



ORIGINAL PAPER

**The Romanian Housing Policy Bounds for Legal Patterns:
Compulsory Insurance, Social Housing and the
“First House” Program**

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Abstract

In Romanian law there is an extensive network of legal acts that refer to dwelling, which creates a series of obligations and tasks required for the State on the basis of which the Government assumes the responsibility of creating certain minimum requirements in the field of housing, as well as the correlative right of citizens to seek the fulfilment of those minimum obligations by the State. However, in the absence of the inclusion of the right to a decent dwelling in the Constitution, Romania remains the European State with the fewest steps taken in the field of housing policy. After a brief description of how the right to housing is stipulated in the Constitutions of other European States, this article examines the pros and cons of Romanian legislation with special regard to compulsory insurance of houses, rehabilitation of dwellings, social housing, housing for situations of necessity, the “First House” Program, concluding with a “de lege ferenda” proposal in the sense of inclusion of the right to a decent dwelling in Article 47 of the Constitution.

Keywords: dwelling, right to housing, Housing Law, Government, State

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Legislation in the field of housing

Housing is a key factor in the health and comfort of the population, therefore housing policy must occupy an important place in social policy, together with other public programs designed to provide citizens with a decent standard of living (Radu, 2009: 8). Quality of living conditions contributes to biological, psychological and social fulfilment of citizen's needs, to carrying out physiological and psychosocial functions of individuals and family as a "basic cell" of society (Stanciu and Puiu, 2008: 87; European Centre for Environment and Health, 2006: 7), being essential to the existence of a "community life and family cohesion" (Gavrilescu, 2011: 37).

Romania is facing great problems in terms of housing, especially with a big housing deficit, an increase in homelessness, insufficient houses offer, high costs of purchase and maintenance, poor state of real estate, high prices of energy, inadequate heating systems and insulation, etc.

Although in Article 1 paragraph 3 of the Constitution it is stated that Romania is a democratic and social, ruled by law state, based on supreme values as human dignity and free development of human personality (Dănișor, 2009: 46-76), the right to housing being not included among the fundamental rights and freedoms listed in Chapter 2, Article 22-52. In many of the fundamental laws of European countries is provided for the "right to housing" (Article 2 paragraph 3 of The Constitution of the Federation of Bosnia and Herzegovina; Section 19 of the Constitution of Finland), "the right to decent housing" (Article 23 of the Belgian Constitution) or "a proper dwelling conditions bearable" (Article 41 paragraph 1 of the Federal Constitution of the Swiss Confederation).

Although in international law of human rights, we do not find any concrete definition of the notion of "adequate housing", the Committee for Economic, Social and Cultural Rights of the United Nations Organization, in General Comment No. 4, established seven minimum criteria for a dwelling may be regarded as appropriate (Protecția dreptului la locuință al romilor din România. Manual de educare privind legislația internațională și dreptul la locuință adecvată, 2004: 17-22): the security of possession (provides protection against forced evictions, harassment and other threats); the availability of services, materials, facilities and infrastructure (a dwelling suitable to ensure its inhabitants access to drinking water, gas, electricity, heating, sanitary facilities, health services, transport, etc.); accessibility in terms of financial costs (purchasing, maintenance costs or rent must not be liable to meet other basic needs of the population); housing character (housing must be adequate space to provide protection against weather conditions and natural disasters); accessibility in legal terms (facilitating access to housing on the basis of normative acts to support the disadvantaged); location (which must allow access to the labour market, health care, education, childcare centres, centres for social work and other social facilities); cultural suitability (the way housing is constructed and fitted to allow the expression of the cultural identity of those who dwell therein).

Romanian legislation in force in the field of housing is extremely vast, often incomplete and subject to diverse interpretations, causing problems and complaints: Housing Law No. 114/1996, as amended and supplemented; Law No. 152/1998 on the establishment of the National Housing Agency (ANL); Law No. 260/2008 concerning compulsory insurance of housing against earthquakes, landslides or floods, as amended and supplemented; Government Emergency Order No. 18/2009 on increasing energy performance of housing blocks; Law No. 230/2007 on the establishment, organization and functioning of associations of owners, which contains the rules governing the operation

