

The regional consumption credit. Trends, structures and territorial relevance

Ivona STOICA*

Abstract. *The current paper analyses the territorial structure of loans to housings and nonfinancial corporations, based on information provided by banks, Romanian legal entities, branches of foreign banks in Romania, savings and lending banks for housing and Cooperative Central Bank, presented on the National Bank of Romania's website. The main objective of the research is related to peculiarities of the county distribution by the size of credits for consumption and housing. Loans for consumption and real estates refer to the population segment and the credits of non-financial institutions are mainly devoted to operational activities and investments. Our comparison for both population and nonfinancial institutions at the county level offer the possibility to determine which are the most important users of banking credits, at county level, in the post crisis period, in Romania.*

Keywords: *consumption credit; housing credit, trends, counties*

JEL Classification: *M31; D1; E2; R2*

Introduction

Certain developments in international financial markets, as well as those occurring on the Romanian financial market, were characterized by a diminished volatility of the capital market and of the risk premiums on the securities issued by the authorities.

The NBR closely and permanently monitors development and evolution of the financial-economic environment, both internal and international, as well as the possible risks that may occur in a given time, by acting to strengthen the financial systems in order to cope with any adverse systemic external and internal shocks.

* Associate Professor, Dr., "Dimitrie Cantemir" Christian University, e-mail: ivonas@ase.ro.

Within of the new macroprudential framework implemented by taking into consideration the recommendations of the European Systemic Risk Board, the NBR seeks to calibrate those instruments addressed to creditors, in particular, to monitor the risk of the negative evolution occurring on the international financial market, by preserving consistent capital reserves and by encouraging prudent lending to housings and non-bank institutions (legal entities).

This macroprudential financial policy of NBR aims to avoid the consequences of the international financial crisis triggered in the USA in 2008, as Zaman & Georgescu (2009, p. 611) mentioned: "the turbulences on the international financial markets arising from the US housing market crisis emerged in July 2007 have turned drastic in the second half of 2008. Despite expectations of an intervention by the Federal Reserves and/or the U.S.A. Government for its rescue, only one week after the nationalization of Fannie Mae and Freddy Mac, two giants of the financial world, in mid-September 2008 the investment bank Lehman Brothers, a reference name on capital markets, has been left to fall into bankruptcy, which has degenerated into the slump of the stock exchanges capitalization indices, all over the world."

The financial and economic crisis in Romania, during 2010-2012 had disastrous effects on the population also because of avoiding the recognition and adoption of the measures required by the overlapping effects of the crisis with the election campaign during the above mentioned period, as Vasile (2009, p. 625) asserted: "the weak management of the economic crisis and the inefficiency of the "anticrisis" package of measures associated with a confused elections' year, full of contradictions at political level, affected to a large extent the living standard of the Romanians, increased the poverty risk and doubled the unemployment rate."

The financial health of the credit market in Romania has improved at the aggregate level and at a territorial profile as well. The return on equity increased from 8.4% to 11% between December 2012-December 2013.

Indebtedness of the population and firms slightly improved, evolution still being heterogeneous at the territorial level and the position of the net creditor of the two components in the financial system strengthened, accompanied by an increased liquidity.

The population's expectations regarding the lending system recorded a positive trend and improvement in population's income, along with an orientation to a greater extent in obtaining loans in RON - currency in which they receive income and had a positive effect on the structure of the indebtedness of population. We

note that the payment discipline of the population in 2014 continued to deteriorate, but at a slower pace compared to the 2010-2013 period.

In the present study we aimed to investigate the housing credit market, at a total level and at a regional level, based on the information provided by the NBR in the "Report on the territorial structure of loans and deposits of non-bank customers, non-governmental customers", during February 2015 (<http://www.NBR.ro/Credite-si-depozite-in-profil-teritorial-3171.aspx>). For each indicator we recorded the balance sheet from the last working day considered by the reporting, the credit situation being registered until February 2015.

We analysed the structure of consumption and housing credit for the population, both in RON and in foreign currency, at a territorial level, by revealing some tendencies and peculiarities in lending to households for consumption and housing.

The analysis follows the separation of certain characteristics and similarities, of a structural territorial nature as compared to the national average. We analysed to what extent the credit for two destinations differs depending on the level of socio-economic development of the counties.

Loans in national currency (RON) for consumption: Size and regional characteristics

Our analysis refers to the absolute size of consumption credits, and housing credits of population by counties, compared to the total value of credits at national level for both consumption and housing.

