

## Legal base

Title of relevant act	Applicable provision (quote the text)	Remarks (if needed)
Act XXX of 1997 on Mortgage Banks and Mortgage Bonds	<p>The provisions of the Act shall apply to mortgage banks founded and operating in the territory of the Republic of Hungary [...] <b>§1</b>. The Hungarian Financial Supervisory Authority (hereinafter: “<b>HFSA</b>”) has special rights to supervise mortgage banks in addition to the competencies set forth in the Act on Credit Securities and the Act on the Capital Market. As part of its special rights to supervise mortgage banks the HFSA conducts on site audits of mortgage banks according to an audit plan it compiles <b>§22</b>. A mortgage bank may purchase, may make advance payments towards (including via factoring and forfeiting) and may discount nothing else but mortgage loans and associated loan components <b>§8(1)</b>. In the event of liquidating a mortgage bank the following shall be used exclusively for meeting the liabilities towards mortgage bond holders after paying of the fee of the administrator of cover and the costs incurred by the registration and satisfaction of particular claims specified in this subsection and in connection with the activities of the liquidator: a) the ordinary and supplementary cover recognized in the register of cover at the starting date of liquidation; b) the part of the ordinary cover in excess of the limit specified in Section 14(7) and not recognized as cover and the portion of liquid assets held but not recognized as cover by the mortgage bank at the starting date of liquidation which comply with the requirements in this Act in respect of supplementary cover. The assets recognized as cover and the liquid assets mentioned in Subsections a) and b) shall be part of the net assets available for liquidation <b>§20(5)</b>.</p>	