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and management of the building-blocks of flats, as well as exercising control of financial accounting and management of the activities of associations of owners etc. Complementary provisions of primary legislation relating to housing can be also meet elsewhere. For example, Article 24 of Law No. 339/2004 on decentralisation provides that the local public administration authorities of the municipalities and cities shall exercise powers shared with the central public administration authorities regarding, inter alia, the construction of social housing and for youth. National legal framework establishes a number of obligations and tasks required for the State on the basis of which the Government assumes the responsibility of creating certain minimum requirements in the field of housing, as well as the correlative right of citizens to seek fulfilment of those minimum obligations by the state. It does not create a general obligation on the State to provide free adequate housing of all applicants, but the obligation to seek, through the most appropriate means, to ensure the appropriate conditions of access to housing, in particular to disadvantaged groups, homeless persons, those who live in inadequate conditions and those who do not have the financial resources required to obtain benefits corresponding to the right to housing (this obligation of the State is, however, an obligation of diligence, not of product).

Article 2 of the Housing Law no. 114/1996, as amended and supplemented, defines housing as a “functional unit, stand-alone construction or component of an integrated construction, consisting of one or more living rooms on the same level of the building or at different levels, with dependencies, facilities and utilities necessary, with direct access or servitude of passage and separate entrance, and that has been built or converted in order to be used, as a rule, by a single household, in order to meet the requirements of housing“, while the convenient house is defined as “dwelling which, by its characteristics, meet the requirements of the user at a time, covering the essential necessities of housing, food, recreation, education and hygiene, ensuring minimal requirements set out in the annex to this law“. Apart from the minimum requirements to be satisfied by a dwelling-free access to the living space without disturbing the possession and exclusive use of space owned by another person or family; room for rest; space for food preparation; toilet; access to electricity and drinking water, disposal of wastewater control and household waste, the annex to the Housing Law also stipulates minimal surfaces of living rooms, the number of sanitary rooms, minimum equipment of the kitchen, minimum equipment with electrical installations, as well as spaces and common-use facilities for multiple housing buildings.

Regarding accessibility in financial and legal terms, the Government should put in the centre of its policy in the field of housing, as its principal objective, increasing access to land for people who do not have land and for those with low incomes having regard that the biggest obstacle to the construction of housing, especially in urban areas, is the price of the land. A solution in this regard, which has targeted mainly the creation of jobs in rural areas, in order to attract young people, was introduced by Law No. 646/2002 concerning State support for rural youth, governing the legal framework to support the integration of young people in rural areas. Thus, in order to develop agriculture, non-agricultural activities and services, to preserve local crafts and craft practices, young families and young people aged up to 40 who are domiciled or wish to establish their residence in the rural area, as well as specialists who work in agriculture, civil servants, teachers, healthcare staff, staff of legally recognized religious denominations, which are domiciled or wish to establish their residence in the rural area, aged up to 40 years, has the following facilities (Avram, Radu and Bărbieru, 2013: 197):

a) the assignment of ownership, for free, of a land of up to 1,000 sq. meters for the construction of housing and household fixtures; b) the assignment of agricultural land use up to 10 ha; c) exemption from payment of the fee fixed percentage according to the provisions of Article 92 paragraph (4) and (5) of the Law of the Land Fund no. 18/1991, republished, with subsequent amendments and additions, to the final removal of set-aside farmland referred to let. (a).

If in the situation of young people who are domiciled or wish to establish their residence in the rural area, the issue of possession of land necessary for the construction of housing was thus settled, instead, for those in urban areas, obtaining a grant from the State shall be subject to the existence of a right in rem over land on which to carry out the construction. Thus, Article 51 of Housing Law no. 114/1996, as amended and supplemented, provides that individuals who build a home for the first time through the mortgage loan may qualify for a grant of 20% of the value of a home up to 100,000 euros, if they meet the following conditions: (a) have a right in rem over land on which to carry out the construction; (b) may not have benefited from another form of subsidy or support from the State budget to build or purchase a dwelling; (c) does not hold ownership of a dwelling with a built-up area of more than 100 sq. meters; (d) construction to fit into the new housing complexes and observe just approved planning documentation; (e) construction to be enforced by an approved construction company, ensuring the quality of implementation of the legislation in force; (f) construction company to submit all eligibility conditions imposed by law.

The amount of the subsidy is to be transferred to the building society after reception and handing over to the beneficiary of the principal works of construction in normal use, once it makes the proof of payment of the duties and taxes owed. The financial resources necessary for the granting of the subsidy of 20% shall be achieved through the National Housing Agency, within the limits of the sums allocated annually with this destination in the budget the Ministry of Transportation, Constructions and Tourism.

