

Directive 2008/48/EC Of the European Parliament and
of the Council of 23 April 2008 on credit agreements for
consumers and repealing Council Directive 87/102/EEC

CHAPTER IV

INFORMATION AND RIGHTS CONCERNING CREDIT AGREEMENTS

Article 10

Information to be included in credit agreements

1 Credit agreements shall be drawn up on paper or on another durable medium.

All the contracting parties shall receive a copy of the credit agreement. This Article shall be without prejudice to any national rules regarding the validity of the conclusion of credit agreements which are in conformity with Community law.

2 The credit agreement shall specify in a clear and concise manner:

- a the type of credit;
- b the identities and geographical addresses of the contracting parties as well as, if applicable, the identity and geographical address of the credit intermediary involved;
- c the duration of the credit agreement;
- d the total amount of credit and the conditions governing the drawdown;
- e in case of a credit in the form of deferred payment for a specific good or service or in the case of linked credit agreements, that good or service and its cash price;
- f the borrowing rate, the conditions governing the application of that rate and, where available, any index or reference rate applicable to the initial borrowing rate, as well as the periods, conditions and procedures for changing the borrowing rate and, if different borrowing rates apply in different circumstances, the abovementioned information in respect of all the applicable rates;
- g the annual percentage rate of charge and the total amount payable by the consumer, calculated at the time the credit agreement is concluded; all the assumptions used in order to calculate that rate shall be mentioned;
- h the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;
- i where capital amortisation of a credit agreement with a fixed duration is involved, the right of the consumer to receive, on request and free of charge, at any time throughout the duration of the credit agreement, a statement of account in the form of an amortisation table.

The amortisation table shall indicate the payments owing and the periods and conditions relating to the payment of such amounts; the table shall contain a breakdown of each repayment showing capital amortisation, the interest calculated on the basis of the borrowing rate and, where applicable, any additional costs; where the interest rate is not fixed or the additional costs may be changed under the credit agreement, the amortisation table shall indicate, clearly and concisely, that the data contained in the

- table will remain valid only until such time as the borrowing rate or the additional costs are changed in accordance with the credit agreement;
- j if charges and interest are to be paid without capital amortisation, a statement showing the periods and conditions for the payment of the interest and of any associated recurrent and non-recurrent charges;
 - k where applicable, the charges for maintaining one or several accounts recording both payment transactions and drawdowns, unless the opening of an account is optional, together with the charges for using a means of payment for both payment transactions and drawdowns, and any other charges deriving from the credit agreement and the conditions under which those charges may be changed;
 - l the interest rate applicable in the case of late payments as applicable at the time of the conclusion of the credit agreement and the arrangements for its adjustment and, where applicable, any charges payable for default;
 - m a warning regarding the consequences of missing payments;
 - n where applicable, a statement, that notarial fees will be payable;
 - o the sureties and insurance required, if any;
 - p the existence or absence of a right of withdrawal, the period during which that right may be exercised and other conditions governing the exercise thereof, including information concerning the obligation of the consumer to pay the capital drawn down and the interest in accordance with Article 14(3)(b) and the amount of interest payable per day;
 - q information concerning the rights resulting from Article 15 as well as the conditions for the exercise of those rights;
 - r the right of early repayment, the procedure for early repayment, as well as, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined;
 - s the procedure to be followed in exercising the right of termination of the credit agreement;
 - t whether or not there is an out-of-court complaint and redress mechanism for the consumer and, if so, the methods for having access to it;
 - u where applicable, other contractual terms and conditions;
 - v where applicable, the name and address of the competent supervisory authority.
- 3 Where paragraph 2(i) applies, the creditor shall make available to the consumer, free of charge and at any time throughout the duration of the credit agreement, a statement of account in the form of an amortisation table.
- 4 In the case of a credit agreement under which payments made by the consumer do not give rise to an immediate corresponding amortisation of the total amount of credit, but are used to constitute capital during periods and under conditions laid down in the credit agreement or in an ancillary agreement, the information required under paragraph 2 shall include a clear and concise statement that such credit agreements do not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement, unless such a guarantee is given.
- 5 In the case of credit agreements in the form of overdraft facilities as referred to in Article 2(3), the following shall be specified in a clear and concise manner:
- a the type of credit;
 - b the identities and geographical addresses of the contracting parties as well as, if applicable, the identity and geographical address of the credit intermediary involved;
 - c the duration of the credit agreement;
 - d the total amount of the credit and the conditions governing the drawdown;

