

Ministerial Decree 29 January 2010

Determination of the maximum total annual cost for mortgages taken out by local authorities, pursuant to decree-law no. 66 of 2 March 1989, converted, with amendments, by law no. 144 of 24 April 1989 (Official Gazette no. 32 of 9 February 2010)

THE MINISTER OF ECONOMY AND FINANCE

Considered decree-law no. 66 of 2 March 1989, concerning urgent measures regarding local authorities' taxation autonomy and local finance, converted, with amendments, by law no. 144 of 24 April 1989;

Considered, in particular, article 22, paragraph 2, of the mentioned decree-law, which provides that the Minister of the treasury periodically determines, by his own decree, the maximum conditions or other modalities applicable to mortgages to be granted to local authorities, in order to obtain uniform treatment;

Considered the decree of 6 July 2009, which set the maximum conditions that can be applied to the above-mentioned mortgages, contracted after the date of entry into force of the same decree;

Considered the possibility of modifying the conditions and the parameter for determining the fixed rate mentioned in the said Ministerial Decree of 6 July 2009, by reference to market yields representing the cost of financing for the state and setting new maximum levels more representative of market levels;

Decrees:

Article 1

1. Mortgages contracted pursuant to article 22 of decree-law no. 66 of 2 March 1989, converted, with amendments, by law no. 144 of 24 April 1989, by local authorities mentioned in article 2, paragraph 1, of legislative decree no. 267 of 18 August 2000, (Consolidated Act on the organization of local authorities), are regulated at fixed or floating rates;

Article 2

1. The maximum total annual cost that can be applied to the transactions mentioned in article 1, set at fixed rates, is determined as follows, in relation to the duration of the operations themselves, calculated beginning with the date of signing:

- a) up to 10 years - Interest Rate Swap 7Y + 0,25%;
- b) up to 15 years - Interest Rate Swap 10Y + 0,65%;
- c) up to 20 years - Interest Rate Swap 12Y + 1,00%;
- d) up to 25 years - Interest Rate Swap 15Y + 1,25%;
- e) beyond 25 years - Interest Rate Swap 20Y + 1,35%.

2. The Interest Rate Swap is the ask rate against 6-month EURIBOR determined in Frankfurt at 11 am of the day preceding the contract's signing. SWAP rates are found on the ISDAFIX2 page of the Reuters circuit, in the EURIBOR BASIS – EUR column.

Article 3

1. The maximum total annual cost that can be applied to the transactions mentioned in article 1, set at floating rates, is determined as follows, in relation to the duration of the operations themselves, calculated beginning with the date of signing:

- a) up to 10 years: 6-month EURIBOR + 0,40%;
- b) up to 15 years: 6-month EURIBOR + 0,75%;
- c) up to 20 years: 6-month EURIBOR + 1,00%;
- d) up to 25 years: 6-month EURIBOR + 1,30%;
- e) beyond 25 years: 6-month EURIBOR + 1,50%.

2. The 6-month EURIBOR is taken two working days before the beginning of each interest period from the EURIBOR 01 page of the Reuters circuit.

Article 4

1. The dispositions of the present decree are applied to mortgage contacts signed after the date of its entry into force.

Rome, 29 January 2010

The Minister: Tremonti