The transition economy of Romania in the last years is suffering from the deleverage banks policy which in Romania is by far lower than in other more developed member countries of the EU.

If the deleverage policy in the banking sector was generated by the current crisis consequences and the impact and risk aversion in the economies with bankrupt banks, in Romania, there was no bankruptcy of banks which, in proportion of 80% of the total banking assets, are belonging to foreign capital of parent banks abroad. That is why the deleverage policy promoted by EU developed countries, does not meet the requirements of economic decline recovery and relaunching sustainable growth in less developed EU member countries.

Table 1. Credits distribution in lei, by categories of beneficiaries at counties level (February 2015)

No.	COUNTIES	Credits (million RON) for:				
		TOTAL	Consumption	Housings	Economic Agents	Other credits
0	1	2	3	4	5	6
	ROMANIA	92,317.83	27,829.21	10,170.93	49,931.13	4,386.56
1	ALBA	1,130.93	394.01	97.11	619.86	19.95
2	ARAD	1,428.79	556.30	153.27	676.96	42.27
3	ARGES	2,513.10	998.30	244.93	1,201.79	68.08
4	BACAU	2,155.91	601.20	147.20	1,368.76	38.76
5	BIHOR	2,221.80	655.30	198.59	1,315.22	52.68
6	BISTRITA-NASAUD	805.76	297.16	55.88	435.35	17.37
7	BOTOȘANI	809.57	322.94	57.75	401.04	27.85
8	BRAILA	1,211.37	416.89	111.02	637.61	45.84
9	BRAȘOV	3,456.25	867.91	379.30	2,143.62	65.43
10	BUCHAREST	28,487.06	6,442.90	3,892.86	15,590.38	2,560.91
11	BUZAU	1,418.55	534.08	110.87	686.46	87.14
12	CALARĂȘI	860.73	271.81	50.28	530.18	8.46
	ROMANIA	92,317.83	27,829.21	10,170.93	49,931.13	4,386.56
13	CARAȘ-SEVERIN	614.46	312.97	47.50	239.13	14.86
14	CLUJ	4,220.45	1,049.01	653.20	2,314.02	204.21
15	CONSTANȚA	3,879.12	1,103.89	473.12	2,172.57	129.54
16	COVASNA	524.90	234.93	45.39	236.55	8.04
17	DAMBOVIȚA	910.80	529.68	69.30	283.36	28.46
18	DOLJ	2,986.10	842.93	300.13	1,715.78	127.27
19	GALAȚI	1,848.63	592.42	190.95	1,012.29	52.96
20	GIURGIU	558.69	244.34	32.74	270.35	11.26
21	GORJ	1,893.66	571.58	83.49	1,208.13	30.47
22	HARGHITA	626.05	267.29	34.99	314.89	8.88
23	HUNEDOARA	1,346.85	700.04	97.11	513.21	36.49
24	IALOMIȚA	846.24	321.69	57.54	450.28	16.73
25	IASI	2,704.74	972.87	421.22	1,204.96	105.69
26	MARAMUREȘ	1,555.11	481.51	86.17	958.89	28.53
27	MEHEDINȚI	696.73	359.09	61.38	257.32	18.94
28	MUREȘ	1,636.05	581.53	170.15	849.77	34.60
29	NEAMȚ	1,144.88	411.34	73.16	635.08	25.29
30	OLT	935.02	439.89	82.87	372.26	40.00
31	PRAHOVA	2,760.38	1,126.93	259.85	1,309.55	64.04
32	SALAJ	737.92	237.26	51.09	439.51	10.06
33	SATU MARE	1,257.12	301.28	80.72	852.80	22.32
34	SIBIU	1,965.91	543.43	270.91	1,101.32	50.25
35	SUCEAVA	1,543.57	489.22	97.33	900.50	56.53
36	TELEORMAN	835.72	333.23	65.97	419.19	17.34
37	TIMIȘ	3,515.03	1,008.78	513.17	1,874.43	118.66
38	TULCEA	793.34	325.96	110.79	333.78	22.81
39	VALCEA	1,386.50	440.61	100.26	823.11	22.52
40	VASLUI	1,149.02	344.26	80.51	708.45	15.80
41	VRANCEA	944.98	302.45	60.85	552.41	29.27

Source: Adaptation of the Report on the structure of credits and deposits for non-bank, non-governmental consumers, at a territorial level, offered by the NBR, <http://www.NBR.ro/Credite-si-depozite-in-profil-teritorial-3171.aspx>

From the Table 1 it results that for all counties the magnitude of consumption credits exceeds, by far to a different extent, that of the housing credits, revealing the influence of primary consumption needs. The gap size between the two types of credits is closely related to the development level of counties.

