

## DIFFUSION VALUE OF THE COLLATERAL AMONG THE AFFILIATED PERSONS OF CREDIT ORGANIZATION STRUCTURES

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**Keywords:** liability, vehicle, lending agency, payment, collateral, value, borrower, monetary funds, collection, need.

The aim of this article is to perform an economic and legal analysis of the financial claims of the credit institution to the borrower through the implementation of borrowed funds vehicle that is owned by the borrower. Another aim is to identify factors influencing the effect of the financial cost of spray-alienated collateral, including affiliated bank structures.

The article can help to solve urgent problems of modern financial situations of credit relations, equilibration of credit institutions interaction and the execution of debt obligations through the alienation of the collateral.

For the borrower the procedure is fatal, as it influences his financial well-being and levels up the purpose of entry into credit relationships.

If the borrower fails to find new sources of income or to achieve savings by revising the standard costs, he alienates what he intended to possess, for which purpose he has burdened himself with debt.

Having realized the object of pledge, he is often left with a partially outstanding liability to credit institutions.

If the alienation of the collateral by the lending institution is usually exercised in pre-trial procedure, the debt remaining after the alienation of the vehicle is recovered by the credit institution in court, supplementing the total debt in the amount of state due.

In 2001 the amount of money paid to those addressing a court for recovery of debt increased.

The motive for this action may be the encouragement of the parties of to negotiate the restructure of the debt, as well as the need for further replenishment of the state budget from mass appeals to state mediation.

There is nothing to prevent the borrower from recognizing his inability to pay the debt properly, without the aid of the creditor and his attorneys to find the person who is willing to buy out the object of pledge.

For the borrower and the potential buyer the bank and its affiliation structure are institutional establishments.

Meets the need to obtain the necessary amount of money, the first gives it to acquire the title to collateral, the second to settle the absolute right of property, by alienation of the same car and transfer the proceeds amount of money first.

Thus, a range of participants is revealed, the catalyst of their activity being an individual.

A person has a need in the existing object. To possess it, he/she becomes a borrower, then, after a certain period of time, he becomes an unconscientious debtor with a right of collateral.

A credit institution, an independent evaluator, the subject of cargo liability and the car dealer agency exercise their activity under the influence of their catalyst.

Several key statements of article:

◆ The provisions of Art. 337 of the Russian Federation Civil Code allow banks to abuse their legal position in the relationships with the borrower in the process of alienation of the restrictive law obligations. This abuse is justified by the need to achieve a legitimate purpose, has a legitimate character, but it is as economically unprofitable for the borrower as a debtor and the owner of the collateral;

◆ The rule contained in the legal act defines the existing social relations, and its actual wording is determined by the declared societal goals expressing a certain point of public relations;

◆ The individual's behavior is controlled by his psychological state, which is a dynamic process of harmonization of the inner world of a human being. An outside world is usually reflected in his mind.

The need of a person may be the result of either internal physiological processes, or external influence, which is the influence of the external world;

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◆ The loss of car's value over time is defined primarily by the fact that the borrower purchased the car with urgency and with the aim to make money.

Consequently, it is subject to depreciation during the period when the borrower uses its properties, but its social value for the ordinary consumer and the cost paid by the buyer on its alienation as collateral are significantly different;

◆ In promoting a product on the market, the user pays for the goods in addition to production cost.

With the alienation of the collateral, the reverse process of the value remaining after the operation of the car purchasing remains stable. All the participants of the alienation process charge fees for their participation in order to succeed the goal. It is lawful, but useless, though, in terms of economics, the result of this process clearly identifies the participants, which are economic agents and consumers at the same time.

The borrower pays twice the amount of the entire surplus value, and the buyer purchases the goods "with a history" with a discount;

◆ Taking one's free time requires compensation for the wasted time and effort.

The are factors affecting the financial value by diffusion of the collateral. The borrower has an opportunity to prolong the terms of the bank's agreement, if the circumstances are negative.

◆ The bank's structure uses the object of pledge as a financial instrument which value is dynamic in time. It has developed a massive element of the automobile industry, which is actually an example of the essence of entrepreneurship.

Car dealer agency charges with the process of alienation not only a commission fee, but also the difference between the market price determined by supply and demand and the price determined by an independent evaluator. Very often this is only a result of the territory alienation changes of the car.

In the paper the author has

◆ empirically studied the practical work of the credit institution in terms of alienation of pledge objects.

◆ reviewed the framework regulating this public attitude in the Russian Federation.

◆ considered theoretical developments in this area and on the basis of the research identified a number of aspects affecting the cost of the objects of pledge.

The paper dwells on the subject of collateral relationship as a value. It suggests focusing attention on the need to include the effect of diffusing costs in the alienation of the collateral.

The paper is of interest to the professionals in various fields like banking, settlement and appraisal relationships, in particular.

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