

Information about the extension of the credit moratorium

Please read carefully because the content of this Information has changed!

The changes are in bold italics

Dear Clients!

We would like to inform you that with Government Decree 536/2021. (IX.15.), the repayment moratorium shall be extended for our corporate clients under the following conditions:

The credit moratorium, which has been extended until 30 June 2022, is available for companies the net turnover from entrepreneurial activity of which has decreased by at least 25% during the last 18 months before the application and which have not concluded a new contract for preferential stimulus loan or credit for economic recovery between 18 March 2020 and the date of application. The conditions for using the credit moratorium were amended so that if your company is presently (in September 2021) using the credit moratorium, you must declare between 1 October and 31 October 2021 that you wish to continue using it (from 1 November 2021 on).

You can find the declaration template, which you can fill in and send to our Company with your company signature, on the following link: [Moratorium Extension Request Form – Hungarian](#)

Please fill in the data in the declaration accurately and, in accordance with the content of the declaration, ensure that you have the supporting documents at your disposal.

Please note that we can only accept duly signed documents which you can submit to us in two ways:

- **The representative of your company can make the declaration personally in our head office (1062 Budapest, Váci út 1-3.) under personal identification, or**
- **send the declaration provided with a certified electronic signature by e-mail to our Company's e-mail address: moratorium@sgef.hu.**

We would like to emphasise that according to the information of the Government Office of the Prime Minister which interprets the legislation, the legal regulation should be interpreted as meaning that SGEF as financial institution is not allowed to accept declarations signed in paper form and sent by post. For this reason, we had to change our Information of the extension of the credit moratorium.

Before making your decision, please read the information published on the website of the Hungarian National Bank regarding the moratorium:

<https://www.mnb.hu/sajtoszoba/sajtokozlemenyek/2021-evi-sajtokozlemenyek/moratorium-aki-teheti-celszeru-mihamarabb-folytatnia-a-torlesztest>

Budapest, 21 June 2021 – During the repayment moratorium, interests will be added to the outstanding credits. Such interest can be paid back in equal annual instalments by

extending the term (the interest shall not be capitalised); the monthly repayment shall be the same as when the moratorium was imposed. Those however who do not want to pay more interest and whose financial situation allows should start repaying their loan again as soon as possible.

The moratorium has represented a positive option for hundreds of thousands of families, and a lifeline for those who found themselves in difficult circumstances due to health or other reasons over the past year and a half. The fact that the monthly instalment rate shall be kept at the same level as at the time the moratorium option was imposed (except for credits with variable interest rate) will ease, and “spread” over time, the monthly burden of those who continue to pay their debts after the moratorium.

During the moratorium, interests will continuously be added to the capital of the outstanding loan. According to the law in favour of the debtors, such interests will not be “added” to the outstanding capital (it will not become compound interest) but will be payable in equal monthly instalments as the term is extended.

Spreading the monthly burden over time is of vital importance for those still being in a difficult situation and thus have no other choice. However, the extension of the term and even repayment also means that the respective clients will continue to use the money of the bank, meaning that in total they will have to pay more money to their credit institutions. The term and the total credit burden will increase in first line for those who were still facing many years of repayment or had higher interest rates (e.g., because they typically have a higher rate of consumer credit) when starting to use the moratorium.

According to the Financial Stability Report ([Stabilitási jelentése](#)) published in June this year, the total debt of the debtor having an outstanding capital debt of HUF 15 million and a term of 20 years left on his housing loan at 5% interest and who would apply for a payment moratorium from the imposition of the moratorium until the end of June 2022 would increase by approximately HUF 3 million. The term in this case (including the 27 months of the moratorium) would be extended by 56 months, i.e., almost 5 years.

A client who had taken advantage of the moratorium and had a personal loan of HUF 1.5 million at 15% interest with a term of 7 years left would also have to pay the loan 58 months longer. His total loan burden would increase by HUF 927,000 due to the interest accrued on the payment moratorium.

The term of credit products without a term – e.g., amounts drawn with credit cards before the moratorium – will not be extended (unless the credit institution allows it through a unilateral contractual arrangement in favour of the client). They will therefore be required to pay the full amount of the moratorium debt at the end of the repayment moratorium. For loans without a grace period, Therefore, it is even more important for debtors of loans without a term to consider paying the debt as soon as possible.

You can find detailed information about the moratorium and the options for continuing the payments on the homepage of the Hungarian National Bank, at its customer service ([ügyfélszolgálatán](#)), respectively, through the Financial Navigator network of offices in the county capitals ([Pénzügyi Navigátor Tanácsadó irodahálózatában](#)).