Law No. 116/2002 on preventing and combating social exclusion, which has targeted mainly harmonizing policies for knowledge and prevention the situations which determines social marginalization (Avram and Radu, 2009: 62), devotes Section 2 of Chapter II to the access to housing. According to the Article 13 of this normative act, in order to facilitate access to housing for people aged up to 35 years, in the impossibility of buying a dwelling only with their own forces, the county councils and the General Council of Bucharest can dispose of sums from the following sources: (a) the sums or shares broken down of the revenue that is appropriate to the State budget, which is set annually by the State budget law; (b) a share of the annual budget established of the County Council or of the General Council of Bucharest; (c) a fee determined annually, by law, for individuals originating from non-rented dwellings, other than those of the home; (d) donations, sponsorships or other such sources, accepted in accordance with the legal provisions. These amounts are administered by the County Council and the General Council of Bucharest. Of these amounts, the County Council or the General Council of Bucharest will cover the entire estimated amount of the advance to be paid for acquisition of a dwelling or rent for a period of up to three years for a rented dwelling. The amount of the advance shall be fixed at the beginning of each year by the County Council, or by the General Council of Bucharest, according to the provisions of normative acts that regulate the construction of dwellings, and may be adjusted periodically in relation to trends in consumer prices or, where appropriate, in the cost of a dwelling. For the purposes of the law, through the acquisition of a dwelling shall be understood both the construction

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of a new dwelling, as well as the purchase of a dwelling on the free market, in which case the amount provided as advance must represent at least one third of the value of the contract for sale and purchase. People who have benefited from the advance covered by the County Council, or the General Council of Bucharest, may benefit of other provisions of the law relating to the interest subsidy in the case of purchase of a dwelling. Article 15 of Law No. 116/2002 provides that the establishment of criteria for the granting of amounts under the title of advance payment or rent is the attribution of the County Council, or of the General Council of Bucharest, taking into account the following priorities in order of importance: young people from orphanages and child reception centres within the specialized public services and private bodies authorized for protection of children; married couples aged up to 35 years with dependent children; married couples aged up to 35 years old with no dependent children; other people aged up to 35 years.

The Romanian Government, through the Ministry of Regional Development and Tourism, runs and coordinates a series of programmes in the field of housing: social housing construction program, programs in the field of increasing the energy performance of buildings, the Program on the strengthening of multi-storey residential buildings, classified in 1st class of seismic risk and endangering the public, the Program on the first emergency intervention in vulnerable buildings and endangering public, the Program on the construction of dwellings with mortgage, the Program on housing construction for young people, aimed at hiring.

Compulsory insurance of housing

Under Article 3 paragraph 1 of Law No. 260/2008 concerning compulsory insurance of housing against earthquakes, landslides or floods, natural and legal persons are obliged to insure against natural disasters, according to the law, all buildings intended for housing, urban or rural, owned and registered in the records of tax bodies. Sum insured which may be granted under the law (sum compulsory insured) is the equivalent in lei, at the exchange rate communicated by the National Bank of Romania at the time of conclusion of the contract of obligatory insurance of the dwelling, of: (a) 20,000 euros for each type A housing; (b) 10,000 euros for each type B dwelling (Article 5 paragraph 1 of Law no. 260/2008 concerning compulsory home insurance against earthquakes, landslides or floods). The subventions due for the amounts secured are the equivalent in lei, at the exchange rate communicated by the National Bank of Romania valid at the date of payment, of: 20 euros for the amount referred to in letter (a); 10 euro for the amount referred to in letter (b).

Natural or legal persons who cannot provide the insurance of the housing owned, according to the law, shall not benefit, in the event of natural disasters as defined under the law, of any compensation from the State budget or local budget for the damage of the dwelling. Individuals compensated, according to the law, for any damage resulting from a natural disaster do not benefit from the provisions of Law No. 114/1996, republished, with subsequent amendments and additions relating to the granting of social housing.

