

SERBIA

New Amendments to the Mortgage Law

New Amendments to the Mortgage Law became effective on 16 July 2015. Below is a summary of the important changes that the new amendments have introduced.

One of the most important changes is that, while mortgage creditors may still freely choose between judicial or non-judicial mortgage foreclosure, the process for out of court foreclosures is now much better regulated and has been simplified, so as to provide a greater level of creditor control over the out-of-court foreclosure process.

No less important is the removal of some of the previously obligatory contents of a mortgage agreement or pledge statement. For example, no longer is there a requirement to obtain mortgage approval from a third party in possession of the real property.

Another eagerly awaited change is the introduction of the concept of Security Agent, which may now be named by the mortgage creditors and registered as such in the relevant real property cadaster.

On the other hand, certain more restrictive rules have been introduced as well. For example, information on the agreed upon interest rate and method of calculation must now be registered with the relevant real property cadaster, and failure to do so will result in only the statutory interest rate being applicable to the debt secured by a mortgage.

Contacts

For further information about these and any other legal issues, please feel free to contact us at any time.



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