- e the borrowing rate, the conditions governing the application of the borrowing rate and, where available, any index or reference rate applicable to the initial borrowing rate, as well as the periods, conditions and procedure for changing the borrowing rate and, if different borrowing rates apply in different circumstances, the abovementioned information in respect of all the applicable rates;
- f the annual percentage rate of charge and the total cost of the credit to the consumer, calculated at the time the credit agreement is concluded; all the assumptions used in order to calculate that rate as referred to in Article 19(2) in conjunction with Article 3(g) and (i) shall be mentioned; Member States may decide that the annual percentage rate of charge need not be provided;
- g an indication that the consumer may be requested to repay the amount of credit in full on demand at any time;
- h conditions governing the exercise of the right of withdrawal from the credit agreement; and
- i information concerning the charges applicable from the time such agreements are concluded and, if applicable, the conditions under which those charges may be changed.

Article 11

Information concerning the borrowing rate

1 Where applicable, the consumer shall be informed of any change in the borrowing rate, on paper or another durable medium, before the change enters into force. The information shall state the amount of the payments to be made after the entry into force of the new borrowing rate and, if the number or frequency of the payments changes, particulars thereof.

2 However, the parties may agree in the credit agreement that the information referred to in paragraph 1 is to be given to the consumer periodically in cases where the change in the borrowing rate is caused by a change in a reference rate, the new reference rate is made publicly available by appropriate means and the information concerning the new reference rate is also kept available in the premises of the creditor.

Article 12

Obligations in connection with credit agreement in the form of an overdraft facility

1 Where a credit agreement covers credit in the form of an overdraft facility, the consumer shall be kept regularly informed by means of a statement of account, on paper or on another durable medium, containing the following particulars:

- a the precise period to which the statement of account relates;
- b the amounts and dates of drawdowns;
- c the balance from the previous statement, and the date thereof;
- d the new balance;
- e the dates and amounts of payments made by the consumer;
- f the borrowing rate applied;
- g any charges that have been applied;
- h where applicable, the minimum amount to be paid.

2 In addition, the consumer shall be informed on paper or another durable medium of increases in the borrowing rate, or in any charges payable, before the change in question enters into force.

However, the parties may agree in the credit agreement that information concerning changes in the borrowing rate is to be given in the manner provided for in paragraph 1 in cases where the change in the borrowing rate is caused by a change in a reference rate, the new reference rate is made publicly available by appropriate means and the information concerning the new reference rate is also kept available in the premises of the creditor.

Article 13

Open-end credit agreements

1 The consumer may effect standard termination of an open-end credit agreement free of charge at any time unless the parties have agreed on a period of notice. Such a period may not exceed one month.

If agreed in the credit agreement, the creditor may effect standard termination of an open-end credit agreement by giving the consumer at least two months' notice drawn up on paper or on another durable medium.

2 If agreed in the credit agreement, the creditor may, for objectively justified reasons, terminate the consumer's right to draw down on an open-end credit agreement. The creditor shall inform the consumer of the termination and the reasons for it on paper or on another durable medium, where possible before the termination and at the latest immediately thereafter, unless the provision of such information is prohibited by other Community legislation or is contrary to objectives of public policy or public security.

Article 14

Right of withdrawal

1 The consumer shall have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason.

That period of withdrawal shall begin

- a either from the day of the conclusion of the credit agreement, or
- b from the day on which the consumer receives the contractual terms and conditions and information in accordance with Article 10, if that day is later than the date referred to in point (a) of this subparagraph.

2 Where in the case of a linked credit agreement, as defined in Article 3(n), national legislation at the time of the entry into force of this Directive already provides that funds cannot be made available to the consumer before the expiry of a specific period, Member States may exceptionally provide that the period referred to in paragraph 1 of this Article may be reduced to this specific period at the explicit request of the consumer.

3 If the consumer exercises his right of withdrawal, he shall:

- a in order to give effect to the withdrawal before the expiry of the deadline referred to in paragraph 1, notify this to the creditor in line with the information given by the creditor pursuant to Article 10(2)(p) by means which can be proven in accordance with national law. The deadline shall be deemed to have been met if that notification, if it is on paper or

on another durable medium that is available and accessible to the creditor, is dispatched before the deadline expires; and

- b pay to the creditor the capital and the interest accrued thereon from the date the credit was drawn down until the date the capital is repaid, without any undue delay and no later than 30 calendar days after the despatch by him to the creditor of notification of the withdrawal. The interest shall be calculated on the basis of the agreed borrowing rate. The creditor shall not be entitled to any other compensation from the consumer in the event of withdrawal, except compensation for any non-returnable charges paid by the creditor to any public administrative body.

