

PUBLIC ANNOUNCEMENT

The Central Bank of Liberia (CBL) has over the years made efforts to improve the general credit environment and strengthen the internal risk management practices in commercial banks. However, it has been observed that some delinquent borrowers, corporates as well as individuals, continue to renege on servicing their obligations to the banks. Such individuals and entities cannot continue to enjoy the benefits of the banking system, on the one hand, while undermining its viability through their actions, on the other hand.

Pursuant to Section 39 (2) of the new Financial Institutions Act of 1999, which gives the CBL the authority to govern and regulate activities and relationship between financial institutions, their customers, creditors and debtors, the CBL hereby issues this public notice:

That all existing delinquent borrowers with outstanding loan obligations that are past due for 180 days or more, as defined by CBL Prudential Regulation No. CBL/SD/004/2010, are hereby advised to immediately contact banks that they are delinquent to, in order to reach an agreement on a repayment arrangement for the servicing of their obligations within thirty (30) days as of the date of this notice, August 7, 2012 to September 22, 2012.

Effective September 21, 2012, the CBL shall instruct all commercial banks as well as other regulated financial institutions to desist from doing business with borrowers that fail to comply with this notice, including making payments on their behalf, maintaining existing accounts or operating new accounts.

Meanwhile, the CBL hereby grants a waiver on the full payment of all accrued delinquent interests, as required by Section 3.15 of Prudential Regulation #: CBL/SD/007/2011, as a means of helping delinquent borrowers to establish a new debt servicing arrangement within the thirty-day period, that is, from August 7, 2012 to September 22, 2012.

All other delinquent borrowers with outstanding loan obligations that are past due for 90 to 179 days are also advised to take advantage of this opportunity to avoid similar action against them, as the CBL shall not grant further dispensation on this matter.

The CBL reserves the right to take further actions as may be deemed necessary to safeguard the banking system, the depositors and the larger economy, in keeping with law.

Signed: _____

Regulation & Supervision Department
CENTRAL BANK OF LIBERIA