

**The full text of
Act No 90/2016 Coll. on housing loans (and amending certain laws),
as amended by Act No 299/2016 Coll and Act No 279/2017 Coll.**

The National Council of the Slovak Republic has adopted this Act:

**Section I
General provisions**

**Article 1
Subject matter of the Act**

(1) This Act regulates:

- (a) the rights and obligations related to the provision of housing loans under housing loan agreements;
- (b) the terms and conditions under which a housing loan may be provided;
- (c) housing loan agreements;
- (d) the method for calculating the total cost of a housing loan to the borrower;¹
- (e) the terms and conditions for the conduct of business in the granting of housing loans and other consumer protection measures.

(2) For the purposes of this Act, ‘housing loan’ means a sum of money borrowed from a creditor under a housing loan agreement, to be repaid at a later date agreed therein, in the form of a deferred payment, loan, credit or other similar financial assistance:

- (a) which is secured by a pledge of immovable property, whether residential or non-residential, (hereinafter ‘immovable property’) or immovable property under construction, or by another security interest in such property;
- (b) which is earmarked for the acquisition of an ownership right to residential immovable property, by acquiring or retaining an ownership right to land or to existing residential immovable property or residential immovable property under construction, irrespective of the subject of the pledge or other security interest; or
- (c) which is earmarked for the repayment of a housing loan as referred to in paragraphs (3)(a) and 3(b).

(3) The housing loan category also includes mortgage loans as defined in a separate regulation² and certain types of building loans and other loans as defined in a separate regulation;³ this is without prejudice to the provisions of separate regulations⁴ concerning the provision of such loans.

(4) Housing loans do not include:

- (a) consumer loans as defined in a separate regulation;⁵
- (b) equity release agreements:

1. the loan is provided in a single payment, periodic payments or other forms loan disbursement in return for a sum deriving from the future sale of residential immovable property or a right relating to residential immovable property;
 2. the loan is not required to be repaid until one or more specified life events occur on the borrower's side, unless the borrower breaches any of their contractual obligations which allows the creditor to terminate the loan agreement;
- (c) loans which employers provide to their employees from their own resources, free of interest or at an annual percentage rate of charge lower than those prevailing on the financial market, and which are not offered to the public generally;
- (d) loans provided free of interest and any other fees, except those that recover costs directly related to the securing of the loan;
- (e) loans which are provided in the form of an overdraft facility and have to be repaid within one month;
- (f) loans which are the outcome of a settlement reached in court or before another statutory authority;
- (g) loans which relate to the deferred payment, free of charge, of an existing debt, and which do not fall within the scope of paragraph (2)(a);
- (h) loans provided to owners of residential and non-residential premises in blocks of flats, represented by the owners' association or the administrator of such premises for the purposes specified in a separate regulation;⁷
- (i) loans provided under a separate regulation.⁸

(5) Housing loans as defined in this Act may not be provided in cash.

(6) For the purposes of applying a tax benefit to interest paid on housing loans,^{8a} 'housing loan' means a loan with a term of not less than five years and not more than 30 years, secured by a pledge of domestic immovable property, whether finished or under construction, provided to the borrower by a creditor other than a home savings bank in accordance with point 1 of Article 2(1)(a) and for any of the following purposes:

- (a) to acquire domestic residential immovable property or a part thereof;
- (b) to construct domestic residential immovable property; or
- (c) to modify an existing residential building.^{8c}

(7) For the purposes of paragraph (6), 'domestic residential immovable property' means a house or flat as defined in a separate regulation.^{8d}

Article 2

Basic provisions

(1) For the purposes of this Act, the following definitions shall apply:

- (a) 'Creditor' means either of the following:
1. a bank, a foreign bank, or a foreign bank branch,⁹ authorised by Národná banka Slovenska under a separate regulation¹⁰ to offer and provide housing loans as part of its banking business;

2. a natural person who can satisfactorily demonstrate that they have enough own funds to provide housing loans in an amount of at least EUR 16,600,000, as well as additional resources for the provision of housing loans, or a legal entity having a paid-up share capital of at least EUR 16,600,000 and duly authorised by Národná banka Slovenska under a separate regulation,¹¹ which provides or offers to provide housing loans within the scope of its business activity; the availability of own funds is to be proved with a document certifying the origin of own funds in an amount of at least EUR 16,600,000 and a document certifying the origin of additional resources for the provision of housing loans.
- (b) ‘Housing loan agreement’ means an agreement whereby a creditor undertakes to grant a housing loan to a borrower and the borrower undertakes to repay the funds received and to pay the total costs related to the provision of the loan.
- (c) ‘Ancillary service’ means a service offered to a borrower in conjunction with a housing loan agreement.
- (d) ‘Group’ means a group of creditors which are to be consolidated for the purposes of drawing up consolidated financial statements under a separate regulation.¹²
- (e) ‘Staff member’ means:
1. any natural person working for a creditor or financial agent¹³ and being directly engaged in activities covered by this Act or having contacts with borrowers in the course of activities covered by this Act;
 2. any natural person working for a financial agent and having contacts with borrowers in the course of activities covered by this Act;
 3. any natural person directly managing or supervising the natural persons referred to in points 1 and 2 in accordance with a separate regulation;¹⁴
- (f) ‘Total cost of the loan to the borrower’ means the total cost of a housing loan to the borrower, including the following: interest, commissions, taxes and any other kind of fees which the borrower is required to pay in connection with the housing loan agreement and which are known to the creditor, except for notarial fees; costs in respect of ancillary services related to the housing loan agreement, in particular insurance premiums, if, in addition, the conclusion of a service contract is compulsory in order to obtain the housing loan or to obtain it on the terms and conditions marketed; and the cost of valuation of property where such valuation is necessary to obtain the housing loan but excluding registration fees for the transfer of ownership of the immovable property. It excludes any charges payable by the borrower for non-compliance with the commitments laid down in the housing loan agreement.
- (g) ‘Total amount payable by the borrower’ means the sum of the total amount of the housing loan and the total cost of the loan to the borrower.
- (h) ‘Annual percentage rate of charge (APRC)’ means the total cost of the loan to the borrower, expressed as an annual percentage of the total amount of the housing loan, where applicable, including the costs referred to in Article 7 and equates, on an annual basis, to the present value of all future or existing commitments (drawdowns, repayments and charges) agreed by the creditor and the borrower.
- (i) ‘Borrowing rate’ means the interest rate on a housing loan expressed as a fixed or variable percentage applied on annual basis to the amount of credit drawn down.

- (j) 'Fixed borrowing rate' means, as agreed between the creditor and borrower in the housing loan agreement, one borrowing rate for the entire duration of the agreement, or several borrowing rates for partial periods using exclusively a fixed specific percentage agreed on the conclusion of the housing loan agreement; if not all borrowing rates of a housing loan are determined in the housing loan agreement, the borrowing rate shall be deemed to be fixed only for the partial periods for which the borrowing rates are determined exclusively by a fixed percentage agreed on the conclusion of the housing loan agreement.
- (k) 'Total amount of the housing loan' means the ceiling or the total sums made available under a housing loan agreement.
- (l) 'creditworthiness assessment' means the evaluation of the prospect for the debt obligation resulting from the housing loan agreement to be met by the borrower in a due and timely manner.
- (m) 'Member State' means a Member State of the European Union or a Member State of the European Free Trade Agreement.
- (n) 'Home Member State' means the Member State in which the creditor or financial agent has their permanent residence or place of business (where the creditor or financial agent is a natural person) or its registered office (where the creditor or financial agent is a legal entity).
- (o) 'Host Member State' means the Member State, other than the home Member State, in which the creditor or financial agent has a branch or provides services.
- (p) 'Contingent liability or guarantee' means a loan agreement which acts as a guarantee for another separate but ancillary transaction, and where the loan principal secured by immovable property is only drawn down if an event or events specified in the agreement occurs.
- (q) 'Shared equity loan agreement' means a loan agreement where the principal repayable is based on a contractually set percentage of the value of the residential immovable property at the time of principal repayment or repayments.
- (r) 'Tying practice' means the offering or the selling of a housing loan agreement under Article 1(2) and (3) in a package with other distinct financial products or services where the loan agreement is not made available to the borrower separately.
- (s) 'Bundling practice' means the offering or the selling of a housing loan agreement under Article 1(2) and (3) in a package with other distinct financial products or services where the loan agreement is also made available to the borrower separately but not necessarily on the same terms or conditions as when offered bundled with the ancillary services.
- (t) 'Foreign-currency housing loan' means a housing loan denominated in a currency other than that in which the borrower receives the income or holds the assets from which the loan is to be repaid, or in a currency other than that of the Member State in which the borrower is resident.
- (u) 'Calendar month' means the calendar month counted from the first day of the calendar month following the month in which the housing loan was provided.

(2) In the case of a creditor as defined in a separate regulation,¹⁵ the total volume of housing loans provided by that creditor over the last 12 calendar months may not exceed EUR 10,000, in any of the following 12 calendar months; this is without prejudice to the

provisions of paragraph (1)(b). The total volume of housing loans provided shall be calculated using only the loan amounts agreed in loan agreements, excluding fees.

Information and practices preliminary to the conclusion of a housing loan agreement

Article 3

Information to be included in advertising

(1) Advertising,¹⁶ including any advertising and marketing communications concerning housing loan agreements, shall be fair, clear and not misleading.¹⁷

(2) Any advertising and marketing communications that may create false expectations for potential borrowers regarding the availability or the costs of housing loans shall be prohibited.

(3) Any advertising concerning housing loans or any offer of such loans, which indicates an interest rate or any figures relating to the total cost of a loan to the borrower, shall contain comprehensible, concise and clear information in the form of a representative example as stipulated by a separate regulation.¹⁸

Article 4

Tying and bundling practices

(1) Creditors may employ bundling practices; this is without prejudice to the provisions of separate regulations.¹⁹ Tying practices, however, shall be prohibited for creditors.

(2) Creditors may require borrowers to have a relevant insurance policy relating to a housing loan agreement. In such cases, the creditor shall also accept an insurance policy from a supplier other than its preferred supplier where such policy has a level of guarantee equivalent to the one the creditor has proposed; this is without prejudice to the provisions of separate regulations.¹⁹

Article 5

General pre-contractual information

(1) Creditors shall, before concluding or modifying a housing loan agreement, inform the borrower free of charge about the procedure for granting a housing loan (hereinafter the 'lending procedure'), about the housing loan administration procedure for monitoring borrowers' ability to repay housing loans (hereinafter the 'repayment ability monitoring procedure'), about the supervisory authorities for creditors providing housing loans, and about the activities of consumer associations.

(2) Creditors shall:

(a) adopt, apply and comply with internal regulations concerning the lending procedure, the repayment ability monitoring procedure, and the provision of information about the supervisory authorities for creditors offering housing loans and about the activities of consumer associations;

- (b) adopt and use effective and transparent procedures for the provision of information, prior to the conclusion of a housing loan agreement, about the lending procedure and about the repayment ability monitoring procedure;
- (c) ensure compliance with the provisions of paragraph (1) well in advance of the conclusion of a housing loan agreement with a borrower, no later than the date when the housing loan agreement is concluded;
- (d) publish on its website and business premises written information in the state language²⁰ in accordance with paragraph (1);
- (e) inform each borrower with whom they have a valid housing loan agreement of any change related to the lending procedure and to the repayment ability monitoring procedure, in the manner described in point (d) no later than 60 days before the relevant change becomes effective.

(3) Creditors shall, for supervisory purposes, demonstrate satisfactorily that borrowers have been informed and advised about the lending procedure, about the repayment ability monitoring procedure, about the supervisory authorities for creditors offering housing loans, and about the activities of consumer associations.

(4) Creditors shall, where necessary, inform borrowers repeatedly about the lending procedure, about the repayment ability monitoring procedure, about the activities of consumer associations, and about the supervisory authorities for creditors offering housing loans.

(5) The information that creditors are required to disclose on their business premises or in other forms as specified in paragraph (2)(d) must contain, inter alia, the creditor's general terms and conditions, as amended, related to the provision of a housing loan where the housing loan agreement contains references thereto. Additional information shall be provided by the creditor if requested by the borrower.

(6) Creditors shall provide borrowers with general information on the housing loan, either on paper or on another durable medium,²¹ by means of the European Standardised Information Sheet (hereinafter 'the ESIS'), which is shown in Annex 1.

(7) The general information on the housing loan referred to in paragraph (6) means the following information presented in a clear and unambiguous manner:

- (a) if the creditor or financial agent is a legal entity, the entity's business name, its registered office address or place of business, and its identification number, or if the creditor or financial agent is a natural person, that person's full name, place of business or permanent address, and personal identification number, if assigned;
- (b) the purpose for which the housing loan may be used;
- (c) the form of security or insurance and, where applicable, the option that the required form of security or insurance may be located in another Member State;
- (d) the duration of the housing loan agreement;
- (e) the type of the borrowing rate agreed for the housing loan, including a brief description of the parameters of the fixed and variable rates, including their implications for the borrower;

- (f) if the housing loan is denominated in a foreign currency, the foreign currency or currencies used, including their possible implications for the borrower;
- (g) the total amount of the housing loan, the total cost of the loan to the borrower, the total amount payable by the borrower, and the APRC illustrated by means of a representative example;
- (h) the future costs not included in the total cost of the housing loan to the borrower, which are to be paid in connection with the relevant housing loan agreement;
- (i) the options for housing loan repayment, the parameters of loan repayment to the creditor, including the number of principal repayments and the frequency and amount of periodic loan repayments;
- (j) the terms and conditions stipulated for early housing loan repayment;
- (k) the requirement for a valuation of the borrower's immovable property, the cost of that valuation to the borrower, and information about the property appraiser;²²
- (l) the obligation to enter into an ancillary service agreement for a housing loan agreement under Article 4(2) where a condition for the borrower to obtain a housing loan is to enter into an ancillary service agreement, and information as to whether an ancillary service agreement can be concluded with a loan provider other than the creditor;
- (m) the total amount of interest payable until a new interest rate is set for the housing loan;
- (n) the outstanding amount of the loan principal:
 1. as at the interest rate reset date for the housing loan;
 2. as at the end of the period preceding the interest rate reset date for the housing loan;
 and
- (o) in the case of an available housing loan agreement referring to a benchmark under a separate regulation,^{22a} the name of the benchmark and its administrator, and information about the implications of a change to the benchmark for the borrower.