Table 2. Percentage share (%) of different categories of credits by counties in the total value of credits at national level (February 2015)

(%)

No.	COUNTIES	Share of credits for:			
		Consumption	Housings	Economic Agents	Other credits
0	1	2	3	4	5
	ROMANIA	30.14	11.02	54.09	4.75
1.	HUNEDOARA	51.98	7.21	38.10	2.71
2.	CARAŞ-SEVERIN	50.93	7.73	38.92	2.42
3.	IAŞI	35.97	15.57	44.55	3.91
4.	ARAD	38.93	10.73	47.38	2.96
5.	BOTOŞANI	39.89	7.13	49.54	3.44
6.	NEAMŢ	35.93	6.39	55.47	2.21
7.	MARAMUREŞ	30.96	5.54	61.66	1.83
8.	TELEORMAN	39.87	7.89	50.16	2.07
9.	VASLUI	29.96	7.01	61.66	1.38
10.	BISTRIŢA-NĂSAUD	36.88	6.94	54.03	2.16
11.	PRAHOVA	40.83	9.41	47.44	2.32
12.	COVASNA	44.76	8.65	45.07	1.53
13.	SATU MARE	23.97	6.42	67.84	1.78
14.	ALBA	34.84	8.59	54.81	1.76
15.	BACĂU	27.89	6.83	63.49	1.80
16.	GIURGIU	43.73	5.86	48.39	2.02
17.	ARGEŞ	39.72	9.75	47.82	2.71
18.	HARGHITA	42.69	5.59	50.30	1.42
19.	CLUJ	24.86	15.48	54.83	4.84
20.	VĂLCEA	31.78	7.23	59.37	1.62
21.	MEHEDINŢI	51.54	8.81	36.93	2.72
22.	BUZĂU	37.65	7.82	48.39	6.14
23.	SUCEAVA	31.69	6.31	58.34	3.66
24.	TIMIŞ	28.70	14.60	53.33	3.38
25.	SIBIU	27.64	13.78	56.02	2.56
26.	CĂLĂRAŞI	31.58	5.84	61.60	0.98
27.	MUREŞ	35.54	10.40	51.94	2.11
28.	BUCHAREST	22.62	13.67	54.73	8.99
29.	BIHOR	29.49	8.94	59.20	2.37
30.	BRĂILA	34.42	9.16	52.64	3.78
31.	CONSTANŢA	28.46	12.20	56.01	3.34

No.	COUNTIES	Share of credits for:			
		Consumption	Housings	Economic Agents	Other credits
0	1	2	3	4	5
32.	DĂMBOVIȚA	58.16	7.61	31.11	3.12
33.	OLT	47.05	8.86	39.81	4.28
34.	DOLJ	28.23	10.05	57.46	4.26
35.	TULCEA	41.09	13.97	42.07	2.88
36.	GORJ	30.18	4.41	63.80	1.61
37.	SĂLAJ	32.15	6.92	59.56	1.36
38.	IALOMIȚA	38.01	6.80	53.21	1.98
39.	GALAȚI	32.05	10.33	54.76	2.86
40.	BRAȘOV	25.11	10.97	62.02	1.89
41.	VRANCEA	32.01	6.44	58.46	3.10

Source: Own calculation based on primary data from NBR statistics, february 2015.

According to **Table 2**, we point out the following significant conclusions:

- For all counties, the volume of consumption loans is higher (2-3 times) than that of housing loans, which means a greater propensity for durable and nondurable consumption food.
- At the national level, the average of consumption loans represents 30.14% and the domestic ones 11.2% as compared to the total volume of the credits.
- In Romania, consumption credit is almost 3 times bigger than the housing one, and the rest of credits belong in a proportion of 54.1%, to economic agents.
- Consumption credit in RON records values close to the national level of 30.14%, of total loans from 11 counties, on the range of 29.96% from 22.62% in Vaslui, Bihor, Timis, Constanta, Dolj, Bacau, Sibiu, Brasov, Cluj, Satu Mare, Bucharest.
- Counties that borrowed in lei for consumption are: Vaslui 29.96%, Bihor 29.49%, Timiș 28.7%, Constanța 28.46%, Dolj 28.23%, Bacău 27.89%, Sibiu 27.64%, Brașov. 25.11, Cluj 24.86%, Satu Mare 23.97%, Bucharest 22.62%; except for Vaslui, other counties belonging to this category under the average of the consumption credit share, on a national level, are relatively high developed counties, which signifies that most of the expenditure are housing credit related ones, either in RON or foreign currency.
- There are 30 counties where the share of consumption credits in RON is above the national average, as follows: Dâmbovița (58.16%), Hunedoara (51.98%), Mehedinți (51.54%), Caraș-Severin (50.93%), Olt (47.05%),

