



INFORMATION TO  
CLIENTS ON THE  
PROBABLE  
CONSEQUENCES OF  
NON-PAYMENT  
CREDITFORTE KFT.

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## What to do if we get a formal letter of notice from a debt management company because of a payment delay?

If you are in a payment delay the most important thing to do is to get in contact with the debt management company the soonest possible. When they manage a debt under a contract of agency, these appointments last until a certain period of time only. The how much time you have to agree with the debt management company on the settling of your debt depends on what figures in their contract of agency. Debt management companies have the power and authority to allow you to pay your debt by instalments. However, to be able to do so, they must enter into contact with you and you must not be aloof and reject reconciliation when the employees of the debt management company call on you. If the debtor rejects reconciliation, then he/she shall not have the opportunity to pay the debt out of court procedure in the framework of a collection procedure only. Most of the contracts of agency prescribe for the debt management companies that in case that the time allowed for debt management expires without result (no agreement is concluded or payment is made), then the debt management company must recommend enforcement by legal proceedings. To institute a plea shall always fall within the authority of the original creditor (bank, insurance company, etc.).

The sooner you react, the better chances you have to find a solution whereby the settlement of your burden shall be the least difficult.

Contact data of Creditforte Kft.:

**Visiting address:**

clients are received based on preliminary appointments:  
1118 Budapest Pannonhalmi 36-38.

**Mailing address:**

1506 Bp. Pf.:74

**Opening hours/ period of receiving phone calls:**

from Mondays through Fridays, from 08:00 a.m. to 05:00 p.m.

**Telephone:**

06 1 5100 837

**E-mail:**

[behajtas@creditforte.hu](mailto:behajtas@creditforte.hu)

## What happens when I do not pay to my services provider/creditor an invoice/debt when due?

Usually, when you are late with the payment of the invoice, the in-house debt management team of your services provider or creditor shall take over the case so that termination of the contract could be avoided. If, however, they are not successful in it, in view of the fact that the rightful interests of the services provider or creditor so require, they may employ a debt collection company in order to collect the debt. This latter Company may lawfully manage the data (only those necessary for the successful collection) that the Principal, having concluded with it a contract of agency, handed over to it. We shall discuss the relevant statutory provisions later on.

If the amount in arrear is not paid even during the debt management by an outer debt management company, then the debt management company entrusted thereby shall suggest the Principal to institute judicial proceedings and make recommendation for the type of proceedings which, in the opinion of the debt management company, would be the most reasonable. Thereafter, the Principal shall consider the recommended version and decide on how to proceed. The next steps in case of private persons and individual entrepreneurs shall be the issuing of payment orders, which after having become final entail an execution procedure. As regards business enterprises, this can either be the issuing of payment orders or the filing of an application for their liquidation.

## Debt management phase

The various statutory regulations regulating specific branches allow the creditors to transmit to debt management companies for the enforcement of claims personal and other data relevant to the debt.

Pursuant to Act CXII/2011 on Information Self-Determination and the Freedom of Information (Infotv., by the Hungarian abbreviation) in order to exercise the right to the protection of personal data and also that to get familiar with data of public interest or data that are public in the public interest, the Hungarian National authority for Data Protection and Information Freedom (Nemzeti Adatvédelmi és Információszabadság Hatóság (NAIH) keeps data protection records of data controllers and data processors. These records contain – among others, the purpose and legal basis of data control.

As there is no such act which would authorize debt manager to take over data in general, they can execute their activities involving data processing only for those data controllers who are authorized by law to hand over data. According to the statutory provisions in force, the following organizations have the right to engage debt management firms and to transmit to them data for this reason, so that the debt management companies would contact and visit you in connection with the payment of your debt.

Pursuant to Section 157(9) of Act C/2003 on Electronic Telecommunication, within the period during which they must be preserved the data necessary may be handed over for data processing to those who based upon their relevant appointments by the electronic telecommunication services provider issue the bills for the services provider's services, manage its receivables, turnover and inform the customers.

Pursuant to Section 51(1)(c) of Act CXII/1996 on Credit Institutions and Financial Enterprises bank secrets can be disclosed to third persons, only if the interests of the financial institute make it necessary for selling its claim vis-à-vis the client or the enforcement of its past due claim.

Pursuant to Section 45(1)(b) of Act XCII/2005 on District Heating the district heating services provider is entitled to hand over of the data controlled thereby those that are necessary in connection with the services and only after that it shall have informed the data subjects beforehand. Entities to which such data can be transmitted are, among others, those, who make and collect the bills, manage the debts of the district heating services provider or inform the customers.