(8) Creditors shall provide borrowers with information as referred to in paragraphs (7)(m) and 7(n) prior to the conclusion of a housing loan agreement, or prior to the conclusion of a housing loan agreement relating to a housing loan as defined in paragraphs (2)(a) and 2(b) and paragraph (3) of Article 1, and with any other information requested by the borrower. In the case of a variable-rate loan, the information provided to the borrower by the creditor under paragraphs (7)(m) and (7)(n) shall be for information purposes only.

(9) In the case of a housing loan agreement under which the borrower is to repay the loan in a fixed number of instalments within a fixed period of time and to discharge obligations arising from the housing loan agreement, the creditor shall state comprehensibly and briefly in the information provided under paragraph (7) whether or not it guarantees compliance with the loan conditions and loan repayment in full in accordance with the housing loan agreement.

Article 6

General provisions concerning information disclosure prior to the conclusion of a housing loan agreement

(1) The creditor shall provide the borrower, free of charge and in due time, with all the information referred to in Article 5, including clear and comprehensible explanations, in order

that the borrower could assess whether the housing loan and ancillary service offered satisfy their needs and correspond to their financial situation. The information so provided shall contain adequate explanations for the basic parameters of the loan product and ancillary service offered, as well as the possible implications for the borrower, including the consequences of non-compliance with the housing loan and ancillary service agreements, and shall be provided prior to the conclusion of the relevant housing loan agreement under Article 5.

(2) The creditor shall inform the borrower as to whether an ancillary service provided in connection with a housing loan agreement may be terminated separately and whether its termination may have implications for the borrower.

Article 7

Annual percentage rate of charge

(1) The APRC shall be calculated in accordance with the mathematical formula set out in Annex 2. Where applicable, the additional assumptions set out in Annex 2 may also be used in the calculation of the APRC.

(2) In calculating the APRC, the total cost of the housing loan to the borrower shall be used. The costs of opening and maintaining a specific account for payment transactions, of using a means of payment for both transactions and drawdowns on that account and of other costs relating to payment transactions shall be included in the total cost of the housing loan to the borrower whenever the opening or maintaining of an account is obligatory in order to obtain a housing loan or to obtain it on the terms and conditions marketed.

(3) The calculation of the APRC shall be based on the assumption that the housing loan agreement is to remain valid for the period agreed and that both the creditor and the borrower will fulfil their obligations under the terms and by the dates specified in the loan agreement.

(4) In the case of a housing loan agreement containing clauses allowing variations in the borrowing rate and, where applicable, in the charges contained in the APRC but unquantifiable at the time of calculation, the APRC shall be calculated on the assumption that the borrowing rate and other charges will remain fixed in relation to the values set at the conclusion of the loan agreement, until the date when the agreement expires.

(5) In the case of a housing loan agreement for which a fixed borrowing rate is agreed for an initial period of at least five years, at the end of which a new borrowing rate is fixed for a further material period, the calculation of an additional illustrative APRC disclosed in the ESIS shall cover only the initial rate fixation period and shall be based on the assumption that, at the end of the borrowing rate fixation period, the loan principal outstanding shall be repaid and the contractual relationship between the creditor and the borrower shall continue.

(6) In the case of a housing loan agreement for which a variable interest rate is agreed, the creditor shall promptly inform the borrower of the possible impact of interest rate resetting on the amount of loan repayments and on the APRC, either in writing or through the ESIS, as soon as such impact comes to its knowledge.

(7) The creditor shall provide the information referred to in paragraph (6) to the borrower in the form of an additional APRC, calculated with respect to the risks associated with a significant rise in the borrowing rate.

(8) In the case of a housing loan agreement for which a variable borrowing rate is agreed without restrictions, the creditor shall warn the borrower well in advance of any change in the total cost of the housing loan to the borrower; this does not apply to housing loan agreements as referred to in paragraph (5).

Article 8

Assessment of borrowers' ability to repay housing loans

(1) Before concluding a housing loan agreement or before amending a housing loan agreement in such a way that significantly increases the total amount of the housing loan, the creditor shall with due diligence assess the borrower's ability to repay the housing loan.

(2) A borrower's ability to repay a housing loan shall be assessed with respect to their capacity to meet the obligations arising from the housing loan agreement and with respect to all the necessary and relevant factors that may affect the borrower's ability to repay the loan over the term of the housing loan agreement. When assessing a borrower's ability to repay a housing loan, the creditor shall take into consideration the term for which the loan is to be provided, the amount of the loan, the borrower's income and expenses, the purpose of the loan, and other financial and economic circumstances that may affect the borrower's capacity to meet the obligations arising from the housing loan agreement.

(3) When assessing a borrower's ability to repay a housing loan, the creditor shall set, observe and regularly review the limit on the indicator of the borrower's ability to repay the housing loan (hereinafter the borrower's 'debt service-to-income (DSTI) ratio') and the limit on the borrower's total debt-to-income (DTI) ratio.

(4) The DSTI ratio limit shall be calculated on the basis of the following factors:

- (a) the borrower's income;
- (b) the borrower's total expenditure on basic necessities;
- (c) the amount of the housing loan instalments;
- (d) the borrower's income-reducing financial obligations.

(5) The creditor shall set a limit on the borrower's DSTI ratio so that the items used in calculating that limit under paragraphs (4)(b) to (4)(d) do not exceed the item specified in paragraph (4)(a); this limit may be exceeded if the term of the loan is extended by up to six months owing to the borrower's unanticipated financial difficulties.

(6) In the case of a housing loan not subject to a fixed borrowing rate over the term of the loan, the creditor shall, when calculating the DSTI ratio limit, take into account the impact of a possible increase in the borrowing rate.

(7) Creditors may provide housing loans only to borrowers that comply with the DSTI ratio limit and the DTI ratio limit as defined in paragraph (3).

(8) The condition set out in paragraph (7) does not apply to housing loans that are to be used to refinance one or more existing housing loans or consumer loans under a separate regulation,⁵ or to existing housing loans that are to be topped up by amending the loan agreement, provided that the amount of the housing loan applied for does not significantly exceed the sum of the outstanding amounts of the loans to be refinanced or topped up.

(9) When setting a borrower's DSTI ratio limit and DTI ratio limit under paragraph (3), the creditor shall not take into account the following factors:

- (a) the securing of the claims arising from the housing loan agreement;
- (b) the expected increase in the borrower's income;
- (c) the insurance of the repayment of the housing loan in full or in part.

(10) For the purposes listed in paragraph (3), the creditor shall use sufficient, appropriate and up-to-date information on the borrower's income, the borrower's expenditure on the basic necessities of the borrower and of persons to whom the borrower has a maintenance obligation,^{23a} and the borrower's financial commitments and total debt, and other information on the borrower's financial and economic situation. The information on the borrower's income referred to in the previous sentence shall be duly documented and verified on the basis of internal or external sources independent of the borrower. For the purposes of assessing the borrower's ability to repay the housing loan and for the purposes mentioned in paragraph (3), the creditor shall, with or without the borrower's consent, via the operator of a register, electronically verify the information on the borrower's income received from the Social Insurance Agency.^{23aa} The creditor shall verify only that information on income which was previously provided by the borrower whose ability to repay a housing loan is being assessed. The borrower's expenditure on the basic necessities of the borrower and of persons to whom the borrower has a maintenance obligation^{23a} are to be assessed with respect to the minimum subsistence amount as defined in a separate regulation^{23b} and to the borrower's income.

(11) When assessing a borrower's income for the purposes of calculating the borrower's ability to repay the housing loan, the creditor shall take account of the expected decrease in the borrower's income, in particular any decrease related to the borrower starting retirement²⁴ during the lifetime of the loan.

(12) Creditor shall set, observe and regularly review limits on the terms of housing loans.

(13) Creditors may provide a housing loan to a borrower only if the term of the loan complies with the limit set by the creditor under paragraph (12).

(14) The condition set out in paragraph (13) does not apply to housing loans that will be refinanced, provided that the amount of the housing loan applied for does not significantly exceed the sum of the outstanding amounts of the loans to be refinanced and that the term of the loan applied for is no longer than the average residual term of the loans to be refinanced; that average

shall be calculated as the weighted average of the residual terms of the loans to be refinanced, weighted by the outstanding principals of these loans.

(15) Where housing loans are provided through financial agents, the creditor shall separately monitor the provision of such loans through financial agents under a separate law,¹³ with the focus being on assessing whether housing loans provided in this way carry a higher risk of default than housing loans provided directly by the creditor. Where a higher risk of default is identified in housing loans provided through financial agents under a separate law¹³ than in housing loans provided by the creditor, the creditor shall promptly take the necessary measures to reduce that risk.

(16) In a decree²⁶ issued in agreement with the Ministry of Finance of the Slovak Republic (hereinafter ‘the Ministry of Finance’), Národná banka Slovenska may stipulate details about:

- (a) the method for calculating the borrower’s DSTI ratio, the method for determining a borrower’s expenses and their minimum amount, the method for setting DSTI ratio limits and the level of these limits, the method for taking account of a possible increase in the borrowing rate and the extent of that increase, and what is meant by a ‘significant increase’ in the total amount of a housing loan and by ‘significantly exceeding’ the sum of existing housing loans’ outstanding amounts;
- (b) the requirements for the submission of documents certifying a borrower’s income and for the verification of information on such income;
- (c) the maximum term of a housing loan, including the length of the maximum term;
- (d) the method and terms of the gradual repayment of housing loans;
- (e) the maximum limit on the share of loans provided through financial agents under a separate regulation¹³ in the total volume of housing loans, and the level of that limit;
- (f) the maximum limit on the loan-to-value (LTV) ratio for housing loans, the level of that limit, and the conditions for the valuation of the residential immovable property collateral;
- (g) the maximum limit on the DTI ratio, the level of this limit, and the method for calculating the ratio.

(17) Before approving a significant increase in the total amount of a housing loan, the creditor shall reassess the borrower’s ability to repay the housing loan on the basis of updated information as stipulated in paragraph (2); this does not apply where the increase in the housing loan was envisaged and taken into account in the original assessment of the borrower’s ability to repay the housing loan.

(18) In order to exercise due diligence when providing a housing loan, the creditor shall employ, document and maintain procedures and information for assessing the borrower’s ability to repay the housing loan and shall proceed in accordance with those procedures and information when providing the housing loan.

(19) The creditor may not assess a borrower’s ability to repay a housing loan solely on the basis of whether the value of the residential immovable property collateral exceeds the amount of

the housing loan or on the assumption that its value will rise still further, unless the purpose of the housing loan is to finance the construction or renovation of residential immovable property.

(20) For the purpose of providing housing loans and assessing borrowers' ability to repay housing loans, creditors shall send information on housing loans to at least one electronic data register²⁷ (hereinafter a 'register').

(21) Operators of registers shall, with or without the borrower's consent, provide creditors under a separate regulation,²⁸ banks, foreign banks and foreign bank branches²⁹ with information from the register in the scope stipulated in a separate regulation²⁹ for the purposes specified in paragraph (23) and in accordance with the terms and conditions stipulated by the operator. The operator may, under an authorisation granted by the borrower, also obtain the information referred to in the previous sentence from other registers.

(22) The creditor shall observe the rights, obligations and procedures related to the register in accordance with a separate regulation.²⁸

(23) For the purpose of assessing borrowers' ability to repay housing loans, creditors shall with due diligence obtain and responsibly use information on borrowers, so that the requirements laid down in paragraph (31) are met.

(24) After concluding a housing loan agreement with a borrower, the creditor shall, with or without the borrower's consent, send information to the relevant register in the scope specified in a separate regulation³⁰ on each borrower with whom it has concluded, modified or terminated a housing loan agreement, for the purposes specified in paragraphs (1), (2) and (17), within one month of the conclusion, modification or termination of the loan agreement under the terms and conditions stipulated by the operator of that register. Responsibility for the correctness, completeness and timeliness of the information sent to the register shall be borne by the creditor that has sent the information to the register. This is without prejudice to the relevant provisions of a separate regulation.³¹

(25) Operators of registers shall, in cooperation with the Social Insurance Agency, enable creditors to verify electronically information concerning the income of borrowers.^{23aa}

(26) After concluding a housing loan agreement with a borrower, the creditor may not terminate or modify the agreement to the detriment of the borrower on the grounds that the assessment of the borrower's ability to repay the housing loan, made in accordance with paragraphs (1) to (3) and (17) to (19), is incorrect or and that the information obtained from the borrower under Article 11 is incomplete; this does not apply where the borrower has provided incorrect information or withheld any information required under Article 11.

(27) On the basis of a final decision of a court or another statutory authority on a case of non-compliance with the obligations referred to in Article 15, the creditor shall provide a housing loan to the borrower without interest and fees.

(28) The creditor shall inform the borrower of its intention to consult the register or database referred to in paragraph (10), Article 12(1) or a similar database in another Member

State, and shall provide a housing loan to the borrower only if the borrower is able to meet the obligations arising from the housing loan agreement.

(29) If the creditor rejects a housing loan application on the basis of information obtained from the register or database referred to in paragraph (10), Article 12(1) or from a similar database in another Member State, the creditor shall inform the borrower without undue delay about the information so obtained and provide the name of the database consulted.

(30) Where a creditor rejects a housing loan application, it shall inform the borrower without undue delay of the rejection. The creditor may inform the borrower, where applicable, that the rejection is based on automatic processing of information, and may also inform the borrower of the result of the database consultation and of the particulars of the database consulted in assessing the borrower's ability to repay the housing loan.

