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Historical Archives of the European Commission

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In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

# COMMISSION OF THE EUROPEAN COMMUNITIES

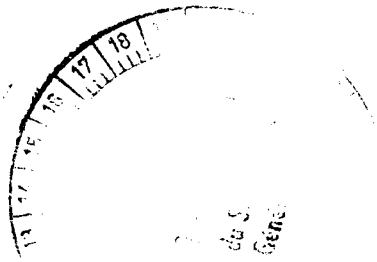
COM(84) 577 final

Brussels, 26 October 1984

## REPORT BY THE COMMISSION TO THE COUNCIL

on the utilization of sums available for granting building loans  
to officials of the European Communities over the period  
1 January to 31 December 1983

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COM(84) 577 final

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REPORT TO THE COUNCIL ON THE UTILIZATION OF SUMS AVAILABLE  
FOR GRANTING BUILDING LOANS TO OFFICIALS OF THE  
EUROPEAN COMMUNITIES OVER THE PERIOD 1 JANUARY TO 31 DECEMBER 1983

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INTRODUCTORY NOTE

This is the eleventh report drawn up by the Commission. It covers the period from 1 January to 31 December 1983 and is in four parts:

- I. Background
- II. Work of the Loans Committee
- III. Utilization of funds in 1983
- IV. Conclusions

Attached to the report are tables showing the number of loans granted, the number of officials involved and the location of the properties financed in each reporting period.

## I. BACKGROUND

The funds drawn on by the Commission to make building loans available to Community officials come from the old ECSC Pension Fund.

### 1. ECSC Pension Fund

#### A. Origin and development

The ECSC Pension Fund was set up on 1 July 1956 under the ECSC Staff Regulations drawn up by the Committee of Presidents on 28 January 1956 (these remained in force until 31 December 1961) and a general Community regulation.

This Pension Fund belonged to the ECSC. It was managed by the High Authority until the Merger Treaty came into force and thereafter by the single Commission.

Ownership of the Fund was not affected by the new Staff Regulations which applied from 1 January 1962 to 4 March 1968 or by the Merger Treaty, Article 24 of which, however, required the Council to prepare a common set of Staff Regulations.

These were adopted by the Council on 29 February 1968 (Regulation No 259/68) and came into force on 5 March 1968.

From that date officials' pensions became part of the budget. Contributions are now entered as a revenue item in the general budget and payments as expenditure.

Article 83 of the new Staff Regulations includes the following special provisions:

"The employment of the funds for the former pension scheme referred to in Article 83(1) of the former Staff Regulations of the European Coal and Steel Community shall be decided upon by the Council acting by a qualified majority on a proposal from the Commission after consulting the Staff Regulations Committee."

After consulting the Staff Regulations Committee the Commission proposed to the Council that part of the funds should be used to make building loans available to Community officials.

On 2 March 1970 the Council took the following decision:

"The sums entered in the ECSC balance sheet under "Pension Fund", now managed by the Commission, shall be used by the Commission as follows:

- (a) up to 40% shall be made available as building loans to officials of the Communities as part of a housing policy;
- (b) up to 60% shall be used to cover retraining commitments under Article 56 of the ECSC Treaty and to grant loans at reduced rates of interest for the purposes of the social and economic objectives of the ECSC Treaty in accordance with the terms of the financial operations provided for therein."

**B. Size of ECSC Pension Fund**

At 30 June 1968 the assets of the Pension Fund totalled 25 509 351 u.a., viz:

contributions from officials	6 540 872 u.a.
contributions from the institutions	18 364 022 u.a.
interest	604 457 u.a.

The Pension Fund was augmented by a contribution of 7 000 000 u.a. between 1974 and 1976 from the new Member States under Protocol No 24 to the Accession Treaty, and by a contribution of 282 000 ECU in 1981, 1982 and 1983 from Greece.

C. Loans by ECSC High Authority

Following a decision taken by the High Authority on 18 December 1963, part of the Pension Fund's assets were used to top up loans made to officials covered by the ECSC Staff Regulations for the construction, purchase or conversion of a dwelling.

This decision allowed up to 10% of the Pension Fund's assets to be used for this purpose. The High Authority granted loans totalling 2 541 970 u.a. to 225 officials at an interest rate of 3.50%.

2. New implementing provisions from 17 June 1971

Following the Council Decision of 2 March 1970 authorizing the Commission to use 40% of the ECSC Pension Fund for loans to officials, the Commission, after consulting the Council, adopted implementing provisions.

The basic principle was that the funds should be "revolving", that is to say that loans should be made available not only from the initial sum (40% of the Pension Fund) but also through the immediate redistribution of sums repaid monthly by borrowers (capital plus interest).