Rehabilitation of housing

Housing rehabilitation is aimed at reducing energy consumption for the heating of blocks of flats, in terms of ensuring and maintaining indoor thermal environment in flats. Government Emergency Ordinance No. 18/2009 on increasing the energy performance of blocks of flats determines intervention works necessary for the thermal insulation of the housing blocks built after projects developed in the period 1950-1990,

the stages necessary for carrying out the works, their funding method, as well as the obligations and responsibilities of public authorities and associations of owners. The intervention works at the block of flats envelope, set out in Government Emergency Ordinance no. 18/2009, are: thermal insulation of exterior walls; replacing windows and external doors, including carpentry associated to the access in the housing block, with high energetic joinery; thermo and waterproofing insulation of terrace/thermo-insulation of the roof over the last level where framing; thermal insulation of the floor over the basement, where the design of the block provided flats on the ground floor; works of dismantling of the installations and equipment apparently mounted on the facades/terrace housing block and replacing them after thermal insulation works; works of restoration the envelope. With the completion of these intervention works can be also executed the following works, justified from the technical point of view by the technical expertise and/or energy audit: a) repair works to the building elements that pose potential danger of loosening and/or affect the functionality of the block of flats, including restorative works in the areas of intervention; b) intervention works at the distribution of heat installation for heating purposes in respect of the common parts of the block of flats.

The City Council shall approve, on the proposal of the local coordinators, technical-economic indicators corresponding to the objectives of investment on the growth of energy performance of blocks of flats, as well as perennial local programs on the growth of energy performance of housing blocks.

Social housing

Social housing is housing that is granted with subsidized rent to persons or families whose economic situation does not allow them access to a dwelling owned or rented out on the housing market conditions (Article 2 letter c of the Housing Law no. 114/1996, as amended and supplemented).

The governmental programme of social housing construction “aims to build social housing intended for certain categories of persons to whom the resource levels of existence does not allow them access to a dwelling owned or rented out on the housing market conditions” (Romanian Government, Ministry of Regional Development and Tourism, 2011). This program is designed for those whose incomes do not allow them access to a lending scheme, which do not possess the constant surplus necessary to save money and who cannot afford to rent a home on the open market. Recognizing the gravity of the lack of an adequate housing, the Government program adopted in 1996 is a specific measure aiming at solving the problem of housing shortages for the population affected by poverty. Social housing, attributed from the State fund, with rent subsidized, is intended to ensure, for at least a limited period of time, up to overcoming a threshold income, a decent housing for those who are unable to secure one. In 2007, another government measure provide that persons who live with the ANL rent more than five years to be able to buy those homes, and, at the end of 2008, the minimum rental term of 5 years was reduced to 3 years.

Social housing can be achieved through new construction or rehabilitation of existing buildings, they belonging to the public domain of administrative-territorial units, without the possibility of being sold. Housing allocation is done by local councils, following proposals from the social committees which examine applications for social housing at the local level. Only those persons who satisfy the conditions laid down by law have the possibility to qualify for social housing. Nominal rent is subsidized from sources of local budgets. According to the legislation in force, a person in a situation of

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precariousness of incomes (below the guaranteed minimum income) may apply to the local Council renting a dwelling in an ANL building, at a subsidized price. According to the available social housing stock at a specified time at local level, the applicant may receive such a dwelling for a limited period, to the extent that local councils have in administering such housing may subsidize the rent of beneficiaries from their own funds. Social housing can be eligible for individuals or families who have "... an average monthly net income achieved during the preceding 12 months under the monthly net income per family, to which the social aid is granted according to the law, plus 10%" (Article 42 of the Housing Law no. 114/1996, as amended and supplemented) and which do not hold ownership of a dwelling; not have alienated a home after January 1, 1990; have not received State support in loans and bonds to a dwelling; do not hold, as a tenant, another dwelling.

Social housing shall be distributed by the local councils on the basis of criteria defined by them, according to the law, and they may be allocated, in the order of priority set by local councils, to the following categories of persons: newlyweds who either aged up to 35 years of age, young people from institutions of social protection and who have reached the age of 18, invalids of Ist and IInd degree, disabled persons, pensioners, veterans and war widows, the beneficiaries of the provisions of Law no. 42/1990, republished, and of Decree-Law no. 118/1990, republished, other people or families in particular (Article 43 of the Housing Law no. 114/1996, as amended and supplemented). Within each criterion, in determining the order of priority it will be taken into account the following elements: the living conditions of applicants, number of children and other persons that live together with the applicants, health condition of applicants or of members of their families, length of time elapsed from the submission of applications. Local Council shall control and be responsible for social housing fund in the territory of the respective territorial administrative units, having the status of owner of social housing, and its relationship with the beneficiaries of the measure is defined in terms of the landlord-tenant relation.