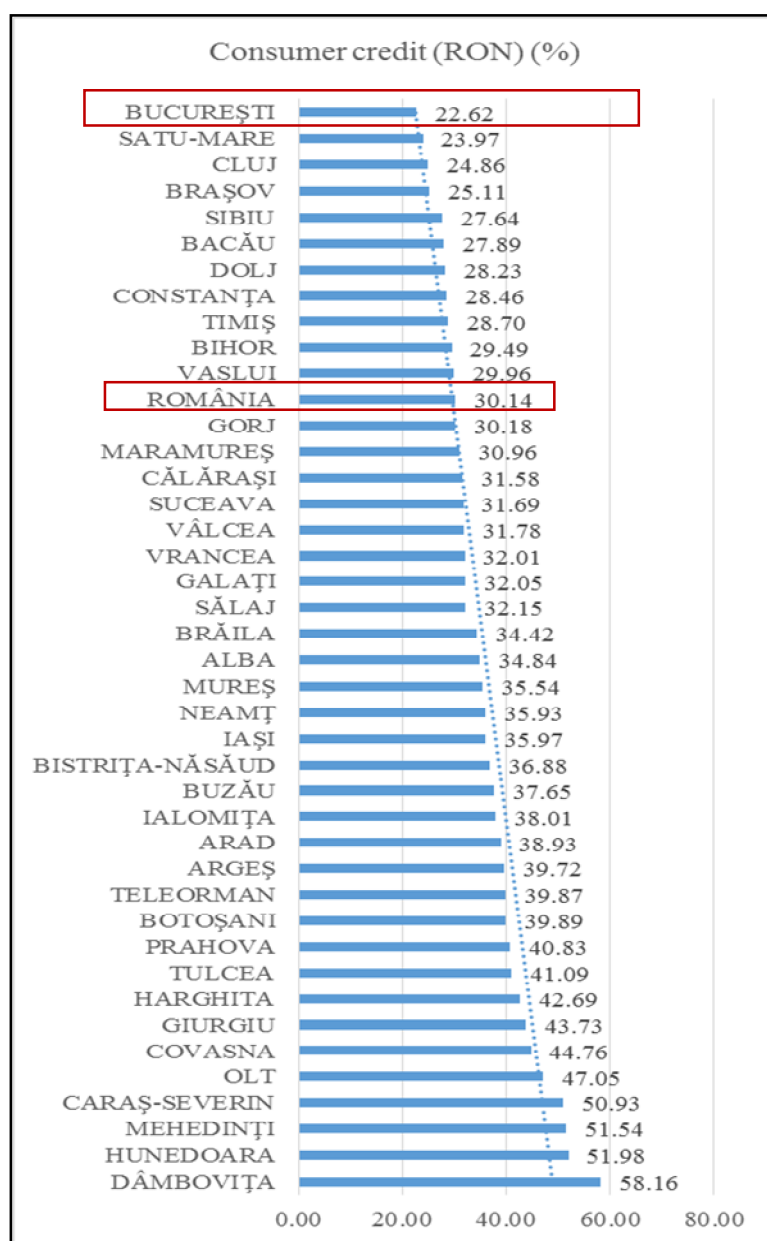
Covasna (44.76%), Gurgiu (43.73%), Harghita (42.96%), Tulcea (41.09%), Prahova (40.83%), Botoşani (39.89%), Teleorman (39.87%), Argeş (39.72%), Arad (38.93%), Ialomiţa (38.01%), Buzău (37.65%), Bistriţa-Năsăud (36.88%), Iaşi (35.97%), Neamţ (35.93%), Mureş (35.54%), Alba (34.84%), Brăila (34.42%), Sălaj (32.15%), Galaţi (32.05%), Vrancea (32.01%), Vâlcea (31.78%), Suceava (31.69%), Călăraşi (31.58%), Maramureş (30.96%), Gorj (30.18).

