

Finansinspektionen's Regulatory Code

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Finansinspektionen's general guidelines on exemption from amortisation requirements on special grounds;

FFFS 2020:3

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decided on 14 April 2020.

Finansinspektionen provides the following general guidelines for application of section 11 of Finansinspektionen's regulations (FFFS 2016:16) regarding amortisation of loans collateralised by residential property.

Exemption from amortisation requirements on special grounds

Section 11 of Finansinspektionen's regulations (FFFS 2016:16) regarding amortisation of loans collateralised by residential property states that an undertaking may allow a borrower not to amortise in accordance with these regulations during a limited period if special grounds emerge during the term of the loan.

Special grounds can be that the borrower experiences or can be expected to experience a loss of income due to illness, unemployment or the equivalent. In exceptional cases, these special grounds do not need to refer to circumstances attributable to the individual borrower. Thus, special grounds can also be a severe downturn in the Swedish economy.

As a rule, special grounds should be of such a nature that they could not have been predicted when the credit agreement was entered into with the borrower. Following a severe downturn in the Swedish economy, it should be possible at the time the credit agreement is entered into for an undertaking to allow the borrower not to amortise in accordance with these regulations during a limited period of time due to special grounds.

These general guidelines shall enter into force on 14 April 2020.

ERIK THEDÉEN

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