facilitating the restructuring of debts, as regulated in Royal Decree Law 6/2012, and of the protective measures aimed at alleviating the rise in the interest rates of mortgage loans for primary residences, regulated in Royal Decree/Law 19/2022 and in the Council of Ministers Agreement of November 22, 2022. **It has been prepared by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) to make it easy for its customers to understand these measures, the option for the measures of one of the Codes of Best Practices, their eligibility requirements, and the documentation needed to certify these requirements. This document does not replace in whole or in part the contents of the Royal Decrees-Laws, which the Bank recommends you read.**

Code of Best Practices established by Royal Decree-Law 6/2012 of March 9, on urgent measures to protect mortgage borrowers without resources, and by the modifications introduced by Law 19/2022 of 22 November.

1. BENEFICIARY CUSTOMERS

Those customers who have a mortgage with BBVA ("MORTGAGE LOAN") to which **all** of the following circumstances apply may ask BBVA to apply the measures in the Royal Decree-Law, with the limitations and exceptions that are specified below for each:

- a) The MORTGAGE LOAN is in effect, and the loan is guaranteed by your primary residence.
 - b) It will apply to:
 - (i) Those Borrowers who are at the Exclusion Threshold and who satisfy the Terms and Conditions on the Purchase Price, as will be indicated below.
 - (ii) Mortgage guarantors with respect to their primary residence, and with the same conditions as those established for the mortgage borrower.¹
- b.1) The **Exclusion Threshold** applies when all of the following circumstances occur:
- a) **Maximum income:** the income of the Household as a whole does not exceed the limit of **3** times Spain's public revenue index (IPREM) paid in 14 annual installments. For these purposes, the **Household** is: the borrower and, as applicable, their spouse, not legally separated, or registered civil partner, and their children who reside in the mortgaged property, including foster children and those under the guardianship of the borrower.

The limit will be **4** times the annual IPREM for fourteen installments if any member of the family unit has a recognized

¹ Other non-debtor mortgagees who are at the Exclusion Threshold may require that the debtor's principal assets be depleted, without prejudice to the Code of Good Practices being applicable to the latter, before claiming the guaranteed debt, and even if they had waived the benefit of discussion.

disability of more than 33%, requires dependent care or has an illness that has been verified to permanently impede them from engaging in a work activity, or **5** times this indicator if the mortgage borrower is a person with cerebral palsy, mental illness or intellectual disability, or has a recognized degree of disability equal to or greater than 33%, or is a person with physical or sensory disabilities with a recognized degree of disability or equal to or greater than 65%, as well as in cases of severe illness that renders the person or caregiver unable to perform a work activity.

b) **Significant change in the financial circumstances or family circumstances of Special Vulnerability:** in the four years before the time of the request, the Household has experienced a significant change in its economic circumstances in terms of difficulty affording the home, or if circumstances have occurred during said period that have made the family especially vulnerable. To this end:

- (i) **A significant change in financial circumstances** occurs when the mortgage burden as a percentage of household income has increased.
- (ii) **Family circumstances of special vulnerability** apply in the following cases:
 - 1º A large family, as defined in the applicable legislation.
 - 2º A single-parent household with dependent children.
 - 3º A household of which a minor is a member.
 - 4º A household in which one of its members has a recognized disability of more than 33%, requires dependent care or has an illness that has been verified to permanently impede them from engaging in a work activity.
 - 5º A household in which one or more people who are related to the borrower or their spouse by ties of family or blood relationship of up to the third degree, and who are disabled, dependent, or seriously ill such that they are temporarily or permanently prevented from engaging in a work activity.
 - 6º A household in which there is a victim of domestic violence or human or sexual trafficking.
 - 7º The borrower is over 60 years old, even if they do not satisfy the requirements to be considered a Household, as provided in letter a).

c) **Mortgage payment:** The mortgage payment associated with the MORTGAGE LOAN exceeds **50%** of the household's total net income. This percentage will be **40%** when any household member is a person to whom the circumstances specified in the second paragraph of the section labeled "Maximum income" (for the 4% or 5% IPREM cases) apply.

