

Housing Cooperative as a Loan Agreement Party

ABSTRACT

This diploma thesis concerns loan agreement in cases where a party to it as a debtor is a housing cooperative. In the thesis the author researches in particular the obstacles imposed by private law to such loan relationships on the basis of regularly included parts of loan agreements and their security. With regards to this, the thesis is not a complex description and analysis of neither loan agreement nor housing cooperatives but analyses them in their mutual context. Moreover, the author, through his own synthesis, also comes up with views on possible solutions or elimination of identified shortcomings and problems both *de lege ferenda* and potentially also in transactional practice, regardless of legislation development.

The author looks into the in the introduction defined aims and hypotheses of the thesis on a total of seven chapters. The first two chapters take up general premises of housing cooperative's regulation, whereby they serve to constitute the context as well as significance of the thesis, but they also help to define the fundamental legal concepts of cooperatives, which are then used by the author in the rest of the thesis. Subsequently, the author also devotes space to parsing general financing options for housing cooperatives, with special emphasis on financing through public support in the Czech Republic. The third chapter then deals separately with the loan agreement as a special contractual type under the Civil Code.

In the following four chapters, the author focuses on a thorough analysis of problems and barriers imposed by the applicable law to financing of housing cooperatives under loan agreement. Therefore, the fourth chapter concerns questions relating to conditions precedent with special emphasis on the bylaws of the housing cooperative, fifth chapter issues relating to repayment of the loan which is mostly carried out by cooperative rental income and the sixth chapter deals with other specific risks emerging during the lifetime of the loan agreement, especially out of the legal regulation of member's settlement share. In the last, seventh chapter, the author analyses the problems of securing a loan provided to a housing cooperative and, above all, the special legal restrictions shall the object of the security be a cooperative apartment or a cooperative share.

KEYWORDS:

housing cooperative, loan financing, cooperative rent, member's settlement share