The interest rate was fixed at 4%. This can only be changed with the agreement of the Council on a proposal made by the Commission after consulting the Staff Regulations Committee; no such proposal has yet been put forward, and the Commission does not at the moment intend to present one.

The loans are guaranteed by:

death and invalidity insurance;

assignment of salary or retirement pension;

assignment of severance grant;

prohibition of any mortgage without the Commission's prior written consent;

limitation of the financial commitment entered into by the borrower.

The Commission undertook to grant a total of not less than Bfrs 50 000 000 in loans each year, and this commitment has always been honoured.

Because a large number of loan applications could not be satisfied in 1971 and 1972, the Commission decided to increase the social emphasis of its lending policy by introducing priority criteria reflecting the financial situation and family responsibilities of applicants.

Since then the Commission has been able to grant a number of loans each year. The number of loans should be increasing in theory but in practice expansion is being slowed down by the impact of increases in the cost of living.

There is also a considerable disparity between the funds available and the number of officials employed by the institutions, which means that it is impossible to grant all the applications.

### 3. Loans granted from budget appropriations

This is why the Commission asked the Council again and again from 1973 onwards to make funds available under the budget. The Council steadfastly refused.

In 1976, however, Parliament authorized the insertion of a one-off appropriation of 1 000 000 u.a. in Chapter 14. Receipts (capital repayments plus interest) were to be entered under Chapter 81 and so, unlike the ECSC Pension Fund assets, do not constitute a revolving fund.

These budgetary funds were used to the full in 1976, enabling 67 loans, totalling Bfrs 49 999 994, to be granted.

Receipts (capital repayments plus interest) are entered in Chapter 81 each year. The amount outstanding at 31 December 1983 was Bfrs 34 060 353.



## II. WORK OF THE LOANS COMMITTEE

The Loans Committee was established by Commission decision on 19 May 1971 and became operational when the implementing provisions adopted by the Commission came into force on 18 June 1971.

It is a fully representative body, half its members being appointed by the institutions and half by the various Staff Committees.

After a running-in period in 1971, it began to vet loan applications as these were submitted. This exercise revealed that some of the implementing provisions were open to interpretation.

Some provisions were amended to facilitate their application.

Before long the Committee became aware of the need to apply priority criteria reflecting the family responsibilities and financial situation of applicants.

Three systems for identifying applicants with the strongest social claims to assistance were devised.

The latest, which has been operating since 1976, is the most selective and takes into consideration:

- (a) the location of the property to be financed;
- (b) the applicant's age and family responsibilities;
- (c) the applicant's financial situation.

The Committee held five ordinary meetings in 1983 and considered more than 400 applications.

On the basis of the above criteria, it approved 105 applications (two were for transfers) and rejected two.

III. UTILIZATION OF FUNDS IN 1983

A. General administration

	In 1983	Since 1 August 1971
(a) Applications lodged	141	3 252
(b) Loans granted	103	2 114
(c) Loans refused	2	83
(d) Applications withdrawn	14	887
(e) Applications pending	22	157
(f) Number of beneficiaries	94	2 002

B. Financial administration

- (a) Receipts Bfrs 124 556 082
  - Loans redeemed Bfrs 68 671 432
  - Interest Bfrs 39 716 088
  - Repayments (death, invalidity, etc.) Bfrs 16 168 562
- (b) Loans granted Bfrs 110 245 500
- (c) Outlook for 1984

Receipts are estimated at Bfrs 125 000 000; this should make it possible to grant about 100 loans.

(d) It will be remembered that 67 loans were granted from budget appropriations (Article 145) in 1976. The total sum involved was Bfrs 49 999 994.

(e) Receipts entered under Article 812 of the 1983 budget came to Bfrs 2 046 697 for redemptions, Bfrs 1 367 313 for interest.

(f) The capital sum outstanding at 31 December 1983 was Bfrs 34 060 353.

