PRESS RELEASE

DATE: 16 October 2025

CONTACT Press Office tel. +46 8 787 02 00

The Riksbank's consultation response regarding changes in the macroprudential policy area

The Riksbank generally supports the proposals in the memorandum *"Utveckling av makrotillsynsområdet"* (Development of the macroprudential policy area). The Riksbank is in favour of the proposal that the Riksbank should be responsible for setting the countercyclical buffer rate. However, the Riksbank considers that the proposed macroprudential toolbox needs to be supplemented, as it lacks an income-based instrument. The Government should therefore propose the introduction of a loan-to-income limit.

Important interaction between the Riksbank's liquidity support measures and countercyclical buffer rates

An important difference between the countercyclical buffer rate and other capital-based macroprudential measures is that it aims to address cyclical rather than structural systemic risks. In times of risk build-up, the countercyclical buffer rate may be increased, and in contrast to other buffer requirements, it should be lowered in the event of a severe shock. It therefore has more the character of a crisis management tool. The role of the buffer in crisis management has been strengthened by Finansinspektionen's application of a positive neutral level. The application means that the buffer rate is above zero even in a normal situation and that reductions in the buffer rate are mainly relevant in the event of more extensive disturbances.

"The Riksbank's liquidity support measures in a crisis have a similar purpose to the countercyclical buffer requirement. It is therefore an advantage if the same authority decides on the measures. In addition, the Riksbank's broad analytical capacity – including both macroeconomic analysis and analysis of systemic risks –

provides good conditions for assessing when changes to the buffer rate are justified," says Governor Erik Thedéen

A loan-to-income limit should be part of the macroprudential toolbox

The Riksbank supports the proposals to retain the first amortisation requirement and the LTV limit. The Riksbank also supports the proposal to raise the LTV limit, although the benefits are uncertain and the measure also entails risks. However, the proposed toolbox lacks an income-based instrument. The Riksbank therefore considers that the Government should propose the introduction of a loan-to-income limit – in line with what is proposed in the report *Reglering av hushållens skulder* (Regulation of household debts).

“Historically, there are several examples of self-reinforcing spirals between housing prices and debt, with negative consequences for financial stability. An income-based instrument would be an effective brake on such a development, as incomes typically develop more stably than housing prices,” says Mr Thedéen.

It is important that authorities have access to data

It is proposed that borrower-based measures such as amortisation requirements and LTV limits should be regulated in a new law. Such an arrangement could create greater clarity and predictability and strengthen democratic legitimacy. At the same time, regulating these measures by law can pose challenges, as the costs of macroprudential measures are often visible and immediate, while the long-term benefits are more difficult to observe. There is therefore a risk that measures that are necessary from a stability perspective will be delayed, not taken or relaxed for political reasons.

To counteract this risk, it is crucial that the prudential authorities have good opportunities to draw the attention of the Government and Parliament to risks to financial stability. Finansinspektionen currently conducts extensive work on data collection, including through its in-depth analysis of mortgages. The Riksbank wishes to emphasise the importance of the authorities being given the conditions, within the framework of their tasks, to collect and analyse relevant data – not least on households.