- Credits for housing in RON offer a complementary picture of consumption credits in RON, meaning that a total of eight counties registered a share of housing loans below the national average, the majority of these counties being developed counties, namely: Constanta 12.2%, 13.67% Bucharest, Sibiu 13.78%, Tulcea 13.97%, 14.6% Timis, Cluj 15.48% 15.57% Iaşi.
- In the other 33 counties, housing loans register shares below the national average - Brasov 10.97% to 4.41% Gorj, which confirms a greater propensity of these counties to consume and not to housing. Family budgets of the population living in these counties are mostly dominated by expenditures on food and other durable goods.

According to **Figure 1**, we can draw the following relevant conclusions:

- Usually, the consumption credit for almost all the counties has the largest percentage share with maximum of 58.16% in Dâmboviţa and the lowest share of 27.64% in Satu Mare.
- Over the national average share of credits for consumer, there is a number of 30 counties of which in four counties it was registered more than 50%: Caraş-Severin (50.93%), Mehedinţi (51.54%), Hunedoara (51.98), Dâmboviţa (58.16%)
- As a rule, high credit percentage for high consumption credit percentage is a characteristic for less developed counties. Below the average level of consumption credit share there are 11 counties, most of which belong to relatively developed counties. In this sense we mention that consumption credit of Bucharest is the lowest one, 22.62% indicating that population expenditures are mainly devoted to housing or other types of credit.

Figure 1. Share (%) of consumption credits in RON by counties, as compared to national average from the total of credits – ascending order - in February 2015

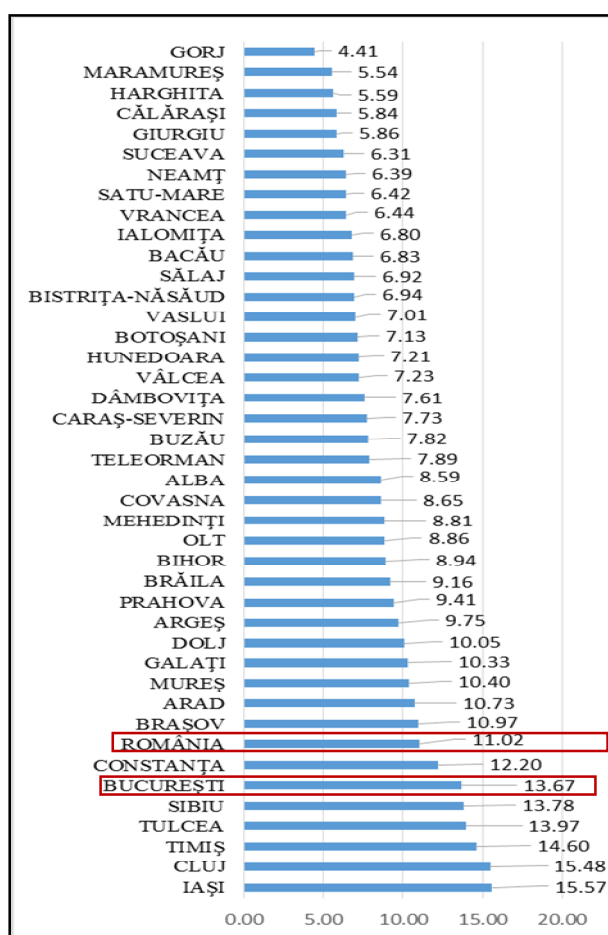


Source: Own calculation based on primary data from NBR statistics, February 2015

In **Figure 2**, we presented, in an increasing order, the share of housing credits by counties, the highest level over the leverage level is belonging to 7 counties, the major part of which are relatively developed.

The lower average share of housing credits is registered in 34 counties on the lower position being developing or less developed counties such as Giurgiu, Călărași, Suceava, Maramureș și Gorj.

Figure 2. Share (%) of housing credits in RON, by counties, as compared to national average from the total of credits – ascending order – in February 2015



Source: Own calculation based on primary data from NBR statistics, February 2015

In **Table 2** we included the ratio size of consumption credits divided by housing credits. As a rule, credits for consumption as compared to those for housing show that credit for consumption is much higher than those for housing between 1.66 to 7.64. Therefore, we can conclude that the propensity of population for consumption loans is several times higher than that for housing loans.

