



Impact of the COVID-19 epidemic on the credit sector

CONSUMER LOANS

- » **The maximum value set for non-interest costs for consumer loans limited to 365 days** applies only to new agreements concluded during the period covered by the Anti-Crisis Shield;
- » **For loans with a repayment term of less than 30 days - non-interest costs are capped at up to 5% of the total loan amount (calculation formula in the Shield), with a cap of up to 45% of the total loan amount for longer loans;**
- » Impact of the Shield's provisions on new loans from the same entity, granted within 120 days of the previous disbursement;
- » Infringements of the Shield may be treated **as practices violating consumers' collective interests.**
- » **Possibility to suspend for up to 3 months the repayment of the loan** (the principal as well as interest), without charging interest or other charges (excluding insurance fees) (Credit Holidays);
- » **Credit holidays apply to borrowers who have lost their jobs or other main source of income after 13.03.2020;**
- » **Credit holidays apply to consumer and mortgage-backed credits;**
- » **The credit period and other terms in the credit agreement shall be extended** by the suspension period;
- » **Credit holidays apply to credit agreements concluded before 13.03.2020, which terminate after 13.09.2020.**

COMMERCIAL LOANS

- » **Ability to change the terms and conditions or repayment date of credit** (loans) granted before 8 March;
- » Banks may extend or modify financing already granted notwithstanding the loss of creditworthiness (e.g. Article 70 of the Banking Law) while retaining the ability to terminate credit (loan) agreements;
- » **The KNF has recommended that financing not be renewed on terms as of 31.12.2019 for a period of more than 1 year.**
- » **KNF has allowed banks to take simplified positive liquidity forecasts into account** if they increase the amount of financing to existing customers above the level available on 31.12.2019.
- » **Possibility to grant interest rate subsidies on credits to entrepreneur in a difficult financial situation as a result of COVID-19**, in order to ensure financial liquidity;
- » **The subsidies shall represent all or part of the interest due to the bank** up to a maximum of 2 percentage points (depending on the size of the enterprise);
- » **Subsidies shall apply to credit agreements concluded from 24.06.2020** as well as previously concluded and adjusted to statutory conditions;
- » **Subsidies are paid for a period up to 12 months** from the date of conclusion of the credit agreement with subsidy;
- » **Credits with a subsidy are granted until the end of 2020.**