

Summary of the main provisions of GEO 37/2020 on granting facilities for credits granted by credit institutions and non-banking financial institutions to certain categories of debtors, published in the Official Journal, Part I no. 261 of 30 March 2020

I. Regulations on the suspension of loan rates payment

1. By way of derogation from the provisions of the Government Emergency Ordinance no. 50/2010, as subsequently amended and supplemented, regarding **the credit contracts for consumers**, of the Government Emergency Ordinance no. 52/2016 regarding the credit contracts offered to consumers for **immovable property**, and of the Government Ordinance no. 51/1997, as subsequently amended and supplemented, regarding **leasing operations** and leasing companies, the payment obligation of outstanding credit rates for loans – namely capital rates, interest rates and commissions - granted to debtors by creditors until this emergency ordinance enters into force, **is suspended at the debtor`s request for a period of up to 9 months, but not extending beyond 31 December 2020.**
2. The maximum period of credit provided for in the creditor regulations may be exceeded by a period equal to that of the suspension of the payment obligation.
3. In the case of natural person debtors for whom the credit maturity extension exceeds the limit provided by creditor regulations for granting credits, creditors will act by restructuring the credit without exceeding this limit.
4. The beneficiaries of this emergency ordinance are debtors that concluded a contract to obtain a credit that has not reached its maturity date and for which the creditor has not stated the anticipated maturity prior to the entry into force of this emergency ordinance.
5. The facility mentioned in paragraph 1 can be granted **only for credits without arrears at the time the state of emergency was established** in Romania **OR for debtors that made the payment of these arrears prior to the date they requested the suspension of the payment obligation.**
6. The measure provided for in paragraph 1 applies exclusively to **debtors whose incomes have been directly or indirectly affected by the serious situation** caused by the COVID-19 pandemic.

7. In order to benefit from a suspension for the repayment of rates, interest rates and commissions, debtors shall submit a request to the creditor, by letter or e-mail, using the contact details included in the credit agreement, or shall contact them through another remote communication channel provided by the creditor, no later than 45 days after the entry into force of this emergency ordinance.

Should the debtor be unable to submit the request using the means listed above, he may express it orally, by telephone, to the appropriate telephone number that shall be indicated by the creditor on their website. Should this situation arise, the creditor is required to record the call.

8. Through this request debtors may opt to suspend the payment obligation of outstanding rates related to loans, namely capital rates, interest rates and commissions, for a period of one month or up to nine months, but not extending beyond 31 December 2020.

9. The creditor shall analyze the request and approve it under the conditions provided for in the rules for the application of this emergency ordinance.

10. The extension of the contract term stated in paragraph 1 affects the requests approved by creditors, from the date in which the suspension request was communicated to the creditors.

Important! Amendments to the credit agreements are made by operation of law, **without additional documents.** Within 30 days from receiving the request, the creditor shall notify the debtor about the amendments to the agreement clauses made with the purpose of implementing the provisions of this emergency ordinance.

II. Regulations regarding the interest due during the period for which the payment of rates was suspended

1. The interest due corresponding to the outstanding amounts for which the payment is suspended, is capitalized on the balance of the existing credit at the end of the period of suspension. The capital thus increased shall be paid in installments for the remaining period until the next credit maturity, following the period of suspension.

2. Except from the above-mentioned provisions, for **mortgage credits** contracted by natural persons, the interest related to the period of suspension is calculated according to the provisions of the credit agreement and constitutes a distinct and independent debt in relation to the other obligations arising from the credit agreement. This debt has a **0% interest rate** and will be paid in 60 equal monthly installments, starting with the month immediately following the end of the deferral period.

3. The Romanian state, through the Ministry of Public Finance, offers a 100% payment guarantee for the calculated interest rate for mortgage contracts concluded by natural person debtors.

III. Conditions to be met in order to benefit from the suspension of the repayment of rates, interest rates and commissions

Debtors (authorized natural persons, individual and family businesses, liberal professions and those practiced under special laws, regardless of the form of exercise of the profession, as well as legal persons that concluded credit or leasing agreements), must cumulatively fulfill the following conditions:

a) have discontinued their activity in whole or in part as a result of the decisions issued by the appropriate public authorities in accordance with the law, during the declared state of emergency and **are in possession of the state of emergency certificate** issued by the Ministry of Economy, Energy and Business Environment or hold the state of emergency certificate issued by the Ministry of Economy, Energy and Business Environment, which indicates, based on the debtors` affidavit, a minimum of 25% decrease in income or collections for March 2020 compared to the average of January and February 2020 or the partial or complete discontinuation of their activity as a result of the decisions issued by the appropriate public authorities during the decreed state of emergency;

b) **are not insolvent** at the time they request the suspension of the credit repayment, according to the information available on the website of the National Office of the Trade Register.

IV. Special provisions

In the application of this emergency ordinance, MPF (The Ministry of Public Finance) develops the rules for its implementation, which are approved by Government Decision within 15 days from the entry into force of this emergency ordinance.