



## “CLAUSULA SUELO”

Dear Citizens Advice Bureau Members.

As you might be aware, there have already been two numerous court decisions declaring null and void the minimum interest rate clause in the Spanish mortgage contracts (Mortgages with the interest linked to the euribor should fluctuate).

The euribor has decreased in recent years and since 2011 stabilizing at much lower levels. Today it is around 0.5%. Interest rates should have decreased in line.

The banks therefore put in clauses stating that the interest could not fall below a certain level (floor level) unjustly; interest rates can be as high as 3% and more.

In 2010 the first sentences, from the Mercantile Courts in Seville and Leon, stated that such clauses are abusive, void, arbitrary and illegal since lending banks have had set an unrealistic maximum interest rate, which would never be reached by the euribor, in comparison with the minimum interest rate, which used to be well above the average euribor rate over the last two years.

This minimum interest rate clause avoids mortgage holders to benefit from the euribor rate decrease.

Cases were first brought against such banks as; BBVA, Cajamar, Caixa Galicia, Caja Sur. Since then it has been discovered that numerous banks including Sabadell included this clause in most of their mortgages.

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To benefit from the existing sentences, we can automatically claim for such a clause to be removed from your mortgage contract, hence you can claim the excess in interest rate you have paid so far to be refunded.

If you have a mortgage with any bank that has included this illegal clause, you can claim for the minimum interest rate clause to be declared void, based on these two sentences, like many other clients are currently doing. The mortgage contracts are considered to be adhesion contracts, where customers have very little margin to negotiate with the bank.

In order to provide you with accurate advice on your potential claim and the excess in interest rate that you are currently paying, we would appreciate if you provide us with a scanned copy of your mortgage title deed (or property purchase deed, if the mortgage was incorporated upon the property purchase). These documents can be sent to us or, we can arrange a free consultancy with the Citizens Advice team of expert lawyers.

We are also commencing to advice on the change of law from the 01.11.2013 on IRPH mortgages. The change in the law from this date, will allow the two major banks in Spain to manipulate interest rates and the other banks are expected to follow.

We can be contacted at the e-mail address below.

<mailto:myra@citizensadvice.org.es>

We look forward to hearing from you.

Kind Regards,

**Myra Azzopardi Swainson**

15/11/13

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