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A financial expert explained to the media that early repayment of a loan can sometimes be harmful. Banks consider profitable clients to be those who repay the loan strictly on schedule.

Therefore, early payments can ruin your credit history, which will cause the bank to refuse a potential borrower the next time. For a bank, the best client is the one that brings the planned calculated profit. In case of early payment, the profit that the bank is counting on is lost.

“The last word always remains with the bank: if it sees that the client has a number of quick early repayments in his credit history, he may refuse to issue a new loan” - the expert emphasized.

In general, the consequences can be avoided if the client carefully reads the agreement and notifies the bank in advance about the early repayment of the loan.

In a capitalist system, bankers have one main goal - profit (directly or indirectly) at the expense of the working people. Ordinary people are forced to take out loans and mortgages to somehow ensure their existence in constantly deteriorating conditions. Huge bank interest rates, inflation, and the falling exchange rate of the national currency are absorbing the last funds of working citizens. Having seized the hard-earned money from the working people through taxes and duties, the bourgeois state continues to provide free assistance to the oligarchs — pouring hundreds of billions into large banks and other financial structures.

This will always continue as long as the market economy prevails, protected by state power, pursuing the interests of the richest private owners. That’s what capitalism is all about; it doesn’t promise anything good to working people.

The situation of the working people can only be changed by replacing the reigning economic system with the power of the working people over all state institutions. Only under socialism there is no exploitation, no speculation, and no power of private owners. Only under socialism does the bank carry out financial transactions not for the profit of a handful of the richest financiers, the oligarchs, but to ensure the socialist economy, for the work of organizations, and to ensure the lives of citizens. In other words, all financial institutions, like the entire state, work in the interests of the working people, and not parasites who appropriate the results of other people's labor.

Source: RT - “Roskachestvo (The Russian Quality System) explained the dangers of early loan repayment” dated June 21, 2024.