

MUNICIPAL LOAN SYSTEMS RISKS IN UKRAINE AND WAYS TO MINIMIZE THEM

O.V. Palokha

Postgraduate Student at Department of Finance,
Banking and Insurance,
Chernihiv National University of Technology

Despite the adoption of a package of legislative acts in the regulation of municipal loan, have the problems been in development they in recent years. The control problems of risks in municipal loans are arising at the macro, meso and micro levels.

The system of Ukraine's municipal loans structure was built such as a result of author's research and outlines a theoretical framework for the study of it. The structure of such a system includes in addition to local authorities, local financial authorities and municipal sector's enterprises and institutions.

The main objects of the system are the property located in the municipal property, property rights of local governments; domestic and foreign bonds of local loans.

Local borrowing, local loans to cover temporary cash gaps of local budgets, commercial bank loans, loans from international financial institutions and organizations, local

guarantees provided by local governments are marked as the main elements of the system. The author systematized and selected types of risks in the system of municipal loans, which are formed at the macro, meso and micro levels. It is established that the local authorities as major actors of the system can only affect the risks that arise at the last two levels.

A single information database about the financial condition of borrowers – local authorities and utilities sector of the economy; definition and publication of credit ratings of local governments as borrowers and credit ratings of municipal securities issued or in circulation; application scoring – models to assess of the competitiveness of borrowers – legal persons; development of municipal-private partnership and concession relations in the housing and communal services creating proposed author for to reduce the risks.