For the purposes of sections a) and b) above, a degree of disability equal to or greater than 33% is considered applicable in the case of Social Security pensioners who have a recognized pension for total permanent disability, absolute disability or severe disability, as well as in the case of Ex-civil Servant pensioners who have a recognized pension for retirement or for early retirement due to permanent disability for the service or ineligibility.

d) **Additional requirements for applying the Supplementary Measures (Section 2 of the Annex - Section 3.3 of this note) and Alternative measures for foreclosure (Section 3 of the Appendix - Section 3.4 of this note):**

- 1º The Household **lacks any other sufficient assets or property rights** with which to service the debt.
- 2º The loan is backed by a mortgage on a **single home owned** by the borrower(s) that was issued for the purchase of said home.
- 3º The **loan lacks other guarantees**, whether real or personal, or, if the latter exist, the person lacks other sufficient assets or property rights to service the debt.
- 4º If there are co-borrowers who are not part of the Household, the above circumstances must apply to them.

b.2) **Terms and Conditions of the Purchase Price:** it will be applied to loans or credits when the purchase price of the mortgaged property does not exceed 20% of the amount that would result from multiplying the surface area of the property by the average price per square meter for non-subsidized housing that is shown in the Housing Price Index published by the Ministry of Development for the year of acquisition of the property, and for the province in which the property is located, with an absolute limit of 300,000 euros. Properties acquired prior to 1995 will take the 1995 average reference price.

2. DOCUMENTATION REQUIRED

In order to prove that the Household is at the Exclusion Threshold, the following documents must be presented to BBVA:

a) Proof of income for the members of the household:

- 1º Income certificate, and where applicable, a certificate relating to the filing of Wealth Tax, issued by the State Tax Administration Agency or the competent body of the Autonomous Community, where applicable, with regard to the last tax year.
- 2º Proof of monthly income: last three paychecks received or pension payment certificate issued by Social Security or the paying agency.
- 3º A certificate issued by the entity managing the benefits that shows the monthly amount received for unemployment benefits or subsidies.
- 4º Certificate accrediting welfare payments, minimum integration income or similar social aid granted by the State, Autonomous Communities and local entities.
- 5º If receiving the cessation of activity benefit, a certificate issued by the management body showing the monthly amount received.

b) Number of individuals living in the home:

- 1º Family Book, document certifying the registration as a de facto partner, separation or divorce judgment and approval of the regulatory agreement in the event of a change in the family status, a domestic violence sentence or a single-parent family certificate.
- 2º Census certificate for the individuals registered in the property, with reference to the time of presentation of the supporting documents and to the previous six months.
- 3º Declaration of disability, dependency or permanent disability to engage in work activity for the members of the household.

c) Ownership of goods:

- 1º Certificates of ownership issued by the Property Registry for each member of the household.
- 2º Deed of purchase of the property and of the creation of the mortgage guarantee and other supporting documents for the remaining collateral or personal guarantees constituted, if any.

d) Affidavit from the borrower(s) indicating compliance with the requirements for being considered at the exclusion threshold, as per the form approved by the commission created to enforce the Code of Good Practices.

3. PROTECTIVE MEASURES

3.1 Discount on default interest:

For all mortgages for which the borrower is at the Exclusion Threshold, the applicable default interest rate from the time the borrower requests the application of any of the measures in the Code of Good Practices, and the time when the borrower proves to the bank that he/she is in that situation shall be, at most, the rate that results from summing to the original interest rate **2%**, which shall be applicable to the loan principal.

3.2 Measures prior to foreclosure: restructuring of mortgage debts:

In addition to the general requirements specified above, if the mortgage loan is being called in through a legal procedure, it has not reached the auction stage or later.

Within one month of the application, BBVA will notify and offer customers a MORTGAGE LOAN restructuring plan that will include the following measures:

(i) **Five-year grace period on principal payments.** The principal corresponding to the payments for that period may either be transferred to a final installment at the end of the loan, or be prorated in the remaining payments, or a combination of both.

