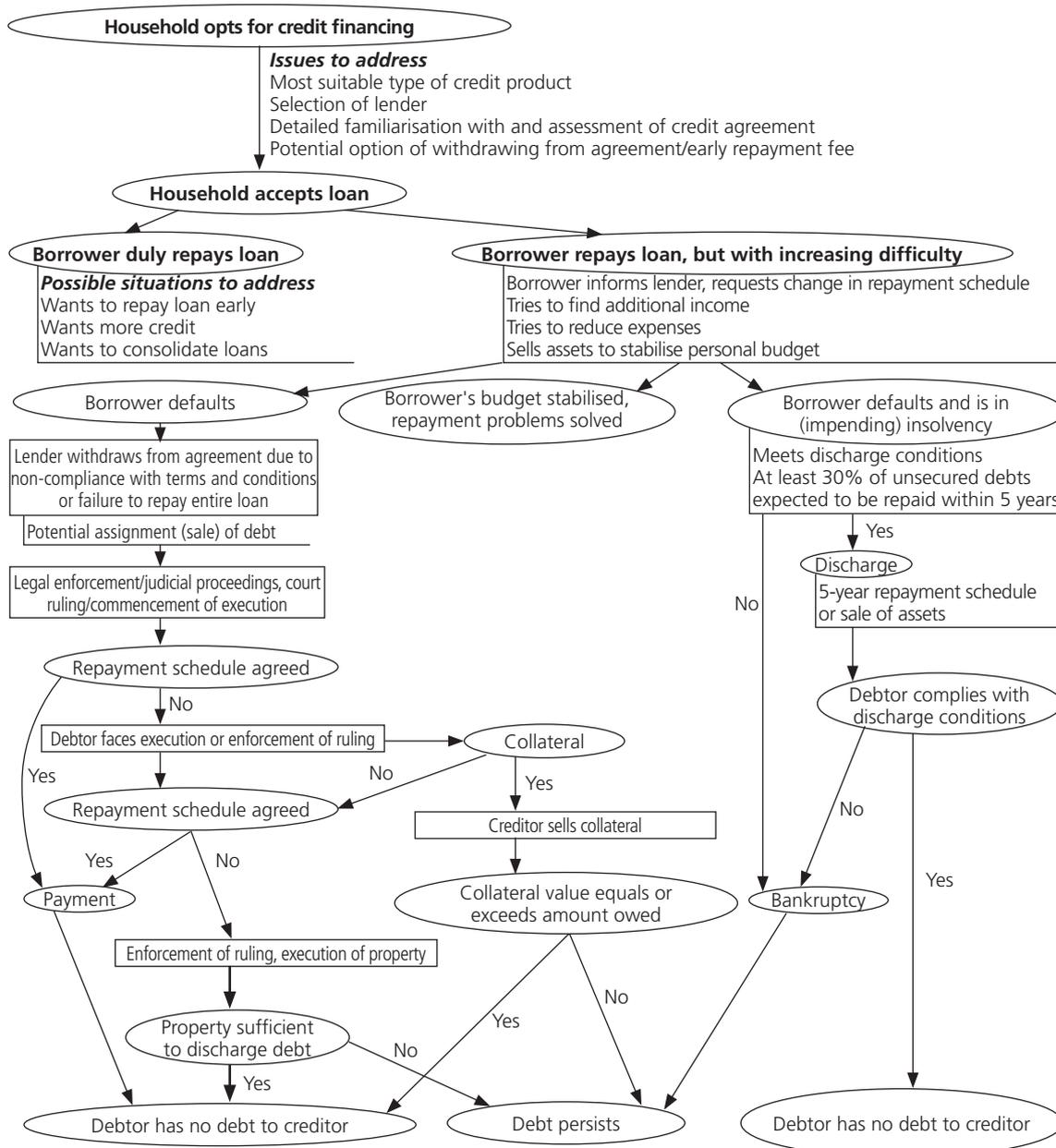


This annex covers the situations people may encounter after accepting a loan, the potential impacts of repayment problems, and the solutions available. The flow chart below depicts all the main debt-related situations of a household. Agreement with creditors is the optimal solution to problems with repayment. If this does not happen, situations less favourable to the debtor arise, namely execution proceedings or insolvency, which in the better case may result in personal bankruptcy.



The flow chart shows that borrowers can avoid many problems by properly selecting the lender and familiarising themselves with the details of the credit agreement. If a household runs into repayment problems, it is vital for it to communicate with its creditors and find a common solution. Acting early can significantly alleviate the negative impacts on the debtor's future situation. It is clear that "starting from scratch" is possible in only some cases. In other situations the debt persists and in many cases represents a lifelong burden for the household.