Social housing is assigned for rent by the local councils, for a period of five years, to persons who meet the eligibility criteria, with a rate subsidized of the rent, which varies according to the income of the beneficiary (the rent charged shall not exceed 10% of net monthly income per family, calculated for the last twelve months, regardless of the actual amount of the rent). If the tenant does not comply with the conditions of the rental contract (stipulated in Article 24 of the Housing Law) or "the net average monthly income per family, in two consecutive fiscal years, exceeds by more than 20% the minimum level referred to in Article 42 of this law, and the lease holder has not paid the nominal value of the rent within 90 days of the communication" (Article 46), the contract shall terminate. A social housing tenant is obliged to notify the Mayor any modification of the net income of the family, within 30 days, which entails recalculating the rent charged. He may not sublet the dwelling, may not convey the right acquired to another person/family and cannot change the destination of the space he occupies (deviations shall be sanctioned with the termination of the contract and the recovery of any damage).

In terms of housing for young people, the framework law is the Law no. 152/1998 on the establishment of the National Housing Agency (ANL). ANL is a public institution with legal personality and financial autonomy, with the role of coordinating the funding sources in the construction of housing. Romanian citizens residing in Romania and Romanian legal entities can benefit from credits granted by ANL. The beneficiary of a credit granted by ANL shall be entitled to an interest rate lower than the average interest

rate charged on the financial market, calculated and accepted by ANL; access to land for housing construction, through sale and purchase, lease or putting into service throughout the duration of construction, under preferential conditions, established by ANL along with local or central public administration authorities, where appropriate; exemption from payment of fees for land and from tax on the building on the duration of loan repayment; a grant in the amount of 30% of the value of the home, only for the first housing built with the mortgage, for persons who have not received support from the State budget in the form of grants to another dwelling.

The allocation of dwellings for rental housing for young, built and put into operation through programs conducted by ANL, is made under the following criteria established and adopted by local and/or central public administration authorities acquiring housing administration, with the opinion of the Ministry of regional development and housing, on the basis of framework criteria for access to housing and for priority to the housing allocation approved by decision of the Government. On the basis of substantiated proposals only framework criteria for access to housing can be adapted to the specific circumstances prevailing on local level, and only in terms of territorial area. Rental contracts are concluded for a period of 5 years from the date of allocation of housing. After expiry of this period the rental contract extension shall be for a period of one year, under the following conditions: (a) by recalculation of the rent under the provisions of Article 31 of Law no. 114/1996, republished, with subsequent amendments and additions, to the contract holders who have reached the age of 35 years; (b) by keeping the original contractual terms relating to the amount of the rent, for contract holders who have not reached the age of 35 years (Article 8 paragraph 4 of Law no. 152/1998 on the establishment of the National Housing Agency).

Housing for situations of necessity

Law no. 114/1996 includes provisions for housing for situations of necessity, namely that “housing for rental or temporary accommodation for individuals, families or households whose housing either have become unusable as a result of natural disasters or accidents, or are subject to demolition in public utility purposes, or are subject to rehabilitation or consolidation works which cannot perform in the operating conditions of the building” (Article 2). Housing for situations of necessity is public property of the State or of the administrative territorial units and can be carried out on the locations referred to in the documentation of urbanism and under the provisions of the housing law. The fund of housing for situations of necessity is composed, on the one hand, of existing housing which, according to the legal provisions, were built for the purpose of necessity housing, and, on the other hand, of new housing or from processing buildings in various stages of construction, including housing which are acquired in the market and receive the necessary housing destination. With the same destination of necessity housing can be also used the vacant dwellings in the building fund, owned by administrative-territorial units.

In cases of extreme emergency, according to the law, temporary accommodation for individuals, families or households whose dwellings have become unusable as a result of natural or anthropic disasters can be achieved in other living spaces. The use of these living spaces by people, families or households affected is transient and free of charge, until the providing of necessity housing or until the ensuring of normal use condition of their homes.

House of necessity shall be hired on a temporary basis to individuals and/or families whose housing had become unusable due to natural disasters or accidents. The

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rental contract is concluded by the mayor or by the Mayor of Bucharest, or by a person empowered by him, on the basis of the decision of the local Council, or of the General Council of Bucharest, being valid until removal of the effects which have made the housing unusable. The homes declared temporary as necessity housing must be recovered to their initial destination and to the originally operation circuit after removing the effects which have made the housing unusable, but not more than 5 years after the date of distribution.

The “First House” Program

The “First House” Program was approved in the summer of 2009, through the Government Emergency Ordinance no. 60/2009. Considering the effects of the crisis on economic sectors, the “First House” Program was released as a Government programme which aims to facilitate the access of individuals to the acquisition or construction of a dwelling through the contracting of loans guaranteed by the State (Zilişteanu, 2011: 129). According to this Ordinance, the housing can be constructed by beneficiaries who have owned the land on which to build their home or through associations having no legal personality, consisting of at least seven beneficiaries, of which at least one is the owner of land on which the homes will be built (Article 1 of the Government Emergency Ordinance no. 60/2009).