Once again we notice that poorer counties are spending more on consumption than on housing.

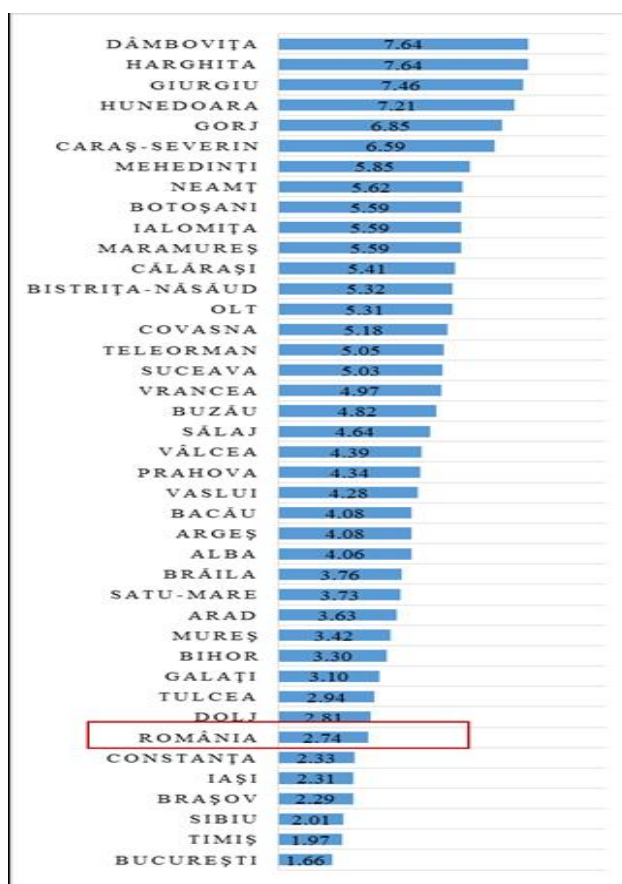
Table 2. Ratio of consumption credits to housing credits, by counties, in RON

No.	COUNTIES	Consumption credits/ Housing credits
0	1	2
	ROMANIA	2.74
1	DAMBOVIȚA	7.64
2	HARGHITA	7.64
3	GIURGIU	7.46
4	HUNEDOARA	7.21
5	GORJ	6.85
6	CARAȘ-SEVERIN	6.59
7	MEHEDINȚI	5.85
8	NEAMȚ	5.62
9	BOTOȘANI	5.59
10	IALOMIȚA	5.59
11	MARAMUREȘ	5.59
12	CĂLĂRAȘI	5.41
13	BISTRIȚA-NASAUD	5.32
14	OLT	5.31
15	COVASNA	5.18
16	TELEORMAN	5.05
17	SUCEAVA	5.03
18	VRANCEA	4.97
19	BUZAU	4.82
20	SĂLAJ	4.64
21	VALCEA	4.39
22	PRAHOVA	4.34
23	VASLUI	4.28
24	BĂCAU	4.08
25	ARGEȘ	4.08
26	ALBA	4.06
27	BRAILA	3.76
28	SATU MARE	3.73
29	ARAD	3.63
30	MUREȘ	3.42
31	BIHOR	3.30
32	GALAȚI	3.10
33	TULCEA	2.94
34	DOLJ	2.81

No.	COUNTIES	Consumption credits/ Housing credits
0	1	2
35	CONSTANȚA	2.33
36	IAȘI	2.31
37	BRAȘOV	2.29
38	SIBIU	2.01
39	TIMIȘ	1.97
40	BUCHAREST	1.66
41	CLUJ	1.61

Source: Own calculation based on primary data from NBR statistics, February 2015

Figure 3. Descending order of the ratio of consumption to housing credits by counties



