

Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (Text with EEA relevance)

CHAPTER 4

INFORMATION AND PRACTICES PRELIMINARY TO THE CONCLUSION OF THE CREDIT AGREEMENT

Article 16

Adequate explanations

1 Member States shall ensure that creditors and, where applicable, credit intermediaries or appointed representatives provide adequate explanations to the consumer on the proposed credit agreements and any ancillary services, in order to place the consumer in a position enabling him to assess whether the proposed credit agreements and ancillary services are adapted to his needs and financial situation.

The explanations shall, where applicable, include in particular:

- a the pre-contractual information to be provided in accordance with:
 - (i) Article 14 in the case of creditors;
 - (ii) Articles 14 and 15 in the case of credit intermediaries or appointed representatives;
- b the essential characteristics of the products proposed;
- c the specific effects the products proposed may have on the consumer, including the consequences of default in payment by the consumer; and
- d where ancillary services are bundled with a credit agreement, whether each component of the bundle can be terminated separately and the implications for the consumer of doing so.

2 Member States may adapt the manner by which and the extent to which the explanations referred to in paragraph 1 is given, as well as by whom it is given, to the circumstances of the situation in which the credit agreement is offered, the person to whom it is offered and the nature of the credit offered.