

Legal notice

All effort has been made to ensure the accuracy of this translation, which is based on the original Slovenian text. All translations of this kind may, nevertheless, be subject to a certain degree of linguistic discord. In case of any uncertainties regarding the English translation the questions may be addressed to:

Ministry of Finance
Financial System Department
Župančičeva 3
1502 Ljubljana
Slovenia
Phone: +386 1 369 66 92
Fax: +386 1 369 66 99
E-mail: gp.mf@gov.si

The original text of this act is written in the Slovenian language; in case of any doubt or misunderstanding, the Slovenian text shall therefore prevail. Original text can be found on the web page

<http://www.uradni-list.si/1/objava.jsp?urlid=201247&stevilka=1959>

Act Amending the Mortgage Bond and Municipal Bond Act

Article 1

In the Mortgage Bond and Municipal Bond Act (Uradni list RS (Official Gazette of the Republic of Slovenia, no 10/12), paragraph (6) of Article 5 shall be amended to read as follows:

'(6) The guarantee referred to in paragraph (3) of this Article shall be irrevocable and unlimited, and shall ensure that payment is made without delay or no later than within ten business days following receipt of a request for payment of debtor's obligations. The guarantor shall not make the debtor's compliance with his obligations conditional upon prior commencement of legal or other proceedings against the debtor.'

Article 2

Paragraph (2) of Article 32 shall be amended to read as follows:

'(2) When a building is erected on the property referred to in the preceding paragraph, insurance shall be taken out for the building with an insurance company for the duration of the agreement, and shall cover the usual risks arising in respect of the site and the type of the building, which is the subject of insurance for a sum insured that equals at least the replacement value of this building; the insurance policy shall be pledged to the lender.'

Article 3

Article 34 shall be amended to read as follows:

**'Article 34
(Early repayment of the loan)**

Registration of mortgage loan receivables in a cover register shall not prejudice the right of a borrower to an early repayment of the mortgage loan.'

Article 4

Paragraph (6) of Article 37 shall be amended to read as follows:

'(6) A debtor or guarantor of a claim entered in the cover register who explicitly waives his right to a unilateral set-off may not set off his obligation under such claim through his claims against the issuer. When the debtor has been notified by the issuer of the registration of a mortgage loan receivable in the cover register, the debtor or guarantor may, following receipt of such notification, request the issuer's receivable to be offset only with the following claims against the issuer:

1. receivables from mortgage bonds and financial instruments referred to in Article 24 of this Act;
2. receivables that could have been set off prior to the notification of entry of the issuer's receivable in the cover register; and
3. receivables acquired prior to the notification of entry of the issuer's receivable in the cover register, provided that the time limit for their honouring has not expired by the time of receipt of such notification; however, this applies only to cases when this time limit expires prior to the time limit for honouring the issuer's receivable as entered in the cover register or simultaneously with it.'

**FINAL PROVISION
Article 5**

This Act shall enter into force on the day following its publication in Uradni list Republike Slovenije.