#### IV. CONCLUSIONS

1. New applications in 1983 totalled 141.
2. During the year 103 loans, totalling Bfrs 110 245 500 were granted.
3. The obligation imposed by the Council to distribute a minimum of Bfrs 50 000 000 a year was therefore respected.
4. On 31 December 1983 168 applications were pending.
5. The ceilings set in June 1971 have been raised as follows over the years in line with increases in the Belgian retail price index:

On 17 June 1971:	Bfrs 600 000 + Bfrs 50 000 per child
On 1 May 1972:	Bfrs 630 000 + Bfrs 52 500 per child
On 1 December 1972:	Bfrs 660 000 + Bfrs 55 000 per child
On 24 January 1974:	Bfrs 693 000 + Bfrs 57 750 per child
On 1 April 1974:	Bfrs 727 650 + Bfrs 60 638 per child
On 1 August 1974:	Bfrs 764 033 + Bfrs 63 670 per child
On 1 January 1975:	Bfrs 802 235 + Bfrs 66 854 per child
On 1 July 1975:	Bfrs 842 347 + Bfrs 70 197 per child
On 1 January 1976:	Bfrs 884 464 + Bfrs 73 707 per child
On 1 October 1976:	Bfrs 928 687 + Bfrs 77 392 per child
On 1 July 1977:	Bfrs 975 121 + Bfrs 81 262 per child
On 1 October 1978:	Bfrs 1 023 877 + Bfrs 85 325 per child
On 1 November 1979:	Bfrs 1 075 071 + Bfrs 89 591 per child
On 1 August 1980:	Bfrs 1 128 825 + Bfrs 94 071 per child
On 1 April 1981:	Bfrs 1 185 266 + Bfrs 98 775 per child
On 1 January 1982:	Bfrs 1 244 529 + Bfrs 103 714 per child
On 1 August 1982:	Bfrs 1 306 755 + Bfrs 108 900 per child
On 1 May 1983:	Bfrs 1 372 093 + Bfrs 114 345 per child

Ceilings have been raised by no more than 129% although the ABEX index of building costs shows an increase of 208% between 1 November 1971 and 1 November 1983.

L I S T   O F   T A B L E S

TABLE 1.      Loan applications since 1 August 1971.

TABLE 2.      Sums lent since 1 August 1971.

TABLE 3.      Officials granted loans since 1 August 1971.  
Breakdown by category and grade.

TABLE 4.      Officials granted loans since 1 August 1971.  
Breakdown by nationality.

TABLE 5.      Properties for which loans granted since 1 August 1971.  
Breakdown by location.

TABLE 6.      Situation at 31 December 1983.

## Loan applications since 1 August 1971

	1/8/71 to 31/7/73 (24 months)	1/8/73 to 31/7/74 (12 months)	1/8/74 to 31/7/75 (12 months)	1/8/75 to 31/12/76 (18 months)	1977	1978	1979	1980	1981	1982	1983
(a) Applications received	1400	184	140	341	294	143	146	156	140	167	141
(b) Applications withdrawn or cancelled	82	30	90	66	41	234	87	65	24	14	14
(c) Loans refused	28	1	15	6	13	6	4	4	3	1	2
(d) Loans granted*	867	94	85	271	198	90	116	106	111	121	103
(e) Cumulative total of applications pending at end of each period	423	482	432	392	452	278	216	244	248	225	168
* Number of officials involved (some loans were paid in two instalments)	777	87	74	265	194	84	106	98	106	118	94

Table 2

Sums lent since 1 August 1971

Note: 40% of ECSC Pension Fund (Bfrs 510 187 020) plus interest  
1970/71 (Bfrs 7 104 737) less balance due on ECSC loans (Bfrs 93 878 178)

	1/8/71 to 31/7/73 (24 months)	1/8/73 to 31/7/74 (12 months)	1/8/74 to 31/7/75 (12 months)	1/8/75 to 31/12/76 (18 months)	1977	1978	1979	1980	1981	1982	1983
(a)	423 413 579	17 919 192	2 506 741	-	80 606 384	-	-	-	-	-	-
(b)	-	-	-	140 000 000	-	-	-	-	2 000 000	1 200 000	2 100 000
(c)	30 010 659	25 836 629	28 099 072	58 647 723	39 056 028	44 918 978	51 001 079	56 274 293	59 617 180	63 758 153	68 671 432
	20 956 710	20 182 875	21 519 199	33 315 305	28 157 758	31 557 326	33 077 957	35 029 625	36 365 736	38 148 759	39 716 088
	3 072 113	7 573 758	3 865 568	10 621 403	7 406 094	16 491 294	18 097 944	12 953 248	18 407 328	17 044 268	16 168 562
(d)	459 533 869	69 005 713	58 848 772	159 119 855	172 511 828	88 771 261	106 869 665	105 985 500	117 710 219	123 616 000	110 245 500