Notwithstanding the above, if the additional financial strain imposed by the mortgage on the household's income increases by less than 1.5 and the household is not in one of the particularly vulnerable family circumstances defined above, **the grace period will be two years.**

(ii) Extension of the loan term **to a total of 40 years** from the date of signature of the original loan.

Notwithstanding the above, if the additional financial strain imposed by the mortgage on the household's income increases by less than 1.5 and the household is not in one of the particularly vulnerable family circumstances defined above, the extension of the repayment period will be up to seven years, not to exceed a total of forty years from the loan issuance date.

(iii) Reduction of the applicable interest rate to Euribor - 0.10% during the grace period.

Notwithstanding the above, if the additional financial strain imposed by the mortgage on the household's income increases by less than 1.5 and the household is not in one of the particularly vulnerable family circumstances defined above, the interest rate applicable during the grace period will be such that it represents a reduction of 0.5% of the net present value of the loan, in accordance with the applicable regulations.

(iv) Indefinite derogation of the clauses limiting the reduction in the interest rate provided for in the mortgage loan contracts.²

The early repayment requested will not entail compensation costs during the ten years following the approval of the Plan.

BBVA may optionally agree with customers to consolidate other debts they have with BBVA.

The borrower who, at the end of the principal repayment grace period, is at the exclusion threshold defined above, may request a second restructuring plan, provided that the termination of the grace period is not the factor that led the borrower to be at this exclusion threshold. In this case, within one month of the new application, if it is viable, BBVA will notify the borrower and offer him/her a new MORTGAGE LOAN restructuring plan pursuant to the set of measures prior to foreclosure, as described in this section.

BBVA will warn customers of the viability or not of the Plan offered. A non-viable plan is one that sets a monthly mortgage payment that exceeds 50% of the combined income of all members of the Household.

The above notwithstanding, the borrower may submit a loan restructuring proposal to BBVA at any time for analysis. If rejected, the bank must inform the borrower of its reasons for rejecting it.

3.3 Supplementary measures: Cancellation of the outstanding mortgage principal

This may be requested by customers who are in one of the following circumstances:

- (i) If the initial restructuring plan offered by BBVA is non-viable when made or subsequently, as established in Section 3.2 above.
- (ii) They comply with the **Additional Requirements to apply the Supplementary Measures.**
- (iii) They may request it regardless of whether or not the auction stage has been reached.
- (iv) It may be requested by those borrowers who are ineligible for dation in payment, as discussed later, due to liens placed on the property after the mortgage was issued.

BBVA shall be entitled to accept or reject the application within **one month** after notifying the customers of the non-viability of the Plan, or of the subsequent accreditation by customers of this circumstance, as applicable.

To determine the cancellation, BBVA will use one of the following calculation methods and will report, in any case, the results to the customer, regardless of whether or not it decides to grant the cancellation:

² Effective May 9, 2013, BBVA eliminated the minimum interest rate clause from home mortgages arranged by individuals who are not consumers.

- (i) A 25% reduction.
- (ii) Reduction equivalent to the ratio between the number of payments made and the number of outstanding payments, multiplied by the outstanding principal.
- (iii) Reduction equivalent to half the difference between the current value of the home and the value resulting from subtracting the initial appraised value twice the difference of the initial mortgage amount, provided that the first is less than the second.

3.4 Measures in lieu of foreclosure: dation in payment of the primary residence.

Customers for whom the restructuring plan and the cancellation of the principal, if applicable, are not viable, as well as customers whose restructuring plan is approved and in progress and who satisfy the **Additional Requirements to apply the Complementary Measures**, may request within twenty-four months (i) from the request to BBVA for this Plan, if it is unviable, or (ii) from the start of the grace period, if the Plan is viable, the dation in payment of their primary residence, which BBVA will be required to accept from customers for whom the restructuring plan and the cancellation of principal are not viable, and will be optional for BBVA when requested by customers with a viable restructuring plan in progress, when the mortgages have been set up as a guarantee for loans or credits granted for the purchase of homes when the purchase price of the mortgaged property does not exceed the amount that would result from multiplying the size of the property by the average price per square meter for unsubsidized housing, as indicated by the Housing Price Index prepared by the Ministry of Public Works for the year of acquisition of the property and the province in which the property is located, with an absolute limit of 250,000 euros. Properties acquired prior to 1995 will take the 1995 average reference price.