Pursuant to Section 151(4)(a) and (b) of Act LXXXVII/2007 on electric energy, the services provider can transmit data to the natural persons and business companies engaged thereby in the conclusion of contracts, reading meters, billing, delivery of the invoices, managing payment of the bills or receivables, electric energy supply, technical implementation, revision, disconnecting of the points of consumption, performing customer services activities and organizations that are authorized by law to settle disputes regarding energy supply and billing, on a need-to-know basis

Pursuant to Section 126(4)(a) of Act XL/2008 on natural gas supply, the licensees can hand over the data necessary for data control in view of the purpose thereof under a contract of agency for data control, on a need-to-know basis so that the natural persons and business enterprises could conclude contracts, read the meters, prepare and deliver to the addressees the bills, manage payments and outstanding receivables, provide gas supply, install, supervise and disconnect the points of consumption and perform customer services.

Pursuant to Section 6((1)(b) of the Infotv., under a general authorization. The cited provisions says, that personal data can be controlled also in the event that to obtain the consent of the data subject is impossible or would entail disproportionately high costs, and controlling of the data subject's personal data would be required for enforcing the rightful interests of the data controller or a third person, and the enforcement of this interest and the limitation of the right to the protection of personal data are proportionate to one another. As you have availed yourself of services the consideration for which you have failed to pay, the interests of your services provider, i.e., creditor justifies data transmission and data control.

In the debt management phase the debt management company may contact the Debtor, send him/her notices, text messages, e-mails and make personal visits for and on behalf and in the interests of the Principal in the manners as set down in the Debt Management Policy and the prevailing statutory provisions. The number of contacts can be minimized if the Obligor co-operates. It is important to emphasize that our efforts to contact you serve your interest, and are destined to call you to reconcile so that you could avoid potential consequences. Debt managers have the power to offer bridging solutions, although only within the limits allowed by their Principals.

According to the debt management guidances, our case managers can try to contact you between 08:00 a.m. and 08:00 p.m. They can contact each Obligor thrice a week, as the maximum. It shall classify as an attempt of contact, when the acting case manager of the debt management company can identify himself/herself during the discussion.

**Debt management fees:** The various receivables shall be always accounted for as the Principal instructs but, characteristically, they are applied as they are shown in Section 6:41 of Act V/2013 8 (Ptk., by the Hungarian abbreviation). As a rule, they shall be used as the Obligor says, but inasmuch as there is interest on the claim and there are fees payable in connection with it, then first the fees, then the interest and, finally, the capital amount of the debt shall be paid of it.

**Collection cost:** According to Section 298 of the old Ptk., by virtue of non-payment the person in breach of the contract is in delay with the payment of the fee payable therefore, based on Section 299 of the Ptk., he/she is obliged to reimburse the services provider for the damage incurred by the latter as a result of the delay. (in the new Ptk: Section 6:142. [Liability for damages caused through breach]). In order to enforce the rightful claim of the Principal the involvement of a debt management company became necessary the fee payable wherefor is to the account of the party in breach. Paying it is voluntary, however,

but if it is not paid and for the additional damage incurred as a result of the delay, the principal can lodge a claim on the basis of Section 6:154(3) of the Ptk.

**Legal fee:** the costs of the execution proceeding instituted because of the delay. Its payment is voluntary. However, if the legal fee is not paid and for the additional costs incurred by the principal as a result of the delay, the principal may lodge a claim for damages on the basis of Section 6:154(3) of the Ptk. and it can be enforced by way of a payment order. The fee for the proceeding shall equal to 3 per cent of the debt, but it shall be HUF 5,000, at the minimum. The associated legal cost shall be HUF 6,350 (gross), which shall also be to the account of the Obligor. By paying the legal fee, the Obligor explicitly authorizes Creditforte Kft to issue an invoice for the remuneration of the attorney-at-law and to record and control in the capacity of data controller the data of the Obligor which Creditforte Kft. received from the Obligor-principal with Creditforte Kft. being the data processor.

**Late payment penalty:** pursuant to Act IX/2016 this is applicable only for debts between business enterprises and its minimum amount is EUR 40.

**Late interest:** The rate of late interest was regulated by Section 301 of the old, and Section 6:48 of the new Ptk. with respect to natural persons, and by Section 301/A of the old, and Section 6:166 of the new Ptk. with respect to enterprises. Section 293 of the old and Section 6:46 of the new Ptk. provides, that if the Obligor owes interest and costs, too, and the amount paid is not enough to cover the entire debt, then first the expenses, then the interest shall be paid out of it, and the capital amount of the debt shall be the last.

Based on the above, the capital amount of your debt can rightfully increase by additional costs, which is again a reason that you should not stall paying any more.

