

Guidelines on arrears and foreclosure

1 Background

Financial institutions as lenders are required to provide adequate information and assistance to their customers in connection with mortgage and real estate loan contracts in the event of payment difficulties.

This factsheet provides consumers with adequate information in case of payment difficulties.

2 What should I do if I can no longer meet my current obligations under a credit contract?

In general, numerous risks may occur over the course of a long loan term, especially in construction and housing financing. These risks include unforeseen events such as the death of the borrower, changes in marital status (e.g. through divorce) as well as risks of incapacity to work (e.g. through disability) or unemployment.

In the event of payment difficulties, the financial institution as the lender (bank) should be contacted as early as possible. Together, the causes can be analysed and suitable measures can be sought to solve payment difficulties. The bank's financial experts can, after examining the situation, point out any suitable options for securing financing as well as for regaining the ability to pay. Depending on the nature of the payment difficulties, different approaches may be available. These must be adapted to the individual case and the consumer's situation.

3 What information does the consumer receive from the lender?

The bank as lender provides the following information to affected consumers in payment difficulties:

- ↗ the number of payments missed or only partially made;
- ↗ the total amount of the arrears;
- ↗ any charges incurred as a result of the late payment;
- ↗ information on the consequences of non-payment in case of persistent payment difficulties.

4 Which contact persons can a consumer turn to?

It is important to talk to the bank in all cases.

This is the only way the bank can, as the lender, support the consumer in seeking suitable solutions at an early stage in order to resolve payment difficulties in the most appropriate way.

Of course, third parties can also be called in for support. In Liechtenstein, for example, the following office is available for this purpose:

- ↗ The [Hand in Hand Beratungsstelle](#) (counselling centre) offers free budget and debt counselling for people in Liechtenstein.

Contact details:

Hand in Hand Budget- und Schuldenberatung

Meierhofstrasse 39, 9495 Triesen

beratungsstelle@handinhand.li

Phone no. +423 384 59 90 (Dirk Flaig), +423 384 59 91 (Martina Bocek)

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