Source: Own calculation based on primary data from NBR statistics, February 2015

Table 3. Share of credits in RON, at a territorial level, february, 2015

No.	COUNTIES	Share of total credits, at a national level (%) for				
		TOTAL	Consumption	Housing	Economic Agents	Other credits
0	1	2	3	4	5	6
	ROMANIA	100.00	100.00	100.00	100.00	100.00
1	ALBA	1.23	1.42	0.95	1.24	0.45
2	ARAD	1.55	2.00	1.51	1.36	0.96
3	ARGEŞ	2.72	3.59	2.41	2.41	1.55
4	BACAU	2.34	2.16	1.45	2.74	0.88
5	BIHOR	2.41	2.35	1.95	2.63	1.20
6	BISTRITA-NASAUD	0.87	1.07	0.55	0.87	0.40
7	BOTOŞANI	0.88	1.16	0.57	0.80	0.63
8	BRAILA	1.31	1.50	1.09	1.28	1.05
9	BRAŞOV	3.74	3.12	3.73	4.29	1.49
10	BUCHAREST	30.86	23.15	38.27	31.22	58.38
11	BUZĂU	1.54	1.92	1.09	1.37	1.99
12	CALARĂŞI	0.93	0.98	0.49	1.06	0.19
13	CARAŞ-SEVERIN	0.67	1.12	0.47	0.48	0.34
14	CLUJ	4.57	3.77	6.42	4.63	4.66
15	CONSTANŢA	4.20	3.97	4.65	4.35	2.95
16	COVASNA	0.57	0.84	0.45	0.47	0.18
17	DĂMBOVIŢA	0.99	1.90	0.68	0.57	0.65
18	DOLJ	3.23	3.03	2.95	3.44	2.90
19	GALAŢI	2.00	2.13	1.88	2.03	1.21
20	GIURGIU	0.61	0.88	0.32	0.54	0.26
21	GORJ	2.05	2.05	0.82	2.42	0.69
22	HARGHITA	0.68	0.96	0.34	0.63	0.20
23	HUNEDOARA	1.46	2.52	0.95	1.03	0.83
24	IALOMIŢA	0.92	1.16	0.57	0.90	0.38
25	IAŞI	2.93	3.50	4.14	2.41	2.41
26	MĂRAMUREŞ	1.68	1.73	0.85	1.92	0.65
27	MEHEDINŢI	0.75	1.29	0.60	0.52	0.43
28	MUREŞ	1.77	2.09	1.67	1.70	0.79
29	NEAMŢ	1.24	1.48	0.72	1.27	0.58
30	OLT	1.01	1.58	0.81	0.75	0.91
31	PRAHOVA	2.99	4.05	2.55	2.62	1.46
32	SĂLAJ	0.80	0.85	0.50	0.88	0.23
33	SATU MARE	1.36	1.08	0.79	1.71	0.51
34	SIBIU	2.13	1.95	2.66	2.21	1.15
35	SUCEAVA	1.67	1.76	0.96	1.80	1.29
36	TELEORMAN	0.91	1.20	0.65	0.84	0.40
37	TIMIŞ	3.81	3.62	5.05	3.75	2.71
38	TULŢEA	0.86	1.17	1.09	0.67	0.52
39	VĂLŢEA	1.50	1.58	0.99	1.65	0.51
40	VASLUI	1.24	1.24	0.79	1.42	0.36
41	VRANCEA	1.02	1.09	0.60	1.11	0.67

Source: Table and calculation by the author.

Territorial distribution of credits by different categories indicates that Bucharest has a share of 30.86% of total credits, 23.15% for consumption credits and over 31% for housing credits.

A second category of counties, with over 1% of the total volume of credits at the national level is recorded by:

- a. For total credits over 1%: Alba (1.23%), Arad (1.55), Argeş (2.72), Bacău (2.3), Bihor (2.41), Brăila (1.31), Braşov (3.74), Buzău (1.54), Cluj (4.57), Constanţa (4.2), Dolj (3.23), Galaţi (2.0), Gorj (2.05), Hunedoara (1.46), Iaşi (2.93), Mureş (1.77), Neamţ (1.24), Olt (1.01), Prahova (2.99), Satu Mare (1.36), Sibiu (2.13), Suceava (1.67), Timiş (3.81), Vâlcea (1.50), Vaslui (1.24) şi Vrancea (1.02).
- b. Relatively high - Exceptionally high share Bucharest over 30% we can distinguish the following categories of counties taking into considerations the 13 counties with more than 2 %: Cluj (4.57), Constanţa (4.20), Braşov (3.74), Timiş (3.81), Dolj (3.23), Prahova (2.99), Iaşi (2.93), Argeş (2.72), Bacău (2.34), Bihor (2.41), Sibiu (2.13), Giurgiu (2.05), Galaţi (2.00);
- c. Modest credit share – 12 counties with a share less than 1%: Dâmboviţa (0.99), Călăraşi (0.93), Ialomiţa (0.92), Teleorman (0.91), Botoşani (0.88), Bistriţa-Năsăud (0.87), Tulcea (0.86), Sălaj (0.80), Mehedinţi (0.75), Harghita (0.68), Giurgiu (0.61), Caraş-Severin (0.67), Covasna (0.57).