(31) Exercising due diligence means that:

- (a) the creditor provides the borrower with the necessary information prior to the conclusion of a housing loan agreement under Articles 5 and 6;
- (b) the creditor assesses the borrower's ability to repay a housing loan with regard to the information obtained about the borrower or, where the creditor is a creditor as defined in a separate regulation,⁹ a bank, a foreign bank, or foreign bank branch,²⁹ it assesses the borrower's ability to repay the housing loan with respect to the information obtained from one or more registers that are supplied with information by creditors, the number of which corresponds to at least two-thirds of creditors as defined in a separate regulation²⁸ and are included in the list of creditors under a separate regulation,³² banks, foreign banks, or foreign bank branches, at the time when the borrower's ability to repay the housing loan is assessed.

(32) Creditors shall draw up and regularly review internal regulations setting conditions for the gradual repayment of housing loans. These conditions shall apply to the setting of the amount of a borrower's instalments when:

- (a) providing a housing loan;
- (b) the borrowing rate, if not fixed for the term of the loan, is reset at a stipulated time in response to financial market developments.

(33) Unless paragraphs (34) and (36) provide otherwise, the gradual repayment of a housing loan under paragraph (32) is subject to the following conditions:

- (a) the loan is to be repaid in regular instalments at least once a month;
- (b) after each instalment, the outstanding principal of the loan may not exceed the outstanding principal of a housing loan with regular constant instalments.

(34) The condition referred to in paragraph (33)(b) does not apply where:

- (a) the interest or principal repayment is postponed or reduced temporarily owing to the borrower experiencing unexpected financial difficulties the housing loan repayment period;
- (b) the housing loan repayment period does not exceed six months;

- (c) the borrowing rate, if not fixed for the term of the loan, is reset at a stipulated time in response to financial market developments;
- (d) the borrower becomes the parent or adoptive parent of a child, and all the conditions set out in Article 13(16) are met;
- (e) the repayment of a housing loan provided for the construction of residential immovable property is postponed for a period no longer than 18 months from the first drawdown.

(35) In the case of a housing loan where the borrowing rate is not fixed for the term of the loan and may be reset at a stipulated time in response to financial market developments, the condition mentioned in paragraph (33)(b) shall be apply under the assumption that a constant borrowing rate is set for the term of the loan.

(36) The conditions set out in paragraph (33) does not apply to those housing loans provided under a separate regulation³ which are building loans as defined in a separate regulation,^{32a} where the sum of the regular monthly interest or principal repayment and the funds deposited in the home-saver's account, being at least sufficient to enable repayment, in equal instalments, of the difference between the amount needed for entitlement to a building loan and the amount held in the home-saver's account at the time when the housing loan is provided in the prescribed manner, with respect to the borrowing rate and the term of the loan.

(37) Where a housing loan is fully or partially secured under a separate regulation^{32b} throughout its term, the conditions set out in paragraph (33) shall apply to only that part of the loan that exceeds the value of assets pledged as security adjusted according to a separate regulation.^{32c}

Article 9

Assessment of housing loans secured by immovable property

(1) For the purpose of providing housing loans secured by a pledge of immovable property, creditors shall set, observe and regularly review the limit on the LTV ratio for housing loans.

(2) The LTV ratio for a housing loan means the ratio of the amount of the housing loan to the value of the immovable property pledged as security for that loan.

(3) For the purposes of paragraph (1), the creditor shall ensure that a prudent assessment of the value of the pledged immovable property is carried out in accordance with a separate regulation.²²

Article 10

Remuneration of the creditor's staff

(1) The creditor shall apply the principles of remuneration properly, honestly, justly, transparently and professionally, taking due account of the rights and interests of borrowers. The

creditor shall also apply the principles of remuneration to persons referred to in a separate regulation.³³

(2) The creditor shall ensure remuneration for its staff in a manner that does not hinder the performance of obligations concerning the rights and interests of borrowers.

(3) The creditor's principles for staff remuneration shall be consistent with its risk management system, business strategy and long-term objectives, and shall include measures for the prevention of conflicts of interest.

(4) The principles of staff remuneration under this Act does not apply to creditors that are banks.³⁴

(5) Financial agents and financial advisers shall adhere to the principles of staff remuneration under this Act or under a separate regulation.³⁵

Article 11

Verification of information on borrowers

(1) The creditor shall obtain information for the purposes of Article 8(1):

- (a) from internal or trustworthy external sources;
- (b) from the borrower;
- (c) from the financial agent.

(2) For the purpose of assessing a borrower's ability to repay the housing loan, the creditor shall ensure that the information on the borrower's income is duly documented or verified on the basis of an internal or trustworthy external source that is independent of the borrower.

(3) The borrower shall, if requested by the creditor, provide complete, accurate, comprehensible and independently verifiable information to the creditor so that, in good time before the conclusion of the loan agreement, it can assess the borrower's ability to repay the housing loan and meet the related costs; this is without prejudice to the creditor's obligation to obtain information about the borrower from the relevant database.

(4) If a borrower fails to meet the requirement set out in paragraph (3), the creditor shall instruct the borrower to eliminate or remedy the shortcomings revealed within a reasonable time frame.

(5) Creditors shall warn borrowers that if borrowers provide information unusable as a basis for assessing their ability to repay a housing loan or if borrowers refuse to provide the information or certificate the creditor needs for assessing their ability to repay a housing loan, the creditor shall provide the housing loan.

(6) The provisions of paragraphs (1) to (5) are without prejudice to the provisions of a separate regulation.³¹

Article 12
Access to databases

(1) The person in charge of processing information about borrowers in a register or database under a separate regulation³⁶ for the purpose of assessing their ability to repay a housing loan³⁷ and for the purposes of monitoring compliance by borrowers with the loan obligations throughout the duration of housing loan agreements and allowing access to information on borrowers for third parties, shall grant creditors from other Member States access to information on borrowers under the same non-discriminatory conditions that are offered to creditors established in the Slovak Republic. The person in question shall disclose the terms and conditions under which creditors will have remote access to information on borrowers.

(2) The terms and conditions referred to in paragraph (1) apply to all registers, irrespective of their operators.

(3) The provisions of paragraphs (1) and (2) are without prejudice to the provisions of a separate regulation.³¹

Information and rights related to housing loan agreements

Article 13
Housing loan agreements

(1) Creditors shall provide housing loans under the general terms and conditions they have attached to lending for housing purposes, which shall be in writing and shall contain at least the following information:

- (a) the due form of a housing loan agreement;
- (b) the procedure to be followed in submitting a housing loan application;
- (c) the terms and conditions for the provision of a housing loan, including a specification of the type, scope and manner of securing the claims arising from the housing loan agreement, and a specification of the borrower's expenses related to the loan and the related loan agreement;
- (d) the procedure to be following by the creditor when the borrower falls into in arrears with the repayment of a housing loan or of the related interest and fees;
- (e) the terms and conditions for the enforcement of a pledge of immovable property securing a housing loan;
- (f) information about the borrower's rights as specified in Article 18(6), (7) and (9).

(2) A housing loan agreement shall be concluded in writing, otherwise it shall be considered invalid. Each contracting party shall receive at least one copy of the agreement, either on paper form or on another durable medium provided that the access to the record is equivalent to that for the paper form.

(3) The creditor shall exercise due diligence and prove that it has informed the borrower of the general terms and conditions governing lending for housing purposes.

(4) Apart from general information as required under the Civil Code,³⁸ a housing loan agreement shall state the following information:

- (a) the type of the housing loan;
- (b) if the creditor is a legal entity, the entity's business name, registered office address and identification number, or if the creditor is a natural person, the person's full name, place of business or permanent address, and personal identification number; if the housing loan is offered, or the housing loan agreement is concluded, through a financial agent, the housing loan agreement shall include information on the financial agent in the same scope as the information required for a creditor, according to whether the financial agent is a legal entity or natural person;
- (c) the address of the creditor to which borrowers may send their claims or complaints;
- (d) the borrower's full name, date of birth, personal identification number, and address of permanent residence;
- (e) the duration of the housing loan agreement and the maturity date of the loan;
- (f) the total amount and the currency of the housing loan, and the terms and conditions under which it can be drawn down;
- (g) information as to whether the housing loan is provided in foreign currency in accordance with Article 16;
- (h) information as to whether the housing loan agreement can be modified;
- (i) the precise designation of the residential immovable property for which a housing loan is provided; this condition shall also be considered met if the residential immovable property is designated in a supplement to the housing loan agreement, no later than before the loan is provided in full or in part;
- (j) the borrowing rate for the housing loan, the terms governing its application, the index or reference rate to which the borrowing rate is tied, the time periods in which the borrowing rate will change, and how and under what conditions the borrowing rate will change; where different borrowing rates apply in different circumstances, such information shall be provided on all the applicable borrowing rates;
- (k) the fee charged under separate regulations;³⁹
- (l) the APRC and the total amount payable by the borrower, calculated on the basis of data valid as at the date when the housing loan agreement is concluded; all assumptions used to calculate the APRC are to be stated;
- (m) the amount, number and dates of principal, interest and fee payments, the order in which the individual outstanding amounts of the housing loan with different borrowing rates are to be repaid, and the procedure to be followed in accounting for the individual amounts repaid;
- (n) the borrower's right to request a statement of account in the form of an amortisation table as referred to in paragraph (8) where the loan principal is amortised on the basis of the relevant housing loan agreement for a definite period, free of charge and at any time throughout the duration of the housing loan agreement;
- (o) a comprehensive overview containing the deadlines and conditions for interest and (regular and irregular) fee payments where interest and fees are payable without principal amortisation;

- (p) the fees payable for the maintenance of one or more accounts used for recording payment transactions and drawdowns, where applicable, together with the fees payable for the use of payment instruments in payment transactions or drawdowns and other fees payable under the housing loan agreement, and the conditions under which such fees may be changed;
- (q) the interest rate charged for loan repayment arrears on the borrower's side, the manner of adjusting this rate, and charges for non-compliance with the housing loan agreement;
- (r) a warning concerning the possible consequences of a default in housing loan repayment;
- (s) a detailed specification of the type, manner and range of security arranged for the creditor's claims arising from the housing loan agreement or insurance;
- (t) the price of the immovable property that is to be pledged;
- (u) the amount of fees paid by the borrower for notarial services, where these fees are known to the creditor;
- (v) the right to early loan repayment, the procedure to be followed in repaying the housing loan before maturity, and the method of determining the amount of the fee payable for early loan repayment under Article 18;
- (w) changes in the circumstances on the borrower's side on the basis of which the creditor may require early loan repayment;
- (x) the dissolution of a liability arising from the housing loan agreement;
- (y) information about an out-of-court settlement of disputes arising from the housing loan agreement;
- (z) the right to reconsider before concluding a housing loan agreement and to withdraw from a housing loan agreement under Article 14(2) and (3);
- (aa) the manner of terminating by notice a housing loan agreement;
- (ab) the name and address of the competent supervisory authority⁴⁰ referred to in Article 23;
- (ac) the name of an agreement containing the word 'housing loan' in the appropriate grammatical form.

(5) A housing loan agreement may contain any other element agreed between the creditor and the borrower, but such additional element may not increase the loan amount substantially or disproportionately.

(6) The essential elements of a housing loan agreement may be changed only in a supplement to that agreement or in a new agreement; this does not apply to cases where the borrowing rate is changed on expiry of the initial rate fixation period. For the purposes specified in the previous sentence, the essential elements of a housing loan agreement are the elements listed in points (a), (e), (f), (i), (j), (l), (m), (o), (q) and (v) of paragraph (4).

(7) Where a housing loan agreement concluded for a definite period contains an agreement on principal amortisation, the creditor shall provide the borrower with a statement of account in the form of an amortisation table, free of charge and at any time during the term of the housing loan agreement.

(8) An amortisation table as referred to in paragraph (7) shall contain the instalments paid and payable and the deadlines and conditions for their payment, including the details of each

instalment and of the principal amortised, the interest calculated on the basis of the borrowing rate charged for the housing loan, and the additional costs; if the borrowing rate is not fixed or if the additional costs may change under the housing loan agreement, the amortisation table shall state comprehensibly and briefly that the information contained therein will be valid only until a new borrowing rate is set for the housing loan or the additional costs are changed in accordance with the housing loan agreement.

(9) Borrowers may not renounce any of the rights arising from this Act.

(10) Creditors may not offer borrowers any proposal for a housing loan agreement whose obvious purpose is to circumvent the provisions of this Act; such action also covers the practice of drawing down funds or concluding a housing loan agreement within the framework of a loan agreement the nature or purpose of which enables the parties to circumvent the provisions of this Act. If a creditor takes advantage of a borrower's mistake, lack of experience or credulity and stipulates contractual conditions designed to circumvent the provisions pertaining to housing loans, the housing loan agreement shall be considered invalid; this does not apply where the creditor proves that it has no intention to circumvent this Act and its actions are in accordance with good morals.

(11) Creditors may not offer borrowers the choice of governing law for housing loan agreements whose aim is to renounce a borrower from their rights arising from this Act; this is without prejudice to the provisions of a separate regulation.⁴¹

(12) Creditors may not charge borrowers any interest, fees or other costs that are not stipulated by this Act, nor by the relevant housing loan agreement.

(13) Creditors may not require borrowers to pay fees, cost compensation or other charges for the management, registration and maintenance of housing loan accounts or for the cancellation of such accounts, the opening and maintaining of which is a condition for the provision of a housing loan or for the provision of a housing loan under the terms and conditions offered.

(14) Creditors shall, in a notification as referred to in Article 18(6), inform borrowers of the conditions for early loan repayment in full or in part. Where these conditions are fulfilled, no payment may be required from the borrower for interest, fees or other costs.

(15) The creditor shall inform the borrower whenever a housing loan instalment is not paid in due time, in writing or in a text message sent via the Short Message Service (SMS), no later than 15 days of the due date of that instalment. The fee charged for such notification may not exceed the actually incurred and verifiably documented costs of delivery of a notification sent in the event of a delay in loan repayment by the borrower.