The dation in payment shall result in the full cancellation of the debt backed by the mortgage, and of the personal liability of the borrower and their guarantors vis-à-vis BBVA associated with said debt.

If requested by customers when requesting the dation in payment, they may remain for two years in the property as renters, paying an annual rent of 3% of the total amount of the debt at the time of the dation. During this period, the non-payment of the rent shall accrue a default interest of 10%.

BBVA may agree with customers to transfer part of the capital gain generated by the disposal of the property, in exchange for any help they may provide in this transfer.

This option shall not apply in foreclosure cases once the auction has been announced, or when the property is taxed with subsequent charges.

The possibility of **renting subsidized housing** is also regulated: if the primary residence is foreclosed, when the foreclosure has been suspended due to the application of Law 1/2013 (especially vulnerable groups), **the borrower may request to rent the property (for 5 years)** for a maximum annual amount of 3% of the appraised value at the time of the property is foreclosed. This request can be made within twelve months from 24 November 2022.

4. IMPROPER APPLICATION OF THE PROTECTIVE MEASURES

Customers who have benefited from the aforementioned protective measures without meeting the requirements set out in Section 1 shall be liable for any damages that may have been incurred, as well as for all the expenses generated by the application of these measures, without prejudice to the liabilities of other kinds to which their conduct may give rise. The amount of the damages and expenses cannot be lower than the benefit unduly obtained by the borrower by applying the measures.

Customers who voluntarily and deliberately seek to achieve or remain in the circumstances referred to for the purpose of obtaining the relief provided by these measures shall also be held liable.

5. OTHER RELEVANT ASPECTS TO CONSIDER

- a) The deeds to amend the mortgage contracts pursuant to the Royal Decree-Law shall be exempt from the variable fee for notarized documents specified in the Property Transfer and Stamp Duty for document duties.
- b) For transfers made as a result of the dation in payment mentioned earlier, for the purposes of the Tax on the Increased Value of Urban Land, the status of substitute taxpayer shall be accorded to the bank that acquires the property, which may not require the borrowers to pay the amount of any tax obligations paid.
- c) Any capital gain to which the borrowers may be subject as a result of the dation in payment shall be exempt from Personal Income Tax.
- d) The notary and registration fees resulting from the cancellation of the real mortgage right in the event of a dation in payment by a mortgage borrower at the exclusion threshold of this Royal Decree-Law shall be discounted by 50%.

Code of Best Practices established by Royal Decree-Law 19/2022 of 22 November, which establishes a Code of Best Practices to alleviate the rise in interest rates on mortgage loans on primary residences, and by the Resolution of 23 November 2022 of the State Secretariat for Economy and Business Support, which publishes the Council of Ministers Agreement of 22 November 2022.

1. BENEFICIARY CUSTOMERS

Through December 31, 2024, those customers who have a mortgage with BBVA ("MORTGAGE LOAN") to which all of the following circumstances apply may ask BBVA to apply the measures in the Royal Decree-Law, with the limitations and exceptions that are specified below for each:

- a) a) The MORTGAGE LOAN formalized through December 31, 2022, either as a credit or loan with a mortgage guaranteed by the primary residence of the Borrower, or of the co-signer, and is in effect.
- b) It will be applied to those Borrowers who are at Risk of Vulnerability and with the Terms and Conditions on the Purchase Price that are indicated below.

b.1) The **Risk of Vulnerability** applies when all of the following circumstances occur:

a) **Maximum income:** The income of the Household as a whole does not exceed the limit of **4.5** times Spain's public revenue index (IPREM) paid in 14 annual installments. For these purposes, the Household is: the borrower, their spouse, not legally separated, or registered civil partner, and their children, regardless of their age, who reside in the property, including foster children and those under the guardianship of the borrower.