4 If an ancillary service relating to the credit agreement is provided by the creditor or by a third party on the basis of an agreement between the third party and the creditor, the consumer shall no longer be bound by the ancillary service contract if the consumer exercises his right of withdrawal from the credit agreement in accordance with this Article.

5 If the consumer has a right of withdrawal under paragraphs 1, 3 and 4, Articles 6 and 7 of Directive 2002/65/EC and Article 5 of Council Directive 85/577/EEC of 20 December 1985 to protect the consumer in respect of contracts negotiated away from business premises⁽¹⁾ shall not apply.

6 Member States may provide that paragraphs 1 to 4 of this Article shall not apply to credit agreements which by law are required to be concluded through the services of a notary, provided that the notary confirms that the consumer is guaranteed the rights provided for under Articles 5 and 10.

7 This Article shall be without prejudice to any rule of national law establishing a period of time during which the performance of the contract may not begin.

Article 15

Linked credit agreements

1 Where the consumer has exercised a right of withdrawal, based on Community law, concerning a contract for the supply of goods or services, he shall no longer be bound by a linked credit agreement.

2 Where the goods or services covered by a linked credit agreement are not supplied, or are supplied only in part, or are not in conformity with the contract for the supply thereof, the consumer shall have the right to pursue remedies against the creditor if the consumer has pursued his remedies against the supplier but has failed to obtain the satisfaction to which he is entitled according to the law or the contract for the supply of goods or services. Member States shall determine to what extent and under what conditions those remedies shall be exercisable.

3 This Article shall be without prejudice to any national rules rendering the creditor jointly and severally liable in respect of any claim which the consumer may have against the supplier where the purchase of goods or services from the supplier has been financed by a credit agreement.

Article 16

Early repayment

1 The consumer shall be entitled at any time to discharge fully or partially his obligations under a credit agreement. In such cases, he shall be entitled to a reduction in the total cost of

the credit, such reduction consisting of the interest and the costs for the remaining duration of the contract.

2 In the event of early repayment of credit the creditor shall be entitled to fair and objectively justified compensation for possible costs directly linked to early repayment of credit provided that the early repayment falls within a period for which the borrowing rate is fixed.

Such compensation may not exceed 1 % of the amount of credit repaid early, if the period of time between the early repayment and the agreed termination of the credit agreement exceeds one year. If the period does not exceed one year, the compensation may not exceed 0,5 % of the amount of credit repaid early.

3 Compensation for early repayment shall not be claimed:

- a if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee;
- b in the case of overdraft facilities; or
- c if the repayment falls within a period for which the borrowing rate is not fixed.

4 Member States may provide that:

- a such compensation may be claimed by the creditor only on condition that the amount of the early repayment exceeds the threshold defined by national law. That threshold shall not exceed EUR 10 000 within any period of 12 months;
- b the creditor may exceptionally claim higher compensation if he can prove that the loss he suffered from early repayment exceeds the amount determined under paragraph 2.

If the compensation claimed by the creditor exceeds the loss actually suffered, the consumer may claim a corresponding reduction.

In this case, the loss shall consist of the difference between the initially agreed interest rate and the interest rate at which the creditor can lend out the amount repaid early on the market at the time of early repayment, and shall take into account the impact of early repayment on administrative costs.

5 Any compensation shall not exceed the amount of interest the consumer would have paid during the period between the early repayment and the agreed date of termination of the credit agreement.

Article 17

Assignment of rights

1 In the event of assignment to a third party of the creditor's rights under a credit agreement or the agreement itself, the consumer shall be entitled to plead against the assignee any defence which was available to him against the original creditor, including set-off where the latter is permitted in the Member State concerned.

2 The consumer shall be informed of the assignment referred to in paragraph 1 except where the original creditor, by agreement with the assignee, continues to service the credit vis-à-vis the consumer.

Article 18

Overrunning

1 In the case of an agreement to open a current account, where there is a possibility that the consumer is allowed an overrun, the agreement shall contain in addition the information referred to in Article 6(1)(e). The creditor shall in any case provide that information on paper or another durable medium on a regular basis.

2 In the event of a significant overrunning exceeding a period of one month, the creditor shall inform the consumer without delay, on paper or on another durable medium,

- a of the overrunning;
- b of the amount involved;
- c of the borrowing rate;
- d of any penalties, charges or interest on arrears applicable.

3 This Article shall be without prejudice to any rule of national law requiring the creditor to offer another kind of credit product when the duration of the overrunning is significant.

Status: This is the original version (as it was originally adopted).

(1) [OJ L 372, 31.12.1985, p. 31.](#)