

A payment holiday (suspension of payments) is a temporary pause in the payment of an instalment loan.

Payment holidays can be a solution for temporary financial bottlenecks, whereas for longer-term difficulties with loan repayments, a reduction of the instalment amount might be a better option (cf. the [“Changing Annuity Amounts”](#) section).

Even in the case of payment holidays without any extra fee, the loan will be slightly more expensive, as interest will be charged during the payment holiday nonetheless: Interest accrued during the payment holiday will be included in the next instalment.