The limit pursuant to the above paragraph will be **5.5** times the annual IPREM for fourteen installments if any member of the family unit has a recognized disability of more than 33%, requires dependent care or has an illness that has been verified to permanently impede them from engaging in a work activity, or **6.5** times this indicator if the mortgage borrower is a person with cerebral palsy, mental illness or intellectual disability, or has a recognized degree of disability equal to or greater than 33%, or is a person with physical or sensory disabilities with a recognized degree of disability or equal to or greater than 65%, as well as in cases of severe illness that renders the person or caregiver unable to perform a work activity.

b) **Significant change in the financial circumstances or family circumstances of special vulnerability:** that, in the four years before the time of the request, the Household has experienced a significant change in its economic circumstances in terms of difficulty affording the home, or if circumstances have occurred during said period that have made the family especially vulnerable. To this end:

- (i) **A significant change in financial circumstances** occurs when the mortgage burden as a percentage of household income has increased by at least 1.2.

(ii) **Family circumstances of special vulnerability** apply in the following cases:

1 A household in which one of its members has a recognized disability of more than 33%, requires dependent care or has an illness that has been verified to permanently impede them from engaging in a work activity.

2 A household in which one or more people who are related to the borrower or their spouse by ties of family or blood relationship of up to the third degree, and who are disabled, dependent, or seriously ill such that they are temporarily or permanently prevented from engaging in a work activity.

3 A household in which there is a victim of domestic violence or human or sexual trafficking.

4 For the purposes of this section, a degree of disability equal to or greater than 33% is considered applicable in the case of Social Security pensioners who have a recognized pension for total permanent disability, absolute disability or severe disability, as well as in the case of ex-civil servant pensioners who have a recognized pension for retirement or for early retirement due to permanent disability for the service or ineligibility.

c) **Mortgage payment:** The mortgage payment associated with the MORTGAGE LOAN exceeds 30% of the household's total net income.

b.2) **Terms and Conditions of the Purchase Price:** it will be applied to loans or credits when the purchase price of the property does not exceed 300,000 euros.

2. DOCUMENTATION REQUIRED

In order to prove that the Household is at Risk of Vulnerability, the following documents must be presented to BBVA:

a) Receipt of income for the members of the household:

- 1º Income certificate, and where applicable, a certificate relating to the filing of Wealth Tax, issued by the State Tax Administration Agency or the competent body of the Autonomous Community, where applicable, with regard to the last tax year.
- 2º Proof of monthly income: last three paychecks received or pension payment certificate issued by Social Security or the paying agency.
- 3º A certificate issued by the entity managing the benefits that shows the monthly amount received for unemployment benefits or subsidies.
- 4º Certificate accrediting welfare payments, minimum integration income or similar social aid granted by Autonomous Communities and local entities.
- 5º If receiving the cessation of activity benefit, a certificate issued by the management body showing the monthly amount received.

b) Number of individuals living in the home:

- 1º Family Book, document certifying the registration as a de facto partner, separation or divorce judgment and approval of the regulatory agreement in the event of a change in the family status, a domestic violence sentence or a single-parent family certificate.
- 2º Census certificate for the individuals registered in the property, with reference to the time of presentation of the supporting documents and to the previous six months.
- 3º Declaration of disability, dependency or permanent disability to engage in work activity for the members of the household.

c) Ownership of goods:

- 1º Certificates of ownership issued by the Property Registry for each member of the household.

- 2º Deed of purchase of the property and of the creation of the mortgage guarantee and other supporting documents for the remaining collateral or personal guarantees constituted, if any.

d) Affidavit from the borrower(s) indicating compliance with the requirements for being considered at Risk of Vulnerability, as per the form approved by the commission created to enforce the Code of Good Practices.

3. PROTECTIVE MEASURES

Customers who are beneficiaries of these measures may choose to novate the MORTGAGE in one of the following ways:

a) In all or any of the following measures:

(i) Extension of the total term of the MORTGAGE LOAN up to a maximum of 7 years, not to exceed a total of 40 years from the origination date.

