

## **Information to disclose to the public about the failure of credit agreements and the extra-judicial network of support**

### **Risks of excessive debt**

Credit payments are regular charges from the household budget of banking clients.

It is essential that the client previously considers whether they have the financial capacity to ensure the payments of loans they intend to take out.

For more information on managing the family budget see the portal “Everyone Counts” in [www.todoscontam.pt](http://www.todoscontam.pt).

### **Risk of non-compliance**

Non-compliance with the responsibilities of credit occurs when the client does not pay an installment on the date agreed on the credit agreement they have taken out.

**Clients who do not comply with credit agreements are subject to penalties and their goods can be seized.**

The client must have a preventative attitude, anticipating a possible situation of non-compliance. **If the client anticipates difficulties in payment, they should alert the credit institution promptly.**

If the client informs us that they have difficulties in payment the credit institution is obliged by virtue of Decree-Law No. 227/2012, of 25 October, to assess the risk of default. The credit institution must propose solutions to avoid the non-compliance with the credit agreement, whenever feasible. To inform Banco Carregosa of the existence of difficulties in payment, you may contact us on this telephone number +351 226 086 460.

### **PERSI**

**PERSI-Extrajudicial Procedure of Settlement of Situations of Non-Compliance**, created by Decree-Law No. 227/2012, of 25 October, aims to promote the settlement of situations of non-compliance through negotiated solutions between the banking customer and the credit institution.

Credit institutions are obliged to integrate defaulting loans in PERSI between 31 and 60 days after the occurrence of the payment failure. Credit institutions are also required to start PERSI as soon as the non-payment of the installment has been checked, in cases where the Bank’s client informed them of the risk of default.

A client with credit in default may request the immediate integration of their credit in PERSI at any time.

Within the 5 days following the beginning of PERSI, the client will receive notification of that fact, as well as their right and duties under this procedure.

## Extraordinary customer protection scheme with housing credit contracts in default

**Customers with credit in default on their own permanent housing and in a particularly vulnerable situation** may apply to the credit institution to have access to the extraordinary procedure, provided that they meet the **legal requirements**. This scheme, aimed at the protection of borrowers of housing loans in very difficult economic situations, was approved by law No. **58/2012, 9 November**, and will be in effect until December 31, 2015, with the possibility of extension.

Under this scheme, the credit institution is obliged to propose to the client a debt restructuring plan, where this is feasible. In exceptional situations, the credit institution must propose solutions leading to the partial or total clearance of the debt.

## Banking client support network

Bank clients with credits at risk of default or delay in the payment of their installments can obtain information, advice and follow-up with the extra-judicial help network for banking clients, free of charge.

The banking client support network is constituted of entities authorized and recognized by the Directorate-General for the consumer.

For more information about the help network, consult the portal "**Portal do Consumidor**", in [www.consumidor.pt](http://www.consumidor.pt).

For further information about schemes relating to breach of contracts, contact +351 226 086 460, the **Banking Client Portal**, in <http://clientebancario.bportugal.pt>, and the portal "**Todos Contam**", in [www.todoscontam.pt](http://www.todoscontam.pt).

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### **Negotiation of solutions**

**Within 30 days after the integration of credit default in PERSI (date indicated on presented communication)**, the credit institution shall assess the financial strength of the banking client proposing solutions to renegotiate the credit contract or consolidate debts, where this is feasible.

The client must reply to the proposal(s) within **15 days** and may present amendments or alternative proposals. The credit institution is not obligated to accept the client's proposals.

### **Client banking guarantees**

During PERSI, credit institutions cannot:

- Resolve the credit agreement;
- Initiate legal proceedings against the client; and
- Give credit to another entity that is not a credit institution, except for the purpose of securitization.

### **Client banking duties**

The client should collaborate with the credit institution in the search for solutions to regularize the situation of non-compliance. For this they should respect the deadlines for providing the documents and information which are requested (10 days) and respond to proposal(s) of the credit institution (15 days).

### **Expiry of PERSI**

PERSI will cease on the 91st day after its initiation, if not extended by agreement between the parties, or with a Declaration of Insolvency on the part of the client.

The credit institution may also terminate the PERSI in the case of:

- Verification that proposals presented are not viable;
- The client's assets are seized or ordered to be sized ;
- An interim judicial administrator is appointed in the context of the insolvency proceedings;
- The client does not cooperate during the PERSI ;
- The client or the credit institution refuses the presented proposal(s);
- The client acts in a way which could jeopardize the rights or guarantees of the credit institution.

The credit institution should inform the client of grounds for termination of PERSI.

## The credit mediator

Any client who has breached a credit contract of housing loans and is in an equal position as borrower on other credit agreements can benefit from the guarantees of PERSI for a further period of 30 days should they request the intervention of the Mediator of credit in the 5 days following the expiry of PERSI.

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Under this scheme, the credit institution is obliged to propose to the client a debt restructuring plan, where this is feasible. In exceptional situations, the credit institution must propose solutions leading to the partial or total clearance of the debt.

**NB: Banco Carregosa does not offer this type of credit.**

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