

The problem with repayment of loans

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Clients of banks and loan companies have a problem with the fulfilment of obligations of loans repayment. According to experts, the decrease of payment discipline reflects the overall state of Slovak economy. Loan companies currently therefore put on the market the credit products with an extended insurance of repayment, which may to some extent mitigate the painful consequences of financial distress to that clients can fall in the course of repayment. In this case the insurance company will assume liability for repayment of a client. The Government program of assistance mainly intended for unemployed is designed for clients of hypo banks. However, the share of credits vs. Slovak GDP is low in the European context. According to the European mortgage federation it makes 9.6% (in Czech Republic 7.1%, in Germany 51.3%, in Denmark 100%).

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