

4 November 2025

COMP-HOUSING-SA-TASK-FORCE@ec.europa.eu

**EAPB comment letter on draft SGEI decision-HT.6515**

Dear Madam, Dear Sir,

The European Association of Public Banks (EAPB) highly welcomes the draft for a revised Decision of Services of General Economic Interest (SGEI) which would provide deeply needed clarity and legal certainty to schemes to support affordable housing. The EAPB thanks the Commission services for their work on this important reform and the consideration of the comments of the EAPB and its members submitted throughout the different public consultations and the Reality Check Workshop in July.

Generally, the proposed amendments provide legal clarity on the possibility to support affordable housing and would help EAPB members to increase their support activities to households in need of housing at affordable conditions.

EAPB welcomes in particular the recognition by the Commission of the importance of having sufficient flexibility for Member States to be able to design housing support schemes according to local needs in terms of specific affordability indicators, regarding minimum quality criteria for housing, but also specific policy objectives (e.g. social mix).

Having said that, we note that according to the draft, social housing will only meet the requirements of Article 2(1)(c) of the SGEI Decision if it is available for a minimum period of 20 years. Many Member States and regions currently offer the option of a commitment period of ranging from 10, 15, 25, 30 or 40 years when applying the current SGEI Decision. Against this background, we would like to propose that the specification of the time period be deleted entirely, both for social and affordable housing schemes, so that Member States can adapt the periods to their local needs.

We also invite the Commission to consider extending the scope to not just aid for newly build, land acquisition or renovation projects but also to aid for the refinancing of existing buildings. Including the refinancing of existing buildings would bolster the capacity of affordable housing providers to provide new buildings and renovate existing ones.

Moreover, since affordable housing providers in many cases carry out non-substantial other activities beside their core mission, we suggest amending the currently the proposed article 7 item 3 as follows:

*Where the principal, statutory activity of the provider of the SGEI is the provision of a SGEI and the provider is legally obliged to reinvest all its profits into that SGEI, ex post checks to verify the absence of overcompensation shall not be necessary.*

Moreover, the Commission suggests in its definition that the income development of the resident should be monitored and, as a result, the right to housing should be regularly assessed. We suggest to amend requirement 2 a) second paragraph of the Annex as follows to better reflect the multitude of relevant indicators for affordability (recognised in paragraph 1 of that requirement):

*“ An affordable housing SGEI must benefit households in real need of affordable housing, ~~notably~~ **for example** by taking account of the income and composition of the household. Member States must verify, at regular intervals, the eligibility of the beneficiaries of affordable housing and that the beneficiary uses the housing as their actual residence”*

Also, we note that in recitals 13 and 17 of the draft new SGEI exemption decision, the Commission does not provide an exhaustive list of the types of costs that can be covered by compensation for services relating to social housing or affordable housing. However, in the annex to the decision, under point 1(1)(e) and point 2(g), the list of cost types seems exhaustive in some language versions. The latter should be amended in line with the recitals to make clearer that the types of eligible costs are not exhaustive for the sake of consistency and provide the necessary flexibility to Member States.

EAPB also welcomes the removal of reporting obligations imposed by Decision 2012/21/EU as well as the removal of the obligation to refer to that Decision in the entrustment act, together with a reduction of ex-post controls.

Finally, we welcome that Commission President Von der Leyen has stressed the urgency for new EU measures for housing (EU Affordable Housing Plan) to be adopted by the end of this year. We urge the Commission to adopt the new SGEIs as part of these measures before the end of this year.

## Background

The European Association of Public Banks (EAPB) gathers over 30 member organisations which include promotional banks such as national or regional public development banks and local funding agencies, public financial institutions, associations of public banks and banks with similar interests from 17 European Member States and countries, representing directly and indirectly the interests of over 90 financial institutions towards the EU and other European stakeholders.

EAPB members as NPBs are key providers of finance for social and affordable housing. In 2023, European promotional banks supported over 380,000 dwellings, committing €50 billion in financing—with energy efficiency playing a vital role. NPBs act as a crucial complement to the private market by filling financing gaps,

providing risk capacity alongside the private sector and by addressing market failures. Furthermore, there are existing models in Member States where NPBs can channel funding acquired from capital markets, i.e. private investors, efficiently to social housing. Public banks are integral to implementing social and affordable projects through financing, risk mitigation, and advisory services. They act in systems of promoting social housing. The systems vary in specific set-up across Member States and regions, ranging from subsidies established by Member States - with subsidies for investments on the one hand and obligations for investors regarding rent levels and target groups on the other and guarantees.

**EU Transparency Register: 8754829960-32**