NOTE ON THE DIRECT ENFORCEABILITY OF TITLES

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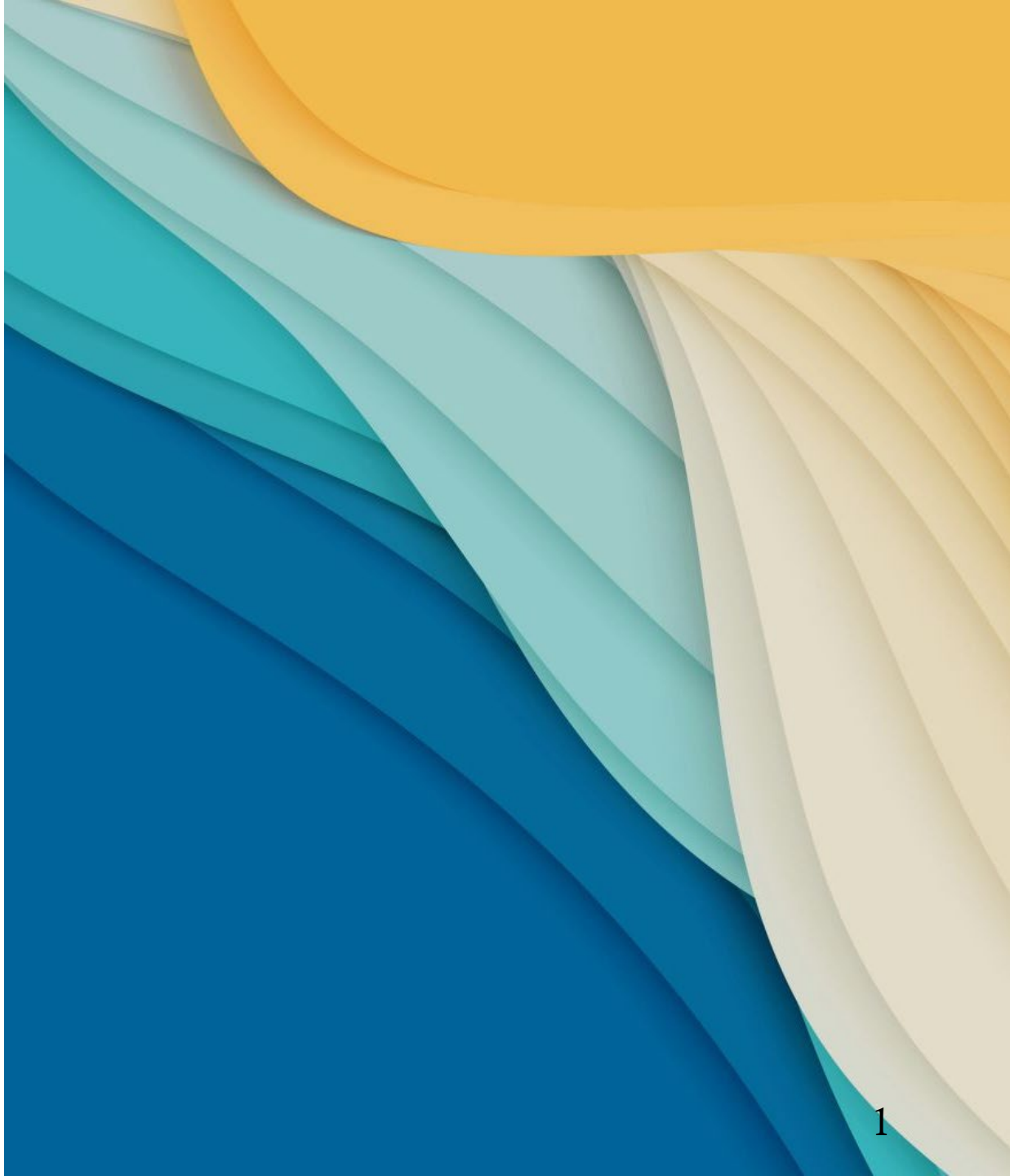

THE DIRECT ENFORCEABILITY OF TITLES

When is a bank loan directly enforceable?

Under the Spanish Civil Procedure Act (art. 517), enforcement proceedings require an **"executive title" (título ejecutivo)**.

A simple private loan agreement **is not automatically an executive title**.

A. Loan in Notarial Public Deed → YES, directly enforceable

If the loan is granted in a **notarial deed (escritura pública)**:

It becomes an executive title.

The bank can initiate enforcement proceedings directly.

No prior declaratory judgment is required.

The debtor may only oppose on limited statutory grounds.

This is the standard practice for:

Mortgage loans

High-value corporate loans

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B. Private Written Loan Agreement → NOT automatically enforceable

If the loan is:

- A simple private contract
- Signed between bank and borrower
- Not notarised

Then:

The bank must first obtain a **court judgment** confirming the debt.

Only after judgment can enforcement begin.

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C. Special Case: Mortgage Loans	Mortgage loans are typically granted in a public deed and registered.	Why?	Because:
A mortgage over immovable property must be constituted in a public deed.	Registration in the Land Registry is required for the mortgage to exist.	This is governed by the Spanish Mortgage Act.	Mortgage loans are therefore usually directly enforceable.

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D. Consumer Credit & Small Loans	Many small consumer loans:	Online loans
Credit card agreements	Personal loans	**Are often documented privately.**
In those cases:	They are valid contracts.	But they are not automatically enforceable via summary execution.
	The bank must first litigate the claim (unless other enforceable instruments exist).	