(16) Where the borrower is a person who, on the day of application for a housing loan, was at least 18 years old but no older than 35, the housing loan agreement shall also contain a commitment by the creditor to allow a postponement of principal repayments or a reduction of up to 50% in the amount of monthly instalments for 36 months, if the borrower becomes a parent or adoptive parent of a child and sends a written request to the creditor within six months of the

birth or adoption of the child; the child's birth certificate shall be attached to that request. In a housing loan agreement, the creditor may also define other circumstances and reasons for the postponement of principal repayments or for a reduction in the amount of monthly instalments in line with the previous sentence.

(17) The postponement of principal repayments or the reduction in the amount of monthly instalments under paragraph (16), as selected by the person referred to in paragraph (16), shall commence on the effective date of the change in the housing loan agreement, concerning the postponement of principal repayments or the reduction in the amount of monthly instalments.

(18) Creditors may not require borrowers to provide security for the discharge of their housing loan liability in an amount disproportionately larger than the amount of the borrower's liability arising from a housing loan agreement at the time when an agreement on securing the borrower's liability is concluded.

(19) The early repayment of a housing loan provided for a purpose specified in Article 1(6) may not be enforced for reasons attributable to the creditor or the creditor's legal successor, not even in the case of the liquidation and dissolution of the creditor or the creditor's legal successor; this does not apply if the creditor is in resolution proceedings under regulations governing resolution in the financial market,^{45b} nor if the creditor is subject to bankruptcy proceedings after a trustee in bankruptcy under a separate regulation^{45c} has terminated the creditor's business operation.^{41a}

Article 14

Reflection period before the conclusion of a housing loan agreement and the right to withdraw from such agreement

(1) The creditor shall give the borrower a reflection period of 14 calendar days to decide whether to enter into a housing loan agreement or to exercise the right of withdrawal from such agreement without stating the reasons.

(2) If the borrower uses a reflection period before the conclusion of a housing loan agreement, they shall lose the right to withdraw from that agreement after its conclusion. An offer of a housing loan agreement shall be binding for the creditor and the borrower may accept the offer at any time within 14 calendar days.

(3) If the borrower withdraws from the housing loan agreement they have signed with the creditor within 14 calendar days of the date of its conclusion or of the date when that agreement and the related documents were delivered to the borrower, provided that the delivery date follows the date of conclusion of the loan agreement, the provisions of separate regulations⁴² concerning the right of withdrawal from a loan agreement do not apply. If the loan agreement does not contain the contractual conditions specified in Article 13, the period for exercising the right of withdrawal shall start to lapse the moment these contractual conditions are delivered to the borrower.

(4) A notification of withdrawal by the borrower from the housing loan agreement shall be sent to the creditor in writing. The time limit for withdrawal from the loan agreement shall be deemed to be met if the notification of withdrawal is delivered to the post office in line with the procedure set out in the loan agreement under Article 13(4)(z), no later than the last day of the period defined in paragraph (3).

(5) If the borrower exercises the right referred to in paragraph (3), they shall pay the creditor principal and interest thereon from the date of the first drawdown of the loan to the date of principal repayment in full, no later than 30 calendar days of the delivery to the creditor of a notification of withdrawal from the housing loan agreement. Interest shall be calculated on the basis of the borrowing rate agreed for the housing loan. If the borrower exercises the right mentioned in paragraph (1), the creditor shall have no claim to compensation from the borrower, other than compensation for the non-repayable costs the creditor has paid to the relevant public authority in connection with the housing loan.

(6) Where, on the basis of an agreement between the creditor and a third person, the creditor or the third person provides an ancillary service in connection with a housing loan agreement, the ancillary service agreement shall also expire with the borrower's withdrawal from the housing loan agreement under paragraph (3). The creditor shall promptly inform the third person of when the borrower withdrew from the housing loan agreement.

Article 15

Consequences of a breach of obligations

- (1) A housing loan provided shall be treated as a loan free of interest and fees where:
- (a) the housing loan agreement has not been made in writing as required by Article 13(2);
 - (b) the housing loan agreement does not contain the elements referred to in Article 13(4)(a) to (l), (s) and (ab);
 - (c) the housing loan agreement contains an incorrect APRC to the detriment of the borrower.

(2) Where the creditor fails to exercise due diligence as required by Article 8(1), it may not require the borrower to repay a housing loan in full in a single payment. In the case of a serious breach of the obligations referred to in Article 8(1), the loan shall be treated as a loan free of interest and fees. A serious breach of obligations under Article 8(1) occurs, for example, if the creditor assesses the borrower's ability to repay the housing loan without having any information on their income, expenses and marital status or without taking into account information from the relevant database or register.

(3) If the person designated in the housing loan agreement as creditor provides a housing loan illegally, without authorisation as required by separate regulations,⁴³ the housing loan agreement concluded shall be deemed to be invalid. If the borrower incurs an obligation to repay the amount borrowed, the person designated in the invalid loan agreement as creditor shall enable the borrower to repay only the amount actually borrowed, in instalments and within a period not shorter than the period in which the borrower should repay amount borrowed in the absence of a sound reason for considering the housing loan agreement invalid, unless agreed otherwise; this is without prejudice to the borrower's right to repay the amount borrowed in a single payment.

(4) Borrowers may petition a court to invalidate their housing loan agreement or to rule that no interest or fees are payable on their housing loan.^{43a}

Article 16

Housing loans in foreign currency

(1) Where a housing loan agreement relates to a foreign currency loan, the borrower shall be entitled to have the loan agreement converted into an alternative currency free of charge, at any time during the loan agreement, or the creditor shall make arrangements to limit the exchange-rate risk to which the borrower is exposed under the housing loan agreement. The details mentioned in the previous sentence shall be set out in the loan agreement.

(2) For the purposes of this Act, ‘alternative currency’ as referred to in paragraph (1) means any of the following:

- (a) the currency in which the borrower primarily receives income or holds assets from which the loan is to be repaid, as indicated at the time of the most recent assessment of the borrower’s ability to repay a loan provided under a housing loan agreement; or
- (b) the currency of the Member State in which the borrower either was resident at the time the housing loan agreement was concluded or is currently resident.

(3) Where a housing loan agreement is to be converted into an alternative currency, the conversion shall be carried out at the market exchange rate applicable on the day of application for conversion, unless otherwise specified in the loan agreement.

(4) For the purposes of this Act, ‘exchange rate’ means the exchange rate used as a basis for currency conversion and is specified for the relevant currencies by the European Central Bank or by Národná banka Slovenska.⁴⁴

(5) Where a borrower has a loan agreement relating to a housing loan in foreign currency, the creditor shall warn the borrower on a regular basis on paper or on another durable medium accessible to the borrower, at least where the total amount of the housing loan that is payable by the borrower but remains unpaid, or the amount of regular instalments, varies by more than 20% from what it would be if the exchange rate between the currency of the loan agreement and the currency of the Member State applicable at the time of conclusion of the loan agreement were applied.

(6) The warning referred to in paragraph (5) shall inform the borrower of the following:

- (a) a rise in the total amount payable by the borrower;
- (b) the right to convert to an alternative currency and the conditions for doing so; and
- (c) the mechanism applicable for limiting the exchange rate risk to which the borrower is exposed.

(7) The arrangements applicable under paragraphs (1) to (5) and (8) shall be disclosed to borrowers in the ESIS and in loan agreements.

(8) Where there is no provision in the loan agreement to limit the exchange rate risk to which the borrower is exposed to a fluctuation in the exchange rate of less than 20%, the ESIS shall include an illustrative example of the impact of a 20% fluctuation in the exchange rate.

Article 17

Variable-rate housing loans

Where a housing loan agreement relates to a variable-rate loan, the following shall be ensured:

- (a) the indexes and reference rates used to calculate the borrowing rate shall be clear, accessible, objective and verifiable by the parties to the loan agreement and the competent supervisory authority referred to in Article 23; and
- (b) the historical records of indexes used to calculate the borrowing rates shall be maintained either by the provider of these indexes or by the creditor for ten years after their expiry.

Article 18

Early repayment of housing loans

(1) The borrower shall have the right to early repayment of a housing loan in full or in part, at any time during the term of the housing loan agreement. In such cases, the borrower shall pay interest only for the period from the provision of the loan to its repayment, plus the actual costs directly linked to the application for early repayment, unless paragraph (6) provides otherwise; the actual costs directly linked to the application for early repayment may not exceed 1% of the loan amount repaid before maturity, excluding the costs referred to in paragraphs (2), (6) or (9).

(2) The creditor may not require the borrower to pay any fee, sanction or cost compensation where the loan amount repaid before maturity does not exceed 20% of the loan principal one month prior to the anniversary of the conclusion of the loan agreement.

(3) Where the early repayment of a housing loan falls within the borrowing rate fixation period as referred to in paragraph (6), the creditor shall be entitled to compensation from the borrower for the costs incurred in connection with the early repayment of the loan in full or in part, provided that such compensation is justified and is not higher than the financial loss incurred by the creditor. The creditor may not impose any penalty or other sanction on the borrower in connection with the early repayment of a housing loan.

(4) Where a borrower seeks to discharge their obligations under a housing loan agreement prior to the expiry of that agreement, the creditor shall provide the borrower without undue delay and free of charge, on paper or on another durable medium²¹ accessible to the borrower, with the information necessary to consider that option.

(5) The information referred to in paragraph (4) shall at least quantify the implications for the borrower of discharging their obligations prior to the expiry of the housing loan agreement and clearly set out the assumptions used, which shall be reasonable and justifiable.

(6) The creditor may not require the borrower to pay interest, fees or other costs in connection with the early repayment of a housing loan in full or in part where such early repayment takes place after the expiry of the interest rate fixation period or after a change in the variable interest rate; the creditor shall inform the borrower free of charge of the following:

- (a) the expiry date of the period of interest rate fixation for the housing loan, no later than two months before that date, unless paragraph (7) stipulates otherwise;
- (b) the date of any change in the borrowing rate, the borrowing rate for the next fixed rate period, the basic interest rate valid as at the date of its publication under Article 19(4) and the gross margin for the next fixed rate period, no later than two months before the change is made and applied.

(7) Where the creditor requires that an application for early loan repayment in full or in part be submitted before the borrowing rate fixation period expires or before the borrowing rate is changed, the borrower shall submit an application for early housing loan repayment no later than one month before the fixed rate period expires or in connection with a change in the variable interest rate.

(8) The creditor shall provide the borrower with the necessary information for early loan repayment, immediately upon receipt of an application under paragraph (6). The creditor may not require any fee from the borrower in connection with the early repayment of a housing loan.

(9) In the case of a housing loan with a variable interest rate that was not changed during the previous calendar year, the borrower shall be entitled to repay such loan before maturity in full or in part once a year, while the creditor may not charge the borrower any interest, fees or other costs in connection with the early repayment of that loan.

(10) The provisions of paragraphs (6) to (9) do not apply to housing loans with a borrowing rate fixed for the term of the loan.

Article 19

Information concerning changes in the borrowing rate

(1) The creditor shall inform the borrower of any change in the borrowing rate, on paper or on another durable medium to which the borrower has access, no later than two months before the change takes effect, unless paragraph (3) provides otherwise.

(2) The information concerning a change in the borrowing rate shall at least state the following:

- (a) the amount of the instalments payable after the new borrowing rate takes effect;
- (b) particulars about changes in the number or frequency of instalments;
- (c) the reasons behind the change in the borrowing rate charged for a housing loan.

(3) Where a change in the borrowing rate for a housing loan is correlated with a change in the reference rate, the creditor shall inform the borrower periodically of the new borrowing rate, mainly via account statements.

(4) Information about the basic interest rate on housing loans, the new reference rate and changes in these rates shall be made publicly available on the creditor's website and business premises, and shall be communicated to the borrower together with the amount of new periodic instalments.

(5) Where changes in the borrowing rate are determined by way of auction on the capital markets and it is therefore impossible for the creditor to inform the borrower of any change before the change takes effect, the creditor shall, in good time before the auction, inform the borrower on paper or on another durable medium of the upcoming procedure and provide an indication of how the borrowing rate could be affected.

(6) If the creditor fails to meet its obligations under paragraph (1), it shall not be entitled to change the borrowing rate for a housing loan if the change would be detrimental to the borrower.

(7) The provisions of paragraphs (1) to (6) do not apply to housing loans with a borrowing rate fixed for the term of the loan.

Article 20

Loan repayment arrears and foreclosure

(1) If a borrower fails to meet their obligations to a creditor in a due and timely manner, the creditor shall notify the borrower of this fact in accordance with Article 13(15).

(2) If, despite having been warned in writing, the borrower is in arrears with debt repayment or with the discharge of another obligation to the creditor for more than 90 calendar days, the creditor may, after warning the borrower well in advance, notify the other creditors via the register under Article 8(20), with or without the borrower's consent, of the fact that the borrower has breached their obligations agreed in the housing loan agreement. The creditor may not notify other creditors of information about the borrower other than the borrower's full name, permanent address, and the obligation breached by the borrower.

(3) Where a borrower pays off their past due debt, including interest and fees, the creditor shall inform the borrower's other creditors without undue delay that the borrower has met their obligations in the manner stipulated in Article 8(20).

(4) If, despite having been warned in writing, a borrower fails to meet their obligations to the creditor in a due and timely manner, the creditor may, with or without the borrower's consent, provide information about that borrower to other entities for the purposes specified in a separate regulation.⁴⁵ The information so provided shall state the borrower's full name, permanent address, temporary address, if any, personal identification number, if assigned, date of birth, citizenship, the type and number of the borrower's identity document, the borrower's contact

telephone number, fax number and email address, if any, and information and documents concerning the borrower's unmet obligations.

(5) The persons and authorities referred to in paragraphs (2) to (4) may use the information, data and reports received from the creditor only for the purposes or proceedings for which that information, data and reports were provided.

