

Treatment of Non-Performing Sovereign-Guaranteed Loans



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30 days after loan due date

- The Bank suspends disbursements on the loan in arrears and all other loans to the borrower.
- The Bank informs the guarantor, if applicable, of the arrears by the borrower, and requests prompt payment of the amount in arrears.
- No loan contract with any borrower in the country in question is signed by the Bank.
- No loan proposals are approved.

120 days after loan due date

- The Bank suspends disbursements on all loans to the guarantor if the guarantor fails to pay the amounts due.

180 days after loan due date

- The Bank places in non-accrual status all Loans for the country in question of which the government, the central bank or any government entity is a borrower or guarantor, unless it is determined that all payments of amounts in arrears are in process and will be collected in the immediate future.
- Placement in non-accrual status implies a reversal of all accrued income to date and no further income accumulation until all pending amounts are received.
- All Bank missions to the country intended for programming, preparing or processing of loans are suspended.