

## CMF issues amendments to regulation on endorsable mutual mortgages representing technical reserves and risk equity of insurance companies

- *The purpose of the amendment is to incorporate state guarantees authorized by Law No. 21,673 into this regulation. Mortgages whose debt exceeds 80 percent of the appraised value may be representative of technical reserves and risk equity of insurance companies. Circular Letter No. 1,713, which instructs the submission of information on endorsable mortgage loans, was also amended.*

**August 27, 2024** — The Financial Market Commission (CMF) issued today [an amendment to General Rule No. 136](#), which governs the granting and acquisition of endorsable mortgage loans by insurance and reinsurance companies, and the registration and operation of endorsable mutual mortgage managers.

Law No. 21,673 of May 30, 2024, which introduces measures to combat excessive indebtedness, amended Article 90 of Decree with Force of Law No. 251 of 1931. Said amendment allows endorsable mortgage loans whose amount exceeds 80 percent of the appraised value of the property given as mortgage collateral to represent technical reserves and risk equity of insurance and reinsurance companies. This applies when insurance or state guarantees exist to ensure the payment of amounts exceeding said percentage. Prior to this amendment, the condition only included the existence of insurance.

In the case of state guarantees, the regulatory amendment states as a condition that they must be state guarantee funds supervised by the Commission. It becomes effective as of today.

Circular Letter No. 1,713, which instructs managers of endorsable mortgages to send monthly information on loans under servicing, was also amended. Pursuant to the changes made to this Circular Letter, the possibility of reporting state-guaranteed mortgages is added starting with the report as of August. Mortgage mutual managers will be able to report the transfer of endorsable mortgages granted by banks or cooperatives as of December 2024.

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**Area of Communications, Education & Image — Financial Market Commission (CMF)**

**Contact:** [prensa@cmfchile.cl](mailto:prensa@cmfchile.cl) | [Press Room](#) | [Subscribe to Relevant CMF Information](#)

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