

April, 2020

COOPERATIVES ARE ALLOWED TO REFINANCE UP TO THREE INSTALLMENTS IN THE PAYMENT OF CREDITS

Resolution 849 of the Department of Cooperatives of the Ministry of Economy, Development and Tourism recently published, allows credit cooperatives under the supervision of the same, to refinance up to three installments in the payment of credits if they are delayed for terms of less than 30 days. since the publication of said resolution, on April 6, 2020.

New credits or amendments may not be treated as such, for purposes of their rankings and provisions.

Cooperatives making use of these exceptional measures, shall be required to have all back-up documents. Information needed from clients, shall be required remotely. Likewise, cooperatives will need to report to the Department a list of all refinanced members together with the regularly required financial information. Clients' consent simultaneous or prior to the refinancing, shall be obtained either remotely or how each entity determines, to the extent that they verify the identity of the refinanced member, so as to comply with all the documentation required for the specific transaction.

Upon termination of the sanitary emergency, cooperatives shall comply with all applicable legal and administrative requirements.

On its part, Resolution 848, issued by the same Department, deferred for a 15 calendar-day term as from April 6, the obligation of the economically important cooperatives, to file the financial information pertaining to the fiscal year 2019. Those cooperatives that on founded reasons believe this term not to be sufficient, must communicate their reasons to the Department for a case-by-case evaluation.



If you have any questions regarding the matters discussed in this news alert, please contact the following attorneys or call your regular Carey contact.

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