For each category of counties, depending on the credit share size, we can distinguish some characteristics related to indebtedness. The most indebted Bucharest and the less indebted are counties belonging to the modest credit share category.

On the other hand we should add a complementary point in the sense that counties with a higher percentage share in the total volume of credits are considered more credible for getting banking loans and offering collaterals as a guarantee of credit disbursement.

In Romania, we can distinguish 2 large categories of credits: one in RON - which we have already discussed in the first part of our research - and, credits with denomination in foreign currency, the majority of which are in Europe.

Conclusions

"The economic structural evolution has its own strategic importance and may be affected in different effective ways, so that nowadays there appears as increasingly necessary strategy of reindustrialization of transitional economies,

after the shock deindustrialization produced during 1990-2010.” (Zaman, 2011, p. 31)

If most of the income of the population is being made in RON and loans are in foreign currency, there may arise a series of vulnerabilities related to national currency depreciation, which in turn means an additional burden for repayment of those loans in foreign currency.

In our country, both the RON currency and the euro currency are functional, given that these two currency almost entirely fulfil the functions of money in an economy, although Romania's official currency is the RON. From this particular situation, of two-monetary system, we may derive an entire series of aspects related to the fact that the most powerful currency creates a real disadvantage over the less powerful one.

Making calculations on regional distribution, having the county as unit of observation, the credit in RON and the credit in foreign currency, aims to illustrate the inter-county disparities in the two types of loans, denominated both in RON and in foreign currency as well.

According to calculations, the total volume of credits in RON at the macroeconomic level is lower than lending in foreign currency, mainly Euro, which obviously contradicts the previous lawfulness, as regards to the monetary consistency of credit and incomes of the population.

Housing loans have the disadvantage of a relatively high interest rate compared with the interest rates for these purposes in the (MEU) member countries. Commercial banks require interest of 5-6% in euro and lei, even more than in other member countries, and does not exceed 3-4%.

Given the critical situation of sovereign debts and hence the negative impact on the euro, a growing share of loans moves towards national currency (leu), which is why it came to an equalizer for the volume of loans with denomination in foreign and domestic currency.

Due to the increasing risk aversion of commercial banks in member countries of the Economic and Monetary Union, continue to the policy of deleveraging (restriction of credit), which is contrary to the interests of financing the Romanian economy, which currently is underfunded and has a share of loans in GDP of about 35% (deleverage coefficient) compared with 2-3 times higher share than in other EU member states.

Acknowledgment

This work was supported by the project “Excellence academic routes in doctoral and postdoctoral research - READ” co-funded from the European Social Fund through the Development of Human Resources Operational Programme 2007-2013, contract no. POSDRU/159/1.5/S/137926.

References

- Vasile, Valentina, (2009), *Minimum wage institution in the financial and economic Crisis. Policies and practices*. Annales Universitatis Apulensis Series Oeconomica, 11(2). ISSN-L 1454-9409. p. 625.
- Vasile, Valentina, (2012), A new model for old age insurance. The private pension and financial sustainability. *Business & Leadership*. No. 2 - 2012. p. 54. ISSN 2069-4814.
- Zaman, Gh., Georgescu, George, (2009), *The impact of global crisis on Romania's economic development*. Annales Universitatis Apulensis Series Oeconomica, 11(2). ISSN 1582-5450. p. 611;
- Zaman, Gh., (2011), *Challenges, vulnerabilities and ways of approach in Romania's external debt sustainability*. The Annals of the University of Oradea, Economic Sciences. TOM XX. 1st Issue. Special Edition -“20 Years of Academic Economic Education in Oradea”. ISSN 1582-5450. p. 31.
- *** Report on Financial Stability NBR 2012. <http://cursdeguvernare.ro/wp-content/uploads/2013/10/RSF20131.pdf> , accessed on 25 March. 2015
- *** Report on Financial Stability NBR 2013. <http://cursdeguvernare.ro/wp-content/uploads/2013/10/RSF20131.pdf> , accessed on 25 March. 2015
- *** Report regarding the structure of credits and deposits for non-bank, non-governmental consumers, at a territorial level- February 2015. <http://www.NBR.ro/Credite-si-depozite-in-profil-teritorial-3171.aspx>, accessed on 25 March. 2015.