

**INSTRUCTIONS TO BORROWERS OF BANKS AND MFIs FOR PROVIDING INFORMATION ON THE INITIATED  
RESTRUCTURING INITIATIVES PURSUANT TO THE LAW ON VOLUNTARY FINANCIAL RESTRUCTURING OF DEBTS  
TOWARDS FINANCIAL INSTITUTIONS**

Borrowers are invited to submit to the Central Bank of Montenegro the data on requests/initiatives submitted to banks and microcredit financial institutions (MFIs) for loan restructuring PURSUANT TO THE LAW ON VOLUNTARY FINANCIAL RESTRUCTURING (Law), immediately after the submission of the initiatives.

**Natural persons** submit data on the initiated restructuring **ONLY FOR MORTGAGE LOANS** that have been approved by the banks or MFIs and classified in the following categories:

- "B", repayment delays over 30 days or
- "C", repayment delays over 90 days.

**Legal entities or entrepreneurs** submit data on the initiated restructuring for loans that have been approved by the banks or MFIs and classified in the following categories:

- "B", repayment delays over 30 days,
- "C", repayment delays over 90 days or
- "D", repayment delays over 270 days but less than 365 days.

The number of delays is only one of the factors that defines the categorization of loans by banks and MFIs, where borrowers can get more detailed information.

The data that natural persons, legal entities and entrepreneurs submit to the Central Bank of Montenegro should include: the date of launching the initiative, name and surname (for natural persons and entrepreneurs), the name of the legal entity and the number of loan agreement for which the initiative was initiated.

The Central Bank of Montenegro will use data on initiated restructuring procedures in order to assess the justification of the rejected initiatives by banks or MFIs and the possible undertaking of measures within its competence.

**Borrowers who initiate restructuring initiatives are asked not to submit to the Central Bank of Montenegro the copies of the submitted initiatives, if these concern:**

- With natural persons:
  - o Mortgage loans classified by their bank or MFI in the following categories:
    - "A", repayment delays up to 30 days
    - "D", repayment delays over 270 days but less than 365 days
    - "E", repayment delays over 365 days
  - o Non-mortgage loans (that is, in case of cash loans, revolving loans, credit and debit card loans, and the like);
- With legal entities and entrepreneurs:
  - o Loans classified by their bank or MFI in the following categories:
    - "A", repayment delays up to 30 days
    - "E", repayment delays are over 365 days.

As the aforementioned loans are not eligible for restructuring pursuant to provisions of the Law and therefore there is no legal basis according to which the Central Bank of Montenegro could apply penalties to banks or MFIs that do not use the available debt restructuring measures for which the initiatives were launched by the borrowers.