(a) Funds available at beginning of period

(b) Contribution from new Member States

(c) Receipts for period

- . Redemptions
- . Interest
- . Repayments

(d) Loans granted during period

## Officials granted loans since 1 August 1971

## 1. Breakdown by category and grade

	1/8/71 to 31/7/73 (24 months)	1/8/73 to 31/7/74 (12 months)	1/8/74 to 31/7/75 (12 months)	1/8/75 to 31/12/76 (18 months)	1977	1978	1979	1980	1981	1982	1983
A 1	2	-	-	-	-	-	-	-	-	-	-
A 2	12	-	-	-	-	-	-	-	-	-	-
A 3	32	-	-	-	-	-	-	-	-	-	-
A 4	64	-	1	-	-	-	-	-	-	-	-
A 5	125	2	15	4	-	-	-	1	1	-	-
A 6	70	5	10	10	3	-	1	1	-	2	-
A 7	19	4	2	5	1	-	1	-	1	-	1
A 8	1	-	-	-	-	-	-	-	-	-	-
TOTAL A	325	11	28	19	4	-	2	2	2	2	1
B 1	40	4	2	12	7	-	1	1	-	1	-
B 2	65	4	5	23	11	6	8	5	9	5	4
B 3	69	14	9	37	18	9	13	13	7	14	6
B 4	40	10	7	13	12	6	3	5	6	8	8
B 5	15	6	3	8	7	1	2	1	1	2	2
TOTAL B	229	38	26	93	55	22	27	25	23	30	20
C 1	46	3	7	22	14	9	10	9	12	13	3
C 2	75	15	5	63	49	19	28	19	17	21	20
C 3	56	12	6	38	28	13	18	29	21	15	21
C 4	11	1	-	9	12	2	5	3	9	10	8
C 5	2	-	-	3	-	3	1	1	-	3	1
TOTAL C	190	31	18	135	103	46	62	61	59	62	53
D 1	22	5	1	9	7	2	7	4	12	8	7
D 2	11	1	1	8	15	8	6	5	8	11	11
D 3	-	1	-	1	10	6	2	1	2	5	2
TOTAL D	33	7	2	18	32	16	15	10	22	24	20
TOTALS	777	87	74	265	194	84	106	98	106	118	94

## Officials granted loans since 1 August 1971

## 2. Breakdown by nationality

	1/8/71 to 31/7/73 (24 months)	1/8/73 to 31/7/74 (12 months)	1/8/74 to 31/7/75 (12 months)	1/8/75 to 31/12/76 (18 months)	1977	1978	1979	1980	1981	1982	1983
BELGIUM	147	24	21	79	59	20	25	15	29	31	27
DENMARK	-	-	-	-	-	2	1	2	1	2	1
GERMANY	199	16	12	46	28	15	15	15	11	14	8
FRANCE	127	21	9	42	27	12	11	15	15	17	7
IRELAND	-	-	-	-	1	1	-	5	1	2	3
ITALY	208	14	28	66	64	29	38	30	37	43	39
LUXEMBOURG	28	5	1	5	2	-	5	4	4	3	6
NETHERLANDS	65	7	3	25	7	5	4	5	5	2	2
UNITED KINGDOM	3	-	-	2	5	-	6	6	2	3	1
OTHERS	-	-	-	-	1	-	-	1	1	1	-
TOTALS	777	87	74	265	194	84	106	98	106	118	94
3. Breakdown by institution											
COMMISSION	678	78	66	231	145	60	75	81	77	84	61
PARLIAMENT	35	3	4	10	5	4	4	5	8	11	18
COUNCIL	38	5	4	16	35	15	22	9	16	17	9
COURT OF JUSTICE	12	1	-	3	3	2	1	1	3	1	1
COURT OF AUDITORS	4	-	-	-	-	2	-	-	-	1	3
ECONOMIC AND SOCIAL COMMITTEE	10	-	-	5	6	1	4	2	2	4	2
TOTALS	777	87	74	265	194	84	106	98	106	113	94



## Properties for which loans granted since 1 August 1971

## 1. Breakdown by location

	1/8/71 to 31/7/73 (24 months)	1/8/73 to 31/7/74 (12 months)	1/8/74 to 31/7/75 (12 months)	1/8/75 to 31/12/76 (18 months)	1977	1978	1979	1980	1981	1982	1983	
BELGIUM	401	48	42	184	152	54	69	66	75	77	57	
DENMARK	-	-	-	-	-	-	1	-	1	-	-	
GERMANY	24	-	-	8	2	-	2	3	-	2	-	
FRANCE	55	5	3	10	3	1	4	3	4	3	1	
IRELAND	-	-	-	-	-	-	-	1	-	1	-	
ITALY	165	14	17	31	17	17	14	10	10	11	6	
LUXEMBOURG	109	15	11	25	15	11	14	14	15	24	30	
NETHERLANDS	20	4	1	7	2	1	-	-	1	-	-	
UNITED KINGDOM	3	-	-	-	-	-	2	1	-	-	-	
OTHERS	-	1	-	-	1	-	-	-	-	-	-	
TOTALS	777	87	74	265	194	84	106	98	106	118	94	
		2. Breakdown by location in relation to borrower										
PLACE OF EMPLOYMENT	667	85	66	240	188	83	93	96	97	110	93	
PLACE OF ORIGIN	75	2	7	25	6	1	13	2	9	8	1	
ELSEWHERE	35	-	1	-	-	-	-	-	-	-	-	
TOTALS	777	87	74	265	194	84	106	98	106	118	94	