The beneficiary of the “First House” Program is the natural person who meets the following cumulative conditions: (a) up to the date of application for the loan has not held in sole proprietorship or together with husband or wife of any dwelling, irrespective of the manner and time in which it was acquired; (b) purchases or builds a single dwelling, through a loan granted and guaranteed under the program; (c) has the quality of the borrower in relation to the funder.

Ministry of Public Finance is authorized to delegate the National Fund of Credit Guarantee for Small and Medium-Sized Enterprises to issue warranties in the name and on behalf of the State, in favour of banks granting loans to individuals for the acquisition or construction of a dwelling within the program. The Ministry of Public Finances and the National Fund of Credit Guarantee for Small and Medium-Sized Enterprises conclude a convention setting out the rights and obligations of the parties in carrying out the programme “First House”.

On the basis of the contract of guarantee, real estate purchased under the program “First House” set up in favour of the Romanian State, represented by the Ministry of Public Finance, a 1st rank legal mortgage over the life of the contract, with the ban on disposal of housing for a period of 5 years and the prohibition of encumbering the property over the duration of the loan.

At the beginning of 2010, “First House” Program was converted into “First House 2” and later, in early 2011, appeared “First House 3” Program. In comparison with previous programs, “First House 3” brought as changes the fact that the Bank may put the pledge on the borrower’s accounts (if the court allows the bank the attachment of the rates in question of those accounts), the Bank is given priority over other creditors in the event that it would proceed to enforcement of the person concerned. Also, there is no need for at least seven customers for the construction of a building. “First House 3” has brought the possibility of changing currency credit and of loan restructuring or rescheduling (Radu and Avram, 2011: 315).

On 26 May 2011, rules for the application of the “First House 4” were published in the Official Gazette, the program kicking off on June 6, 2011. Under the new program,

the maximum amount guaranteed by the state remains unchanged, and loans have the same limits: 60,000 Euro – in case of the acquisition of an old house; 70,000 euro - if a new home is acquired; 75,000 euros - if a house is built from scratch. Compared to previous years, the state will not guarantee full credits and participating banks will assume the 50% risk of default. Another change is that owners who own a home with a floor area of 50 square meters can access a “First House” credit to buy a house with a larger area. Also, applicants who hold shares part of a dwelling will be eligible for loans guaranteed by the state to acquire interest in difference of the shared parts. Besides the opportunity to build their own home, “First House 4” gives beneficiaries the opportunity to purchase the following types of housing: housing completed, for purchase, including the built and put into operation by ANL programs; unfinished housing, in various stages of construction, for purchase after completion, including those built by ANL programs; new homes for purchase after completion, including those built by ANL programs. Under the program, the applicant may purchase only one dwelling completed, located in Romania, registered in the land registry according to the law or build a home, alone or with others, respecting the regulations concerning the “first house”. The beneficiary must meet specific conditions laid down by internal lending norms; constitute a collateral deposit to guarantee interest in an amount equal to three interest rates, valid for the duration of the grant; not to alienate the acquired dwelling within five years from the date of acquisition. After this period, if the credit agreement is takeover by a third party, it must meet the eligibility criteria for program beneficiaries. Another requirement is to ensure the dwelling purchased against all risks and to appoint the Romanian state, represented by the Ministry of Finance, as the beneficiary of the insurance policy for the duration of funding. Also, the house purchased under the scheme must fall into one of the classes A, B or C of energy efficiency, requirement applicable from the date of entry into force of Article 23 of Law no. 372/2005 on energy performance of the buildings, as amended.

Conclusions

Looking at all these acts can be concluded, however, that Romanian legislation, although extremely bushy, can affect a large part of the population, especially persons in a state of extreme poverty. For these people at risk of social exclusion, the legislature, although he found some flexibility, particularly in terms of the “First House” Program, failed to build a “safety net” to guarantee their right to housing and minimum living conditions, lack of access to adequate housing affecting equally their health and life expectancy.

Another conclusion is the need to modify the Article 47 of the Romanian Constitution, for the purposes of inclusion, along with the obligation of the State to provide citizens with a decent standard of living and their entitlement to welfare measures, of their right to a decent dwelling.

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