(6) If, despite having been warned in writing, a borrower remains in arrears in the repayment of any part of their debt to the creditor for more than 90 days, the creditor may by written agreement assign all or part of its claim on the borrower to a bank, foreign bank, or foreign bank branch,⁹ or to another creditor under a separate regulation,^{45a} with or without the borrower's consent. The creditor may also assign this claim to another person in compliance with the regulations governing resolution in the financial market,^{45b} bankruptcy proceedings^{45c} or, where the claim is transferred from a bank, foreign bank, foreign bank branch⁹ or from a financial institution under a separate regulation^{45d} to another bank, foreign bank, foreign bank branch⁹ or financial institution under a separate regulation,^{45d} with the consent of Národná banka Slovenska under a separate regulation.^{45e} The creditor may not exercise this right if the borrower, before the claim is assigned, settles their liability to the creditor, including interest and fees. Where the claim referred to in the first sentence is to be transferred or assigned to a person closely related^{45f} to the borrower, the creditor may transfer or assign this claim and the related rights at the borrower's written request.

(7) When assigning a claim, creditors shall also hand over to the bank, foreign bank, foreign bank branch⁹ or creditor under a separate regulation^{45a} the documentation concerning the contractual relationship underlying the claim assigned.

(8) The provisions of paragraphs (4), (6) and (7) do not apply where the parties to a housing loan agreement have expressly agreed that the return or transfer to the creditor of the security or proceeds from the sale of the security is sufficient to repay the housing loan.

Obligations of financial agents and financial advisers, and other obligations of creditors

Article 21

Obligations of financial agents intermediating housing loans

(1) Creditors may use financial agents to intermediate housing loans in accordance with a separate regulation.¹³

(2) Creditors shall be entitled use the entities mentioned in paragraph (1) only if these entities are listed in the register of financial agents, financial advisers, financial intermediaries from other Member States in the insurance or reinsurance sector and tied investment agents⁴⁶ authorised to perform such activities.

(3) The persons referred to in paragraph (1) shall proceed in accordance with this Act and a separate regulation.⁴⁷

(4) The activities of financial agents shall be governed by the provisions of Article 5, Article 8(28), Article 11, Article 13(10) and (11), and Article 16(5) and (6); this does not apply where the obligations laid down in these provisions are performed directly by the creditor.

(5) Where a housing loan agreement is concluded under Article 1(2) and (3), the financial agent shall, in good time before carrying out any loan intermediation activity, provide the borrower with at least the following information:

- (a) the fee and other costs, where applicable, payable by the borrower to the financial agent for its services or, where this is not possible, the method for calculating that fee and other costs;
- (b) the amount of monetary or non-monetary payment the creditor or a third party is to pay to the financial agent for services related to the housing loan agreement; where the amount of the monetary or non-monetary payment is not known at the time of disclosure, the financial agent shall inform the borrower that the actual amount of the monetary or non-monetary payment will be disclosed at a later stage in the ESIS;
- (c) the right to request information about the commission the financial agent receives under paragraph (6).

(6) The financial agent shall, upon written request, provide the borrower with information on the variation in levels of the commission (in percentages) it receives for financial intermediation from one or more creditors.

(7) The financial agent shall inform the creditor of the actual amount payable by the borrower or third party for loan intermediation, in order to enable the creditor to calculate the APRC for housing loans.

(8) For the purposes of assessing a borrower's ability to repay a housing loan, the financial agent shall provide the creditor with all the information it has obtained from the borrower.

(9) Financial agents may not provide their services in relation to housing loan agreements offered by creditors as defined in a separate regulation⁴⁸ to borrowers in a Member State where creditors as defined in a separate regulation⁴⁷ are not authorised to perform activities under a separate regulation.¹¹

(10) Financial agents may not perform all or part of the activities related to the intermediation of housing loans in Member States where financial agents are not allowed to perform loan intermediation activities.

(11) Paragraphs (9) and (10) do not apply to creditors that are banks, foreign banks or foreign bank branches.⁹

Article 22
Obligations of financial advisers

(1) Financial advisory services relating to housing loans may be provided by financial advisers under a separate regulation.⁴⁹

(2) Financial advisers shall be entities listed in the register of financial advisers under a separate regulation.⁴⁶

(3) The persons referred to in paragraph (1) shall proceed in accordance with this Act and a separate regulation.⁴⁷

(4) The activities of financial advisers shall be governed by the provisions of Article 5, Article 8(28), Article 11, Article 13(10) and (11), and Article 16(5) and (6), as appropriate.

(5) A financial adviser shall inform the borrower that they provide or may provide financial advisory services relating to housing loans. A financial adviser may provide financial advisory services in relation to a housing loan on the basis of a written agreement.

(6) Before providing financial advisory services or before concluding a contract for the provision of financial advisory services relating to housing loans, a financial adviser shall provide the borrower with following additional pre-contractual information:

- (a) the amount of the fee, if any, payable by the borrower for financial advisory services provided in relation to a housing loan;
- (b) the method used to calculate the fee payable for financial advisory services if the amount of the fee is not known at the time of disclosure.

(7) When providing financial advisory services under this Act, a financial adviser shall:

- (a) obtain up-to-date information about the borrower's personal and financial situation, goals and preferences; such information shall be obtained with respect to the risks the borrower may incur during the term of the housing loan agreement proposed;
- (b) consider a sufficiently large number of loan agreements in their product range and recommend one or more suitable loan agreements for the borrower's needs, financial situation and personal circumstances, and act in the best interest of the borrower by:
 - 1. getting acquainted with the borrower's needs and circumstances;
 - 2. recommending a suitable housing loan agreement to the borrower in accordance with points (a), (b) and (c);

(8) The information referred to in paragraph (6) and the housing loan agreement recommended under paragraph (7) shall be provided to the borrower on paper or on another durable medium accessible to the borrower.

(9) When providing financial advisory services relating to housing loans, a financial adviser shall:

- (a) consider a sufficiently large number of housing loan agreements from those offered in the market; and
- (b) inform the borrower of the risks arising from a housing loan agreement with respect to their financial situation.

Article 23

Supervision

Supervision of compliance by creditors with the obligations laid down in this Act shall be exercised by Národná banka Slovenska under a separate regulation.⁴⁰

Article 24

Remedial measures and sanctions

(1) If Národná banka Slovenska finds shortcomings in the activities of a creditor consisting in non-compliance with, or circumvention of, the provisions of this Act, the legally binding acts of the European Union governing the provision of housing loans, or other generally binding legal regulations pertaining to the provision of housing loans, or obligations arising from the decisions of Národná banka Slovenska concerning the creditor, Národná banka Slovenska may, according to the gravity, range, duration, nature and consequences of the shortcomings revealed, impose the following measures:

- (a) an order requiring the creditor to adopt measures for the elimination or remedy of the shortcomings revealed within a prescribed time limit and requiring the creditor to inform Národná banka Slovenska of the fulfilment of this requirement;
- (b) an order requiring the creditor to pay:
 - 1. a fine of up to EUR 3,000 or, in the case of a repeated or serious deficiency, a fine of up to EUR 10,000, where the creditor is a natural person;
 - 2. a fine of up to EUR 70,000 or, in the case of a repeated or serious deficiency, a fine of up to EUR 300,000, where the creditor is a legal entity;
- (c) an order requiring the creditor to submit separate statements, reports and other disclosures;
- (d) an order requiring the creditor to restrict or suspend the provision of housing loans;
- (e) an order to revoke the creditor's authorisation.

(2) Národná banka Slovenska may impose a fine upon a creditor's general proxy, a member of its statutory body or supervisory board, or the head of its internal control unit for any breach of the obligations arising under this Act or other generally binding legal regulations,⁵⁰ for any breach of the conditions or obligations imposed by a decision issued by Národná banka Slovenska, which fine may, depending on the gravity, nature and duration of the infringement, go up to twenty times the average monthly income of the creditor for the previous year. The head of an organisational unit may receive a fine of up to 50% of the amount corresponding to twenty times the average monthly income of the creditor for the previous year. If the relevant person has earned income from the creditor only for part of the previous year, the monthly average shall be calculated for that part of the year only. Where a person has ceased to be creditworthy as a result of being validly fined, the creditor shall promptly recall that person from their position.

(3) Corrective measures for shortcomings, fines or other sanctions as specified in paragraph (1) may be imposed individually or concurrently and repeatedly. Fines or other sanctions as defined in paragraphs (1) to (2) may be imposed within three years from the identification of the shortcomings, but no later than ten years after their occurrence. The time limits mentioned in the previous sentence shall be interrupted when an event giving rise to such interruption under a separate regulation⁵¹ occurs, and a new limitation period will begin to lapse from the time of interruption. Shortcomings recorded in an on-site inspection protocol shall be considered identified from the date of completion of the on-site inspection under a separate regulation.⁵²

(4) Národná banka Slovenska may discuss a shortcoming revealed in the activities of a creditor directly with the creditor concerned, outside the proceedings conducted to impose remedial measures, fines or other sanctions under paragraphs (1) and (2). The creditor shall, if requested, co-operate with Národná banka Slovenska to this end.

(5) A fine as referred to in paragraphs (1)(b) and (2) shall be payable within 30 calendar days from the effective date of the decision imposing the fine. Such fines shall represent income for the state budget.

(6) Where any of the sanctions listed in paragraphs (1) and (2) is imposed on a creditor providing housing loans in the territory of another Member State, Národná banka Slovenska shall inform the competent supervisory authority of that Member State.

Article 25

Dispute resolution mechanisms

(1) Prior to the conclusion of a housing loan agreement or when such agreement is modified, where justified, the creditor shall inform the borrower of the procedure to be followed in submitting a complaint, the place where such complaint can be submitted, the possibilities for an out-of-court settlement of disputes arising from housing loan agreements, and of the existence of separate regulations⁵³ governing the out-of-court settlement of disputes.

(2) The creditor shall draw up and comply with internal regulations for the registration of complaints and remedial measures for the out-of-court settlement of disputes with borrowers. The creditor shall establish appropriate and effective complaints and redress procedures for the out-of-court settlement of disputes with borrowers, and keep a record of each complaint and dispute settled out of court, and of the measures taken.

Article 26

Handling of complaints

(1) Creditors shall disclose their complaints handling rules at all their business premises used as points of contact with borrowers.

(2) Creditors shall accept any complains concerning the provision of housing loans. The form and manner of accepting complaints shall be stipulated in an internal regulation drawn up by the creditor in accordance with Article 25(2).

(3) Creditors shall decide whether or not a complaint is justified, without undue delay. The result of a complaints procedure shall be communicated to the borrower in the way stipulated in an internal regulation, without undue delay.

(4) The handling of a complaint may not last longer than 30 calendar days or three months in complicated situations. The creditor shall inform the borrower concerned of this fact within 30 days.

(5) The costs incurred in connection with the handling of a complaint shall be borne by the creditor. The costs related to the preparation of a complaint and its annexes shall be borne by the borrower.

(6) The creditor and the borrower concerned shall cooperate during the complaints handling procedure.

Article 26a

At the request of a borrower to whom it has provided a housing loan under Article 1(6), a creditor under point 1 of Article 2(1)(a), except for a home savings bank, shall issue and deliver to the borrower a certificate for the purposes referred to in a separate regulation^{53a} using the template in Annex 4 hereto, and it shall do so within 30 days from the date when the borrower submitted the request; borrowers are entitled to be issued one such certificate per year at no charge, except for third-party costs incurred by the creditor for the delivery of the certificate to the borrower.

Common, transitional and final provisions

Article 27

(1) The Ministry of Finance shall inform the European Commission of the adoption of this Act as soon as it becomes effective.

(2) The Ministry of Finance shall inform the European Commission of the regulation of lending for housing purposes under this Act.

Article 28

Transitional provisions

(1) The provisions of this Act apply to housing loan applications submitted after 20 March 2016.

(2) The provisions of this Act do not apply to housing loan agreements concluded before 21 March 2016, unless paragraphs (3) to (5) provide otherwise.

(3) The provisions of Article 13(16) and (17) apply to housing loan agreements extended to include the creditor's commitment referred to in Article 13(16) after 20 March 2016.

(4) The provisions of this Act govern legal relationships established under this Act after 20 March 2016; the establishment of legal relationships and the legal consequences of acts carried out before 21 March 2016 shall be assessed governed by regulations in force until 20 March 2016.

(5) The provisions of Article 18(1) and (2) apply to the early repayment of housing loans in full or in part only after 20 March 2016.

(6) Financial agents duly authorised to intermediate housing loans until 20 March 2016 but not yet authorised to intermediate such loans under the terms and conditions laid down in this Act may continue intermediating housing loans until 21 March 2017.

(7) Financial agents subject to the provisions of paragraph (6) may intermediate housing loans only in their home Member State; this does not apply to financial agents complying with the requirements of the law of the host Member State.

(8) By no later than 21 March 2017, creditors or financial agents authorised to perform activities related to lending for housing purposes until 21 March 2014 shall meet the professional requirements stipulated by separate regulations.⁵⁴

Article 28a

Transitional provisions for regulations in force from 1 January 2017

With effect from 1 January 2017, the provisions of this Act also apply to legal relationships established before 1 January 2017 and governed by this Act. However, the establishment of such legal relationships and the claims arising therefrom before 1 January 2017 shall be assessed under the regulations in force until 31 December 2016, while the time limits not expiring before 1 January 2017 are subject to the provisions of this Act with effect from 1 January 2017 and to the provisions of a separate regulation.⁴⁰

Article 28b

Transitional provisions for regulations in force from 1 January 2018

(1) The obligation set out in Article 7(5) as in force until 31 December 2017 applies to housing loan agreements concluded before 1 January 2018 in accordance with Article 7(5) as in force until 31 December 2017.

(2) The provision of Article 8(33)(e) as in force until 31 December 2017 applies to mortgage loans provided under a mortgage loan agreement concluded before 1 January 2018 to

natural persons not younger than 18 years and not older than 35 years on the day they applied for the loan.

(3) The provision of Article 26a applies for the first time to housing loan agreements concluded in accordance with Article 1(6) after 31 December 2017.