## IX/B/2 - Building Loans

SITUATION AT 31 DECEMBER 1983

GRADE 1	STAFF NUMBERS 2	APPLICATIONS					SUCCESSFUL APPLICANTS BY NUMBER OF DEPENDANTS AS DEFINED IN THE STAFF REGULATIONS. (EXCL. SPOUSE)										RATIO		APPLICATIONS PENDING			APPLICATIONS PENDING AS % OF APPLICA- TIONS REC'D	
		REC'D 3	WITH DRAWN 4	REJECTED 5			0	1	2	3	4	5	6	7	TOTAL	APPLICA- TIONS/ STAFF NUMBERS	LOANS GRANTED/ APPLICA- TIONS	DOSSIER INCOM- PLETE	DOSSIER COMPLETE		TOTAL		
				1	2	TOT													RPL*	OTHER			
A 1	40	6	4	-	-	-	-	-	-	1	-	1	-	2			-	-	-	-			
2	175	26	11	2	1	3	1	4	1	4	1	1	-	12			-	-	-	-			
3	566	95	46	9	5	14	4	2	13	7	2	5	-	33			-	2	-	2			
4	1 354	181	101	6	3	9	4	5	21	15	16	2	-	66			-	5	-	5			
5	1 657	285	117	7	3	10	17	13	54	41	18	4	1	148			-	10	-	10			
6	1 050	176	61	4	1	5	14	13	30	28	11	4	-	100			-	11	1	12			
7	792	62	21	1	-	1	5	3	14	12	1	1	-	36			-	3	1	4			
8	1	1	-	-	-	-	-	-	1	-	-	-	-	1			-	-	-	-			
TOTAL A	5 635	834	361	29	13	42	45	40	134	107	50	17	2	3	398	14,80 %	47,72 %	-	31	2	33	3,96 %	
B 1	676	120	38	5	2	7	10	11	25	11	9	1	1	-	68			-	6	1	7		
2	900	217	57	3	6	9	28	17	58	33	8	-	3	-	147			-	4	-	4		
3	901	284	65	3	1	4	34	33	92	30	13	4	-	206			-	8	1	9			
4	657	182	46	4	-	4	13	28	53	19	7	1	-	121			-	9	2	11			
5	273	67	18	1	-	1	10	13	13	6	6	-	-	48			-	-	-	-			
TOTAL B	3 407	870	224	16	9	25	95	102	241	99	43	6	4	-	590	25,54 %	67,82 %	-	27	4	31	3,56 %	
C 1	1 220	207	40	3	1	4	66	33	31	14	4	-	-	-	148			-	10	5	15		
2	2 100	468	103	2	3	5	97	109	76	39	6	5	1	-	333			2	23	2	27		
3	1 795	348	66	3	2	5	59	82	75	26	6	-	2	-	250			1	16	10	27		
4	601	108	21	2	-	2	9	13	36	11	2	-	-	-	71			4	8	2	14		
5	201	17	1	-	-	-	2	5	4	-	3	-	-	-	14			-	1	1	2		
TOTAL C	5 917	1 148	231	10	6	16	233	242	222	90	21	5	3	-	816	19,40 %	71,06 %	7	58	20	85	7,40 %	
D 1	389	98	5	-	-	-	15	22	31	12	4	-	-	-	84			1	6	2	9		
2	378	102	13	-	-	-	6	23	39	9	7	-	1	-	85			-	3	1	4		
3	284	35	6	-	-	-	2	6	13	5	1	2	-	29			-	-	-	-	-		
4	10	-	-	-	-	-	-	-	-	-	-	-	-	-			-	-	-	-	-		
TOTAL D	1 061	235	24	-	-	-	23	51	83	26	12	2	1	-	198	22,15 %	84,26 %	1	9	3	13	5,53 %	
GRAND TOTAL	16 020	3 087	840	55	28	83	396	435	680	322	126	30	10	3	2 002	19,27 %	64,85 %	8	125	29	162	5,25 %	
																					154		

col.5 : 1 = not admissible (does not comply with rules).

2 = rejected for social reasons.

RPL\* = Repayment of previous loans.