

Charter deferment of corporate loans

The corona crisis has major consequences for the economy of this country. This puts pressure on the financial situation of many people. Many of them are in danger of losing their jobs or have less income or even no income for a period. At the same time, however, certain financial costs and obligations continue to run. It can therefore become difficult for a company to repay outstanding loans to the bank. Therefore, the Minister of Finance Alexander De Croo, the National Bank of Belgium and Febelfin have announced that they will provide financial support to companies if they were to run into problems due to the corona crisis. For example, a deferment of the company credit can be requested for a maximum of six months. This commitment is detailed in this charter.

The charter lists:

- what exactly payment defer entails;
- who is eligible to apply for a payment extension;
- for which company loans payment applications can be requested;
- when payment can be requested and until when the payment can be postponed.

Payment deferment of corporate credit: 4 principles in a row

Those financially affected by the corona crisis can request a bank deferment of his or her corporate credit. We list here all the details about this payment deferral.

1) What?

A payment extension of the corporate credit in the context of the corona crisis means that the company / organization must not make any repayments of capital for a maximum of 6 months. The interest remains due. After the deferment period has ended, payments will resume. The term of the credit is extended by the period of the payment extension. In other words: the borrower will repay his / her credit for a maximum of 6 months longer than originally planned. No administrative or administrative costs are charged for withdrawing payment. A guarantee scheme has been drawn up with the government for new loans and credit lines with a maximum term of 12 months.

2) Who?

A corporate credit extension may be requested by non - financial corporations, SMEs, self - employed persons and non - profit organizations that meet each of these 4 conditions:

1. The corporation organization has payment problems due to the corona crisis:
 - the turnover or activity has been or will fall / fall;
 - full or partial recourse to temporary or full unemployment;
 - the government ordered the closure of the company in the context of the coronavirus containment.
2. The company / organization is permanently established in Belgium.
3. The company / organization was not past due on its current credits or taxes or social security contributions as of February 1, 2020 or the company was less than 30 days past due on its current credits or taxes or social security contributions as of February 29, 2020.
4. The company / organization has fulfilled its contractual credit obligations with all banks during the last 12 months prior to January 31, 2020 and is not undergoing active credit restructuring.

Public authorities cannot apply for payment deferment.

3) Which credits?

A payment extension can be requested for one of the following business credits:

- credits with a fixed repayment plan
- cash credits
- fixed advances

Leasing and factoring are not part of the agreement that was concluded. Naturally, a business organization can always contact its leasing or factoring company on a bilateral basis to find out how a solution can be offered.

4) When?

- Payment delay applications made up to and including April 30, 2020 will run for a maximum of 6 months until October 31, 2020.
- For applications made after April 30, 2020, the end date will remain no later than October 31, 2020.
- Payment deferral can only be obtained for still future monthly payments.
- Applications submitted for the publication of this charter will be evaluated according to the criteria of the charter. If necessary, the bank will contact the borrower.

In practice: if you think you meet the conditions to apply for a postponement of payment, you are asked to contact his or her bank. This is only possible by appointment or via the available digital channels of the bank (e - mail, chat, mobile app,...) And by telephone. It is best to contact the bank one week before the due date of the next month. The bank will request some supporting documents to start the application.