Article 29

Final provisions

(1) Any relationship arising from this Act is subject to the provisions of the Civil Code pertaining to consumer agreements.⁵⁵

(2) The amount of the maximum permissible fee that may be required from a borrower of a housing loan, detailed instructions on how that fee is to be determined and criteria for its determination, as well as the maximum permissible penalty for arrears with the discharge of an obligation by the borrower, shall be stipulated by an implementing regulation issued under the Civil Code.⁵⁶

Article 30

This Act enacts in Slovak law the legally binding acts of the European Union listed in Annex 3.

Section VII

This Act entered into force on 21 March 2016, with the exception of points 2 and 3, 14 to 18, and 22 and 23 of Section IV, which entered into force on 1 July 2016.

Act No 299/2016 Coll., Section III, entered into force on 1 January 2017.

Act No 279/2017 Coll. entered into force on 15 December 2017, with the exception of the following: points 1 to 33, point 34 (in respect of Articles 67 to 75 and Articles 77 to 80) and points 35 to 41 of Section I; Sections II to V; Sections VII to IX; points 56 to 62 of Section X; Section XI; point 1 (Article 1(3)(a)) and point 39 (Article 11(4)) of Section XII; Section XIII, Section XIV and **points 1 to 3 (Article 1(2)(a) and Article 1(6) and (7)), points 5 to 6 (Article 7(5) and Article 7(7)), point 18 (Article 8(34)(e)), point 21 (Article 13(19)), point 22 (Article 15(4)) and points 24 to 26 (Articles 26a, 28b and Annex 4) of Section XV, which entered into force on 1 January 2018;** point 6 (Article 293eb) of Section VI, which entered into force on 30 April 2018; points 1 to 5 of Section VI, points 2 to 4, 6 to 38 and 40 to 48 of Section XII and **points 7 to 17, 19, 20 and 23 of Section XV, which entered into force on 1 May 2018;** point 5 (Article 4(15)) of Section XII and **point 4 (Article 5(7)(o)) of Section XV, which entered into force on 1 July 2018;** and point 34 (Article 76) of Section I, which enters into force on 1 January 2019.

**Peter Pellegrini
Robert Fico**

EUROPEAN STANDARDISED INFORMATION SHEET

PART A

Instructions for the creditor or, where relevant, financial agent on how to complete the European Standardised Information Sheet (ESIS) are provided in Part B. Indications between square brackets shall be replaced with the corresponding information.

Wherever the words ‘where applicable’ are indicated, the creditor shall provide the information required if it is relevant to the housing loan agreement. Where the information is not relevant, the creditor shall delete the information in question or the entire section (for example, in cases where the section is not applicable). Where the entire section is deleted, the numbering of the ESIS sections shall be adjusted accordingly.

The information below shall be provided in a single document. The font used shall be clearly readable. Bold font, shading or larger font sizes shall be used for the information elements to be highlighted. All applicable risk warnings shall be highlighted.

THIS DOCUMENT WAS PRODUCED FOR: ON:	[NAME OF BORROWER] [DATE]
This document was produced on the basis of the information that you have provided so far and on the current financial market conditions.	
The information below remains valid until: *) apart from the interest rate and other costs. After that date, it may change in line with the market conditions.	[validity date]
*) This applies where the eventual borrowing rate and other costs may differ from the interest rate and costs given in this sheet.	
This document does not constitute an obligation for [name of creditor] to grant you a loan.	
1. Identity and contact information of the creditor	
Creditor:	[name]
Address:	[address for service]
Telephone number:	
Email address:*	
Fax number:*	

Web address:*	
Contact person/point:*	
* optional information	
(Where applicable [information as to whether advisory services are being provided]): [(We recommend, having assessed your needs and circumstances, that you take out this housing loan. / We are not recommending a particular housing loan for you. However, based on your answers to some questions, we are giving you information about this loan so that you can make your own choice.)]	
2. Identity and contact information of the financial agent	
Financial agent:	[full name / business name]
Address:	[permanent residence / address for service]
Telephone number:	
Email address:*	
Fax number:*	
Web address:*	
Contact person/point:*	
* optional information	
(Where applicable [information as to whether advisory services are being provided]): [(We recommend, having assessed your needs and circumstances, that you take out this housing loan. / We are not recommending a particular housing loan for you. However, based on your answers to some questions, we are giving you information about this loan so that you can make your own choice.)]	
[Remuneration]	
3. Main features of the housing loan	
Type of the loan to be granted:	
Total amount and currency of the loan:	
(Where applicable) This loan is not in [national	[national currency of the borrower]

currency of the borrower].	
<p>(Where applicable) The value of your loan in [national currency of the borrower] may change.</p> <p>(Where applicable) For example, if the value of [national currency of the borrower] fell by 20% relative to [loan currency], the value of your loan would increase to [insert amount in national currency of the borrower]. However, it could be more than this if the value of [national currency of the borrower] fell by more than 20%.</p> <p>(Where applicable) The maximum value of your loan will be [insert amount in national currency of the borrower].</p> <p>(Where applicable) You will receive a warning if the loan amount reaches [insert amount in national currency of the borrower].</p> <p>(Where applicable) You will have the opportunity to [insert right to renegotiate a foreign currency loan or right to convert your loan into [relevant currency] and conditions].</p>	
Duration of the housing loan:	
Type of applicable interest rate:	[Fixed or variable interest rate]
Total amount to be reimbursed:	
This means that you will pay back [amount] for every [unit of the currency] borrowed.	
(Where applicable) This/Part of this loan is an interest-only loan. You will still owe [insert amount of loan on an interest-only basis] at the end of the loan term.	[loan/part of the loan] [amount of interest-only loan]
(Where applicable) Value of the property assumed for this information sheet:	[amount]
(Where applicable) Maximum available loan amount relative to the value of the property [insert ratio] or minimum value of the property required to borrow the illustrated amount [insert amount].	[ratio] [amount]
(Where applicable) Security:	

4. Interest rate and other costs	
The annual percentage rate of charge (APRC) is the total cost of the loan expressed as an annual percentage. The APRC is provided to help you to compare different offers.	
The APRC applicable to your loan is:	[APRC]
The APRC comprises: <i>Interest rate</i>	[value in per cent or, where applicable, indication of a reference rate and percentage value of the creditor's spread]
[Other components of the APRC]	
<i>Costs to be paid on a one-off basis:</i>	[amount]
(Where applicable) You will have to pay a fee to register your housing loan.	[insert amount of fee where known or basis for its calculation]
<i>Costs to be paid on a regular basis:</i>	Costs included in the instalments Costs not included in the instalments
(Where applicable) This APRC is calculated using assumptions regarding the interest rate.	
(Where applicable) As [part of] your housing loan is a variable interest rate loan, the actual APRC may be different from this APRC if the interest rate for your loan changes.	For example, if the interest rate rose to [scenario as described in Part B], the APRC could increase to [insert illustrative APRC corresponding to the scenario].
(Where applicable) Please note that this APRC is calculated on the basis of the assumption that the interest rate remains at the level fixed for the initial period throughout the duration of the housing loan agreement.	
(Where applicable) The following costs are not known to the creditor and are therefore not included in the APRC:	[costs]
(Where applicable) You will have to pay a fee to register your housing loan.	
Please make sure that you are aware of all other taxes and costs associated with your loan.	
5. Frequency and number of payments	
Repayment frequency:	[frequency]
Number of payments:	[number]
6. Amount of each instalment	
Amount and currency of an instalment:	[amount] [currency]
Your income may change. Please consider whether you will still be able to afford your [frequency] repayment	[frequency]

instalments if your income falls.	
(Where applicable) Since [this/part of this] is an interest-only loan, you will have to make separate arrangements to repay the amount [insert amount of loan on an interest-only basis] you will owe at the end of the loan term. Remember to add any extra payments you will have to make to the instalment amount shown here.	
(Where applicable) The interest rate on [part of] this loan may change. This means the amount of your instalments could increase or decrease.	For example, if the interest rate rose to [scenario as described in Part B], your payments could increase to [insert instalment amount corresponding to the scenario].
<p>Where applicable) The value of the amount you have to pay in [national currency of the borrower] each [frequency of instalment] may change.</p> <p>(Where applicable) Your payments may increase to [insert maximum amount in national currency of the borrower] each [insert period].</p> <p>(Where applicable) For example, if the value of [national currency of the borrower] fell by 20% relative to [loan currency] you would have to pay an extra [insert amount in national currency of the borrower] each [insert period]. Your payments could increase by more than this.</p>	
(Where applicable) The exchange rate used for converting your repayments in [loan currency] to [national currency of the borrower] will be the rate published by [name of institution publishing the exchange rate] on [date] or will be calculated on [date] using [insert name of benchmark or method of calculation].	
(Where applicable) [Details on tied savings products, deferred-interest housing loans]	
<p>7. (Where applicable) Illustrative repayment table</p> <p>This table shows the amount to be paid every [frequency].</p> <p>The instalments (column [relevant no.]) are the sum of interest to be paid (column [relevant no.]), where applicable, principal repayments (column [relevant no.]) and, where applicable, other costs (column [relevant no.]). (Where applicable) The costs in the other costs column relate</p>	

to [list of costs]. Outstanding principal (column [relevant no.]) is the amount of the loan that remains to be reimbursed after each instalment. [Table]	
8. Additional obligations	
The borrower must comply with the following obligations in order to benefit from the lending conditions described in this document.	[Obligations]
Where applicable) Please note that the lending conditions described in this document (including the interest rate) may change if these obligations are not complied with.	
(Where applicable) Please note the possible consequences of terminating at a later stage any of the ancillary services relating to the housing loan.	[Consequences]
9. Early loan repayment	
You have the possibility to repay this loan before maturity, either fully or partially.	
(Where applicable) Conditions for full or partial loan repayment:	[Conditions]
(Where applicable) Charge for early loan repayment (exit charge):	[insert amount or, where not possible, the method of calculation]
(Where applicable) Should you decide to repay this housing loan before maturity, please contact us to ascertain the exact level of the exit charge at that moment.	
10. Flexible features	
(Where applicable) [Information on portability / subrogation] You have the possibility to transfer this housing loan to another [creditor][or] [property].	
(Where applicable) You do not have the possibility to transfer this housing loan to another [creditor] [or] [property].	
(Where applicable) Additional features (for example, overpayments / underpayments, payment holidays, borrow back)	[insert explanation of additional features listed in Part B and, optionally, of any other features offered by the creditor as part of the housing loan agreement not referred to in previous sections].
11. Other rights of the borrower	
(Where applicable) You have [length of reflection period] after [point in time when the reflection period begins] to reflect before	

committing yourself to taking out this loan.	
(Where applicable) Once you have received the housing loan agreement from the creditor, you may not accept it before the end of the reflection period.	[length of reflection period]
(Where applicable) For a period of [length of withdrawal period] after [point in time when the withdrawal period begins] you may exercise your right to cancel the agreement. [Conditions]	[insert procedure]
<p>(Where applicable) You may lose your right to cancel the housing loan agreement if, during that period, you buy or sell any immovable property related to this loan agreement.</p> <p>(Where applicable) Should you decide to exercise your right of withdrawal [from the housing loan agreement], please verify whether you will remain bound by your other obligations relating to the loan [including the ancillary services relating to the loan] [referred to in Section 8].</p>	
12. Complaints	
If you have a complaint, please contact:	[insert internal contact point and source of information on procedure]
(Where applicable) Maximum time for handling a complaint:	[period of time]
<p>(Where applicable) [If we do not resolve the complaint to your satisfaction internally,] you can also contact:</p> <p>(Where applicable) You can also contact FIN-NET for details of the equivalent body in your own country.</p>	[insert name of external body for out-of-court complaints and redress]
13. Non-compliance with the commitments linked to the housing loan: consequences for the borrower	
Types of non-compliance:	[types of non-compliance]
Financial and/or legal consequences:	
Should you encounter difficulties in making your [frequency] payments, please contact us straight away to explore possible solutions.	
(Where applicable) As a last resort, your property may be repossessed if you do not keep up with payments.	
14. Additional information (where applicable)	
(Where applicable) [Indication of the law applicable to the housing loan agreement].	
Information and contractual terms will be	

<p>supplied in:</p> <p>With your consent, we intend to communicate with you during the duration of the loan agreement in:</p> <p>(Where the creditor intends to use a language different from the language of the ESIS)</p>	<p>[language]</p> <p>[language/s]</p>
<p>[Insert statement on right to be provided with or offered, as applicable, a draft housing loan agreement]</p>	
<p>15. Supervisor</p>	
<p>This creditor is supervised by:</p>	<p>[name(s), and web address(es) of supervisory authority/ies]</p>
<p>(Where applicable) This financial agent is supervised by:</p>	<p>[name and web address of supervisory authority]</p>

PART B

Instructions for completing the ESIS

In completing the Standard European Information Sheet (ESIS), at least the following instructions shall be followed:

Section ‘Introductory text’

1. The validity date shall be properly highlighted. For the purpose of this section, the ‘validity date’ means the length of time the information contained in the ESIS (e.g. the borrowing rate) will remain unchanged and will apply should the creditor decide to grant the loan within this period of time. Where the determination of the applicable borrowing rate and other costs depends on the results of the selling of underlying bonds, the eventual borrowing rate and other costs may be different from those stated in the ESIS. In those circumstances only, it shall be stipulated that the validity date does not apply to the borrowing rate and other costs by adding the words: ‘apart from the interest rate and other costs.’

Section ‘1. Creditor’

1. Name, telephone number, and geographical address (registered office) of the creditor shall refer to the contact information that the borrower may use for future correspondence.
2. Information such as email address, fax number, web address and contact person/point is optional.
3. In line with a separate regulation,⁵⁷ where the transaction is being offered at a distance, the creditor shall indicate, where applicable, the name and geographical address (registered office) of its representative in the Member State in which the borrower is resident. Indication of the telephone number, email address and web address of the representative of the loan provider is optional.
4. Where Section 2 is not applicable, the creditor shall inform the borrower whether advisory services are being provided and on what basis, using the wording from Part A.