## After the debt management phase – Payment order

If the Obligor fails to pay his/her debt or to prove that the debt claimed is not rightful, then the Oblige may institute a legal proceeding against the Obligor, which first and foremost means the issue of a payment order. At the end of the debt management period (the length of which depends on the terms of appointment) our Company shall make motions regarding the clients whose debts have not been settled until the end of the debt management period. The payment order is issued by a public attorney, at the request of the Oblige. The Obligor may protest against the payment order within 15 days after receipt. If the Obligor does not dispute the payment order, then it shall become final and based thereupon, execution can be started.

If the Obligor disputes the debt and objects the payment order, then a court procedure shall start. The Oblige shall file an action with the competent court enclosing to it the documents that support the legal basis and the amount of the claim. During the hearing the Obligor can also expound his/her views and then the court shall proclaim its decision.

Costs related to the launching of a payment order procedure: according to Act L/2009 on Payment Orders, the procedural fee shall equal to 3% of the debt, but cannot be less than HUF 5,000 or more than HUF 300,000

## Execution phase

The Debtor has the right to pay even following the final payment order or court order have been issued. On the other hand, if he/she fails to pay even then, the Obligee may request an execution form to be made out based on which an independent court executor can carry out execution.

In the court execution procedure launched on the basis of a final payment order the execution fee shall equal to 1% of the amount serving as basis for the fee calculation, but it cannot be less than HUF 5,000 or more than HUF 150,000. The fee shall be advanced by the person asking for the execution and if execution is ordered, its amount of the execution fee shall have to be paid by the Debtor. Beside this, the Obligor shall also pay the fees payable to the executor.

The most important costs that arise in the execution procedure and the executor can claim to be reimbursed are set down in Act LIII/1994 on Court Execution and Decree 35/2015 (XI.10) IM on the Court Executors' Tariff. The remuneration payable to the executor for his/her work is to be calculated on the basis of the value to be executed.

Other fees payable in addition to this: lump sum costs of the executor, remuneration and reimbursement of costs for the time that had to be spent working on the case, out-of-pocket expenses of the executor.

### In case of private persons

Based on Act LIII/1994, the court executor can, among others, make the following steps in case of private individuals: make attachment on the earnings, which can be the salary, pension or in certain cases also on the child allowances and benefit paid to the Obligor; except for those movable assets which the law exempts, the executor can seize the movable property, have the execution right regarding the immovable property of the Obligor registered in the land register and enforce the executor's claim by selling the immovable property through auction.

### In case of business enterprises:

Instead of an execution or in case of an unsuccessful execution, pursuant to Act XLIX/1991 liquidation proceedings can be instituted against the debtor. If there is a final order to this end the court shall appoint a liquidator to the Debtor and the fact of the start of liquidation shall be published in the Gazette of the Court of Registration. At the moment of the start of the liquidation all the debts of the economic organization shall become due and payable and all interest and costs of proceedings can be enforced.

## What should I do if I have payment problems?

- If you have any question, do not hesitate to contact your creditor!
- Prepare a budget, detailing your income and expenses. Even by little changes you can save money!
- Set the order of priority of your payments! You can no more wait with paying this debt!
- If you have lost your job or have durable financial problems inquire about the welfare programs run by the state or your local municipality and ask for help from your acquaintances and relatives!

## What are the bridging possibilities that can be offered?

Within the frameworks allowed by the agreements it concludes with its principals, Creditforte Kft. is entitled to elaborate bridging solutions, but in view of the fact that it has only a set period of time for case management, its possibilities are limited. We try to find the solution resulting in payment by the Obligor within these limits in a way that - as their interests dictate -, the claims of our principals shall be paid and the Obligor could also avoid excess costs from further proceedings. To be able to elaborate bridging solutions, however, it is inevitable that the Obligor contacted us using any of the contact possibilities shown above.

## Information on the debt settlement procedure of private persons

The goal of Act CV/2014 on Debt Settlement Procedure of Private individuals (Are. tv., by the Hungarian abbreviation) is to restore the solvency of the debtor by the help of a responsible co-operation between debtor and creditors and contribute to solving the problems of indebted private individuals who are no more able to meet their payment obligations. You can find additional information on the initiation of debt settlement procedure on the website of Családi Csődvédelmi Szolgálat (Family Insolvency Service): <https://www.csodvedelem.gov.hu/>

You can find more statutory provisions here: <https://www.csodvedelem.gov.hu/jogszabalyok> The forms for initiating a debt settlement procedure and the instructions how fill them are to be found here:

<http://www.csodvedelem.gov.hu/nyomtatvanyok>