(ii) setting the installment at its amount from June 1, 2022, or at the amount of the first installment for those loans that take effect after this date, for a period of 12 months from the moment the novation is made through the application of a relief for all or part of the principal, unless the full relief of the principal is insufficient to set the installment at this amount, in which case only the full relief of the principal will be applied.

In any case, the outstanding principal will accrue interest at an interest rate such that it represents a reduction of 0.5% of the net present value of the loan in accordance with the current regulations, and the term extension shall not entail a reduction in the amount of the installment below that which was paid on 1 June 2022.

b) Conversion of the formula for calculating the interest rate on the initial loan, from a variable rate formula that can be revised periodically to a fixed rate formula.

Borrowers may request the novation of their mortgage loan pursuant to Royal Decree-Law 19/2022 of 22 November, as soon as the list of participating banks is published on the website of the State Secretariat for Economy and Business Support and in the Official State Gazette, and in any case, not before December 27, 2022, and no later than December 31, 2024.

Once the mortgage novation request is made, and after BBVA has verified all the documents provided by the applicant and his/her eligibility, a period of fifteen days will commence to sign the novation.

4. IMPROPER APPLICATION OF THE PROTECTIVE MEASURES

Customers who have benefited from the aforementioned measures without meeting the requirements set out in Section 1 shall be liable for any damages that may have been incurred, as well as for all the expenses generated by the application of these measures, without prejudice to the liabilities of other kinds to which their conduct may give rise. The amount of the damages and expenses cannot be lower than the benefit unduly obtained by the borrower by applying the measures.

Customers who voluntarily and deliberately seek to achieve or remain in the circumstances referred to for the purpose of obtaining the relief provided by these measures shall also be held liable.

5. OTHER IMPORTANT ASPECTS TO CONSIDER

The deeds to amend the mortgage contracts pursuant to the Royal Decree-Law shall be exempt from the variable fee for notarized documents specified in the Property Transfer and Stamp Duty for document duties.

PERSONAL DATA PROCESSING

The Customer/Borrower is informed that the personal data provided during the process of requesting the application of the measures provided for in Royal Decree-Law 6/2012 of March 9, on Urgent Measures to Protect Mortgage Holders Without Resources, and in Royal Decree Law 19/2022 of November 22, establishing a Code of Best Practices to alleviate the rise in interest rates on mortgage loans on primary residences, will be subject to processing by Banco Bilbao Vizcaya Argentaria, S.A., with registered address at Plaza de San Nicolás 4, 48005, Bilbao, for the sole purpose of studying, depending on the measures whose application is sought:

- (i) if he/she is included within the exclusion threshold, as per the definition contained in Royal Decree-Law 6/2012, and the application, if applicable, of the measures set out therein, or
- (ii) if he/she is at risk of vulnerability, as per the definition contained in Royal Decree-Law 19/2022, and the application, if applicable, of the measures set out therein.

The personal data will be processed in accordance with the provisions of the applicable legislation on the protection of personal data and information society services, and the necessary technical, organizational and security measures will be implemented to ensure its confidentiality and to prevent its alteration, loss and unauthorized access or processing.

BBVA informs the Customer/Borrower of the following:

- The personal data shall be stored for the duration of the contractual relationship. At the end of this period, we will keep blocked the personal data that is needed to comply with our legal obligations, usually 10 years, pursuant to the regulation on the prevention of money laundering and the financing of terrorism, as well as for the legally specified limitation periods, for the sole purpose of defending against legal claims or actions. Once the legal period has elapsed, the data will be destroyed.
- BBVA will not disclose the personal data to third parties unless required by law or the relevant consent is obtained.
- The legal basis for processing your personal data is to analyze your request to apply the measures set out either in Royal Decree-Law 6/2012 or in Royal Decree-Law 19/2022.
- The Customer/Borrower can freely exercise their rights of access, rectification, deletion, objection, restrictions on processing and portability by sending a written request to derechosprotecciondatos@bbva.com
- If the Customer/Borrower believes that their personal data has not been processed in accordance with the regulations, they may contact the Data Protection Officer at the BBVA Group at the following address: dpogrupobbva@bbva.com Participants can also file a claim with the Spanish Data Protection Agency (www.agpd.es).

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

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