(Where applicable) Section ‘2. Financial agent’

Where the product information is being provided to the borrower by a financial agent, that intermediary shall state the following information:

1. Name, telephone number and geographical address (registered office) of the financial agent shall refer to the contact information that the borrower may use for future correspondence.
2. Information such as email address, fax number, web address and contact person/point is optional.
3. The financial agent shall inform the borrower whether advisory services are being provided and on what basis, using the wording from Part A.

4. An explanation of how the financial agent is being remunerated. Where it is receiving commission from a creditor, the amount and, where different from the name in Section 1, the name of the creditor shall be provided.

Section ‘3. Main features of the loan’

1. This section shall clearly explain the main characteristics of the housing loan, including the value and currency and the potential risks associated with the borrowing rate, including the ones referred to in point 8, and amortisation structure.
2. Where the loan currency is different from the national currency of the borrower, the creditor shall indicate that the borrower will receive a regular warning at least when the exchange rate fluctuates by more than 20% or, where applicable, that the borrower has a right to convert the loan agreement into an alternative currency or to renegotiate the loan conditions, and shall provide information on any other arrangements that are available to the borrower to limit their exposure to exchange rate risk. Where the loan agreement contains a provision limiting the exchange rate risk, the creditor shall indicate the maximum amount the borrower may have to pay back. Where the loan agreement contains no provision to limit the exchange rate risk to which the borrower is exposed to a fluctuation in the exchange rate of less than 20%, the creditor shall indicate an illustration of the effect of a 20% fall in the value of the borrower’s national currency relative to the loan currency on the value of the loan.
3. The duration of the loan shall be expressed in years or months, whichever is the most relevant. Where the duration of the loan may vary during the lifetime of the loan agreement, the creditor shall explain when and under which conditions this may occur. Where the loan is open-ended, for example, for a secured credit card, the creditor shall clearly state that fact.
4. The type of loan shall be clearly indicated (e.g. mortgage loan, housing loan, secured credit card). The description of the type of loan shall clearly indicate how the principal and interest shall be reimbursed during the life of the loan (i.e. the amortisation structure), specifying clearly whether the loan agreement is on principal repayment or interest-only basis, or a mixture of the two.
5. Where all or part of the loan is an interest-only loan, a statement clearly indicating that fact shall be inserted prominently at the end of this section, using the wording from Part A.
6. This section shall explain whether the borrowing rate is fixed or variable and, where applicable, the periods during which it will remain fixed; the frequency of subsequent revisions and the existence of limits to the borrowing rate variability, such as caps or floors.

The formula used to revise the borrowing rate and its different components (e.g. reference rate, interest rate spread) shall be explained. The creditor shall indicate, e.g. by means of a web address, where further information on the indices or rates used in the formula can be found, e.g. Euribor or central bank reference rate.
7. If different borrowing rates apply in different circumstances, information shall be provided on all applicable rates.
8. The ‘total amount to be reimbursed’ corresponds to the total amount payable by the borrower. It shall be shown as the sum of the loan amount and the total cost of the loan to the

borrower. Where the borrowing rate is not fixed for the term of the housing loan agreement, it shall be highlighted that this amount is illustrative and may vary in particular in connection with the variation in the borrowing rate.

9. Where the housing loan will be secured by a pledge of immovable property or comparable security or by a right related to immovable property, the creditor shall draw the borrower's attention to this fact. Where applicable, the creditor shall indicate the assumed value of the immovable property or other security used for the purpose of preparing this information sheet.
10. The creditor shall indicate, where applicable, either:
 - (a) the 'maximum available loan amount relative to the value of the property', indicating the loan-to-value ratio. This ratio is to be accompanied by an example in absolute terms of the maximum amount that can be borrowed for a given property value; or
 - (b) the 'minimum value of the property required by the creditor to lend the illustrated amount'.
11. Where the loan is a multi-part loan (e.g. concurrently part fixed rate, part variable rate), this shall be reflected in the indication of the type of loan and the required information shall be given for each part of the loan.

Section '4. Interest rate' and other costs

1. The reference to 'interest rate' corresponds to the borrowing rate or rates.
2. The borrowing rate shall be expressed as a percentage value. Where the borrowing rate is variable and based on a reference rate, the creditor may indicate the borrowing rate by stating a reference rate and a percentage value of its spread. The creditor shall, however, indicate the value of the reference rate valid on the day when the ESIS is issued.

Where the borrowing rate is variable, the information shall include:

- (a) the assumptions used to calculate the APRC;
- (b) where relevant, the applicable caps and floors; and
- (c) a warning that the variability in the borrowing rate may affect the actual level of the APRC.

In order to attract the borrower's attention, the font size used for the warning shall be bigger and shall figure prominently in the main body of the ESIS. The warning shall be accompanied by an illustrative example of the APRC. Where there is a cap on the borrowing rate, the example shall assume that the borrowing rate rises at the earliest possible opportunity to the highest level foreseen in the housing loan agreement. Where there is no cap, the example shall illustrate the APRC at the highest borrowing rate in at least the last 20 years, or where the underlying data for the calculation of the borrowing rate are available for a period of less than 20 years, the longest period for which such data are available, based on the highest value of any external reference rate used in calculating the borrowing rate where applicable or the highest value of a benchmark rate specified by a competent authority or EBA where the creditor does not use an external reference rate. Such requirement does not apply to housing loan agreements where the borrowing rate is fixed for a material initial

period of several years and may then be fixed for a further period following negotiation between the creditor and the borrower. For housing loan agreements where the borrowing rate is fixed for a material initial period of several years and may then be fixed for a further period following negotiation between the creditor and the borrower, the information shall include a warning that the APRC is calculated on the basis of the borrowing rate for the initial period. The warning shall be accompanied by an additional, illustrative APRC calculated in accordance with Article 7(6). Where the loan is a multi-part loan (e.g. concurrently part fixed rate, part variable rate), the information shall be given for each part of the loan.

3. In the section on ‘other components of the APRC’, all the other costs contained in the APRC shall be listed, including one-off costs such as administration fees, and regular costs, such as annual loan administration fees. The creditor shall list each of the costs by category (costs to be paid on a one-off basis, costs to be paid regularly and included in the instalments, costs to be paid regularly but not included in the instalments), indicating their amount, to whom they are to be paid and when. This does not have to include costs incurred for breaches of contractual obligations. Where the amount is not known, the creditor shall provide an indication of the amount if possible, or if not possible, how the amount will be calculated and specify that the amount provided is indicative only. Where certain costs are not included in the APRC because they are unknown to the creditor, this shall be highlighted.

Where the borrower has informed the creditor of one or more components of their preferred housing loan, such as the duration of the loan agreement and the total amount of the housing loan, the creditor shall, where possible, use those components; if a housing loan agreement provides different ways of drawdown with different fees or borrowing rates and the creditor uses the assumptions set out in Part II of Annex 2, it shall indicate that other drawdown mechanisms for the loan agreement of this type may result in a higher APRC.

Where the conditions for drawdown are used for calculating the APRC, the creditor shall highlight the charges associated with other drawdown mechanisms that are not necessarily the ones used in calculating the APRC.

4. Where a fee is payable for the registration of a pledge of immovable property or comparable security, that is to be disclosed in this section with the amount of the fee, where known, or where this is not possible, with the basis for determining the amount of the fee. Where the fees are known and included in the APRC, the existence and amount of the fee shall be listed under ‘Costs to be paid on a one-off basis’. Where the fees are not known to the creditor and therefore not included in the APRC, the existence of the fee shall be clearly mentioned in the list of costs which are not known to the creditor. In either case, the standardised wording from Part A shall be used under the appropriate heading.

Section ‘5. Frequency and number of payments’

1. Where payments are to be made on a regular basis, the frequency of payments shall be indicated (e.g. monthly). Where the frequency of payments will be irregular, this shall be clearly explained to the borrower.
2. The number of payments indicated shall cover the whole duration of the housing loan.

Section '6. Amount of each instalment'

1. The loan currency and the currency of instalments shall be clearly indicated.
2. Where the amount of instalments may change during the life of a housing loan, the creditor shall specify the period during which that initial instalment amount will remain unchanged and when and how frequently afterwards it will change.
3. Where all or part of the housing loan is an interest-only loan, a statement clearly indicating that fact shall be inserted prominently at the end of this section using the wording from Part A.

If there is a requirement for the borrower to take out a tied savings product as a condition for being granted an interest-only loan secured by a pledge or comparable security, the amount and frequency of any payments for this product shall be provided.

4. Where the borrowing rate is variable, the information shall include a statement indicating that fact, using the wording from Part A and an illustration of a maximum instalment amount. Where there is a cap, the illustration shall show the amount of the instalments if the borrowing rate rises to the level of the cap. Where there is no cap, the worst case scenario shall illustrate the level of instalments at the highest borrowing rate in the last 20 years, or where the underlying data for the calculation of the borrowing rate are available for a period of less than 20 years, the longest period for which such data are available, based on the highest value of any external reference rate used in calculating the borrowing rate where applicable, or the highest value of a benchmark rate specified by a competent authority or EBA where the creditor does not use an external reference rate. The requirement to provide an illustrative example does not apply to housing loan agreements where the borrowing rate is fixed for a material initial period of several years and may then be fixed for a further period following negotiation between the creditor and the borrower. Where the loan is a multi-part loan (e.g. concurrently part fixed rate, part variable rate), the information shall be given for each part of the loan, and in total.
5. (Where applicable) Where the loan currency is different from the borrower's national currency or where the loan is indexed to a currency which is different from the borrower's national currency, the creditor shall include a numerical example clearly showing how changes to the relevant exchange rate may affect the amount of the instalments, using the wording from Part A. That example shall be based on a 20% reduction in the value of the borrower's national currency together with a prominent statement that the instalments could increase by more than the amount assumed in that example. Where there is a cap which limits that increase to less than 20%, the maximum value of the instalments paid in the borrower's currency shall be given instead and the statement on the possibility of further increases omitted.
6. Where the housing loan is fully or partly a variable rate loan and point 3 applies, the illustration in point 5 shall be given on the basis of the instalment amount referred to in point 1.

7. Where the currency used for the payment of instalments is different from the loan currency or where the amount of each instalment expressed in the borrower's national currency depends on the corresponding amount in a different currency, this section shall indicate the date at which the applicable exchange rate is to be calculated and either the exchange rate or the basis on which it will be calculated and the frequency of their adjustment. Where applicable such indication shall include the name of the institution publishing the exchange rate.
8. Where the housing loan in question is a deferred-interest loan under which interest due is not fully repaid by the instalments and is added to the total outstanding amount of the loan, there shall be an explanation of: how and when deferred interest is added to the loan as a cash amount; and what the implications are for the borrower in terms of their remaining debt.

Section '7. Illustrative repayment table'

1. This section shall be included where the loan is a deferred interest loan under which the interest due is not fully repaid by the instalments and is added to the total outstanding amount of the loan or where the borrowing rate is fixed for the duration of the loan agreement. Member States may provide that the illustrative amortisation table is compulsory in other cases.

Where the borrower has a right to receive a revised amortisation table, this shall be indicated along with the conditions under which the borrower has that right.

2. Where the borrowing rate for a housing loan may vary during the lifetime of the loan, the creditor shall indicate the period during which that initial borrowing rate will remain unchanged.
3. The table to be included in this section shall contain the following columns: 'repayment schedule' (e.g. month 1, month 2, month 3), 'amount of the instalment', 'interest to be paid per instalment', 'other costs included in the instalment' (where relevant), 'principal repaid per instalment' and 'outstanding principal after each instalment'.
4. For the first repayment year, the information shall be given for each instalment and a subtotal shall be indicated for each of the columns at the end of that first year. An overall total row shall be added at the end of the table and shall provide the total amounts for each column. The total cost of the loan paid by the borrower (i.e. the overall sum of the 'amount of the instalment' column) shall be clearly highlighted and presented as such.
5. Where the borrowing rate is subject to revision and the amount of the instalment after each revision is unknown, the creditor may indicate in the amortisation table the same instalment amount for the whole loan duration. In such a case, the creditor shall draw that fact to the attention of the borrower by visually differentiating the amounts which are known from the hypothetical ones (e.g. using a different font, borders or shading). In addition, a clearly legible text shall explain for which periods the amounts represented in the table may vary and why.

Section '8. Additional obligations'

1. The creditor shall refer in this section to obligations such as the obligation to insure the immovable property, to purchase life insurance, to have a salary paid into an account with the creditor or to buy any other product or service. For each obligation, the creditor shall specify to whom and by when the obligation is to be fulfilled.
2. The creditor shall specify the duration of the obligation, e.g. until the end of the loan agreement. The creditor shall specify for each obligation any costs to be paid by the borrower, which are not included in the APRC .
3. The creditor shall state whether it is compulsory for the borrower to use any ancillary services to obtain the housing loan on the stated terms, and if so whether the borrower is obliged to purchase them from the creditor's preferred supplier or whether they may be purchased from a provider of the borrower's choice. Where such possibility is conditional on the ancillary services meeting certain minimum characteristics, such characteristics shall be described in this section.

Where the loan agreement is bundled with other products, the creditor shall state the key features of those other products and clearly state whether the borrower has a right to terminate the loan agreement or the bundled products separately, the conditions for and implications of doing so, and, where applicable, of the possible consequences of terminating the ancillary services required in connection with the loan agreement.

Section '9. Early loan repayment'

1. The creditor shall indicate under what conditions the borrower can repay their housing loan early, either fully or partially.
2. In the section on exit charges, the creditor shall draw the borrower's attention to any exit charge or other costs payable in connection with the early repayment of a housing loan in order to compensate the creditor and, where possible, indicate their amount. In cases where the amount of compensation would depend on different factors, such as the amount repaid or the prevailing interest rate at the moment of the early repayment, the creditor shall indicate how the compensation will be calculated and provide the maximum amount that the charge might be, or where this is not possible, an illustrative example in order to demonstrate to the borrower the level of compensation under different possible scenarios.

Section '10. Flexible features'

1. Where applicable, the creditor shall explain the possibility of, and conditions for, transferring the housing loan to another creditor or immovable property.
2. (Where appropriate) Additional features: Where the product contains any of the features listed in point 5, this section must list these features and provide a brief explanation of:
 - (a) the circumstances in which the borrower can use the feature;
 - (b) any conditions attached to the feature;

(c) if the feature being part of the housing loan secured by a pledge or comparable security means that the borrower loses any statutory or other protections usually associated with the feature; and the firm providing the feature (if not the creditor).

3. If the feature contains any additional credit, then this section must explain the following to the borrower:

(a) the total amount of credit (including the loan secured by a pledge or comparable security);

(b) whether the additional credit is secured or not;

(c) the relevant borrowing rates and whether the credit is regulated or not.

Such additional credit amount shall either be included in the original creditworthiness assessment or, if it is not, this section shall make clear that the availability of the additional amount is dependent on a further assessment of the borrower's debt servicing capacity.

4. If the feature involves a savings vehicle, the relevant interest rate must be explained.

5. The possible additional features are:

(a) 'overpayments/underpayments' [paying more or less than the instalment ordinarily required by the amortisation structure];

(b) 'payment holidays' [periods when the borrower is not required to make payments];

(c) 'borrow back' [ability for the borrower to borrow again funds already drawn down and repaid];

(d) 'additional borrowing available without further approval';

(e) 'additional secured or unsecured borrowing' [in accordance with point 3 above];

f) 'credit card';

(g) 'linked current account';

(h) 'linked savings account'.

6. The creditor may include any other features offered by the creditor as part of the loan agreement not mentioned in the previous sections.

Section '11. Other rights of the borrower'

1. The creditor shall clarify the right(s) of e.g. withdrawal or reflection and, where applicable, other rights such as portability (including subrogation) that exist, specify the conditions to which this/these right(s) is subject, the procedure that the borrower will have to follow in order to exercise this/these right(s), inter alia, the address to which the notification of withdrawal from the agreement shall be sent, and the corresponding fees (where applicable).

2. Where a reflection period or right of withdrawal for the borrower applies, this shall be clearly stated.

3. In line with a separate regulation,⁵⁷ where the transaction is being offered at a distance, the borrower shall be informed of the existence or absence of a right of withdrawal.

Section ‘12. Complaints’

1. This section shall indicate the internal contact point [name of the relevant department] and a means of contacting them to complain [geographical address (registered office)] or [telephone number] or [contact person], [contact details] and a link to the complaints procedure on the relevant page of a website or similar information source.
2. It shall indicate the name of the relevant external body for out-of-court complaints and redress and, where using the internal complaint procedure is a precondition for access to that body, indicate that fact using the wording from Part A.
3. In the case of credit agreements with a borrower who is resident in another Member State, the creditor shall refer to the existence of FIN-NET (http://ec.europa.eu/internal_market/fin-net/).

Section ‘13. Non-compliance with the commitments linked to the loan: consequences for the borrower’

1. Where non-observance of any of the borrower’s obligations linked to the housing loan may have financial or legal consequences for the borrower, the creditor shall describe in this section the different main cases (e.g. late payments/ default, failure to respect the obligations set out in Section 8 ‘Additional obligations’) and indicate where further information could be obtained.
2. For each of those cases, the creditor shall specify, in clear and easily comprehensible terms, the sanctions or consequences to which they may give rise. Reference to serious consequences shall be highlighted.
3. Where the immovable property used to secure the loan may be returned or transferred to the creditor, if the borrower does not comply with their obligations, this section shall include a statement indicating that fact, using the wording from Part A.

Section ‘14. Additional information’

1. In the case of distance marketing, this section will include any clause stipulating the law applicable to the housing loan agreement or the competent court.
2. Where the creditor intends to communicate with the borrower during the life of the loan agreement in a language different from the language of the ESIS, that fact shall be included and the language of communication named. This is without prejudice to the relevant provisions of a separate regulation.⁵⁸
3. The creditor or financial agent shall state the borrower’s right to be provided with or offered, as applicable, a copy of the draft loan agreement at least once an offer binding on the creditor has been made.

Section ‘15. Supervisor’

1. The relevant authority or authorities responsible for the supervision of the pre-contractual stage of lending shall be indicated.

CALCULATION OF THE ANNUAL PERCENTAGE RATE OF CHARGE

I. Basic equation expressing the equivalence of drawdowns on the one hand and repayments and charges on the other.

The basic equation, which establishes the annual percentage rate of charge (APRC), equates, on an annual basis, the total present value of drawdowns on the one hand and the total present value of repayments and payments of charges on the other hand, i.e.:

$$\left| \sum_{k=1}^m C_k (1 + X)^{-t_k} = \sum_{l=1}^{m'} D_l (1 + X)^{-s_l} \right.$$

where:

- X is the APRC;
- m is the number of the last drawdown;
- k is the number of a drawdown, thus $1 \leq k \leq m$;
- C_k is the amount of drawdown k ;
- t_k is the interval, expressed in years and fractions of a year, between the date of the first drawdown and the date of each subsequent drawdown, thus $t_1 = 0$;
- m' is the number of the last repayment or payment of charges;
- l is the number of a repayment or payment of charges;
- D_l is the amount of a repayment or payment of charges;
- s_l is the interval, expressed in years and fractions of a year, between the date of the first drawdown and the date of each repayment or payment of charges.

Remarks:

- (a) The amounts paid by both parties at different times shall not necessarily be equal and shall not necessarily be paid at equal intervals.
- (b) The starting date shall be that of the first drawdown.
- (c) Intervals between dates used in the calculations shall be expressed in years or in fractions of a year.
 1. A year is presumed to have 365 days (or 366 days for leap years), 52 weeks or 12 equal months.
 2. An equal month is presumed to have 30.41666 days (i.e. 365/12) regardless of whether or not it is a leap year.

Where intervals between dates used in the calculations cannot be expressed as a whole number of weeks, months or years, the intervals shall be expressed as a whole number of one of those periods in combination with a number of days. Where using days:

- (i) every day shall be counted, including weekends and holidays;
 - (ii) equal periods and then days shall be counted backwards to the date of the initial drawdown;
 - (iii) the length of the period of days shall be obtained excluding the first day and including the last day and shall be expressed in years by dividing this period by the number of days (365 or 366 days) of the complete year counted backwards from the last day to the same day of the previous year.
- (d) The result of the calculation shall be expressed with an accuracy of at least one decimal place. If the figure at the following decimal place is greater than or equal to 5, the figure at the preceding decimal place shall be increased by one.
- (e) The equation can be rewritten using a single sum and the concept of flows (A_k), which will be positive or negative, in other words either paid or received during periods 1 to n, expressed in years, i.e.:

$$S = \sum_{k=1}^n A_k(1 + X)^{-t_k},$$

S being the present balance of flows. If the aim is to maintain the equivalence of flows, this value will be zero.

II. Additional assumptions for the calculation of the APRC

- (a) If a housing loan agreement gives the borrower freedom of drawdown, the total amount of the housing loan shall be deemed to be drawn down immediately and in full.
- (b) If a housing loan agreement provides different ways of drawdown with different charges or borrowing rates, the total amount of the housing loan shall be deemed to be drawn down at the highest charge and borrowing rate applied to the most common drawdown mechanism for this type of loan agreement.
- (c) If a housing loan agreement gives the borrower freedom of drawdown in general but imposes, amongst the different ways of drawdown, a limitation with regard to the loan amount and the period of time, the amount of the housing loan shall be deemed to be drawn down on the earliest date provided for in the loan agreement and in accordance with those drawdown limits.
- (d) If different borrowing rates and fees are offered for a limited period or amount, the highest borrowing rate and fees shall be deemed to be the borrowing rate and fees for the whole duration of the loan agreement.
- (e) For housing loan agreements for which a fixed borrowing rate is agreed in relation to the initial period, at the end of which a new borrowing rate is set and subsequently periodically adjusted according to an agreed indicator or internal reference rate, the calculation of the APRC shall be based on the assumption that, at the end of the borrowing rate fixation period, the borrowing rate is the same as at the time of calculation of the APRC, based on the value of the agreed indicator or internal reference rate at that time, but is not less than the fixed borrowing rate.

- f) If the ceiling applicable to a housing loan has not yet been agreed, that ceiling is assumed to be EUR 170,000. In the case of housing loan agreements – other than contingent liabilities or guarantees – the purpose of which is not to acquire or retain a right in residential immovable property or land, overdrafts, deferred debit cards or credit cards, this ceiling is assumed to be EUR 1,500.
- (g) In the case of housing loan agreements other than overdrafts, bridging loans, shared equity credit agreements, contingent liabilities or guarantees and open-ended loan agreements as referred to in the assumptions set out in points (i), (j), (k), (l) and (m):
1. if the date or amount of a principal repayment to be made by the borrower cannot be ascertained, it shall be assumed that the repayment is made at the earliest date provided for in the loan agreement and is for the lowest amount for which the loan agreement provides;
 2. if the interval between the date of initial drawdown and the date of the first payment to be made by the borrower cannot be ascertained, it shall be assumed to be the shortest interval.
- (h) Where the date or amount of a payment to be made by the borrower cannot be ascertained on the basis of the housing loan agreement or the assumptions set out in points (g), (i), (j), (k), (l) and (m), it shall be assumed that the payment is made in accordance with the dates and conditions required by the creditor and, when these are unknown:
1. interest charges are paid together with the repayments of principal;
 2. non-interest charges expressed as a single sum are paid at the date of the conclusion of the loan agreement;
 3. non-interest charges expressed as several payments are paid at regular intervals, commencing with the date of the first repayment of principal, and if the amount of such payments is not known they shall be assumed to be equal amounts;
 4. the final payment clears the balance of principal, interest and other charges, if any.
- (i) In the case of an overdraft facility, the total amount of credit shall be deemed to be drawn down in full and for the whole duration of the housing loan agreement. If the duration of the overdraft facility is not known, the APRC shall be calculated on the assumption that the duration of the credit is three months.
- (j) In the case of a bridging loan, the total amount of the housing loan shall be deemed to be drawn down in full and for the whole duration of the loan agreement. If the duration of the loan agreement is not known, the APRC shall be calculated on the assumption that the duration of the loan is 12 months.
- (k) In the case of an open ended housing loan agreement, other than an overdraft facility or bridging loan, it shall be assumed that:
1. for loan agreements the purpose of which is to acquire or retain rights in residential immovable property, the loan is provided for a period of 20 years starting from the date of the initial drawdown, and that the final payment made by the borrower clears the balance of principal, interest and other charges, if any; in the case of loan agreements the purpose of which is not to acquire or retain rights in residential immovable property or which are drawn down by deferred debit cards or credit cards, this period shall be of one year;

2. the principal is repaid by the borrower in equal monthly payments, commencing one month after the date of the initial drawdown. However, in cases where the principal must be repaid in full, in a single payment, within each payment period, successive drawdowns and repayments of the entire principal by the borrower shall be assumed to occur over the period of one year. Interest and other charges shall be applied in accordance with those drawdowns and repayments of principal and as provided for in the loan agreement.

For the purposes of this point, an open-ended housing loan agreement is a loan agreement without fixed duration and includes loans which must be repaid in full within or after a certain period but, once repaid, become available to be drawn down again.

- (l) In the case of contingent liabilities or guarantees, the total amount of the housing loan shall be deemed to be drawn down in full as a single amount at the earlier of:
 1. the latest drawdown date permitted under the loan agreement being the potential source of the contingent liability or guarantee; or
 2. in the case of a rolling loan agreement at the end of the initial period prior to the rollover of the loan agreement.
- (m) In the case of shared equity loan agreements:
 1. the payments by borrowers shall be deemed to occur at the latest date or dates permitted under the housing loan agreement;
 2. percentage increases in value of the residential immovable property which secures the shared equity housing loan agreement, and the rate of any inflation index referred to in the agreement, shall be assumed to be a percentage equal to the higher of the current central bank target inflation rate or the level of inflation in the Member State where the residential immovable property is located at the time of conclusion of the loan agreement or 0% if those percentages are negative.

**SCHEDULE OF LEGALLY BINDING ACTS OF THE EUROPEAN UNION
ENACTED IN SLOVAK LAW BY THIS ACT**

1. 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 (OJ L 60, 28.2.2014).

Template

A certificate issued under Article 26a of Act No 90/2016 Coll. on housing loans (and amending certain laws), as amended by Act No 279/2017 Coll. (hereinafter the ‘Housing Loan Act’) in regard to the application of a tax benefit to interest paid on a housing loan pursuant to Article 33a of Act No 595/2003 Coll. on income tax, as amended by Act No 279/2017 Coll.

for the year ...

concerning housing loan agreement No ... concluded on ... (hereinafter ‘the agreement’).

[Name of the bank or foreign bank branch] (hereinafter the ‘bank’) hereby certifies for the benefit of the following borrower and co-borrower(s), if any, under the agreement:

Borrower

Full name:

Date of birth:

Address of permanent residence:

Co-borrower(s)

Full name:

Date of birth:

Address of permanent residence:

that

1. the borrower’s application for a housing loan under Article 1(6) of the Housing Loan Act (hereinafter ‘the housing loan’) was submitted on ...;
2. the above-mentioned borrower and co-borrower(s), if any, was/were the borrower(s) under the agreement on the day when it was concluded / or the above-mentioned borrower has assumed the outstanding liabilities under the housing loan of a deceased person who was a borrower under the agreement on the day when it was concluded;
3. based on the agreement, the housing loan is to be used to finance one domestic residential immovable property as defined in Article 1(7) of the Housing Loan Act;
4. the housing loan has been remunerated since ...;
5. the amount of interest paid under the agreement in the year ..., as calculated from the total amount of the housing loan or €50,000, whichever is lower, is €....
6. the borrower has/has not concluded with the bank another housing loan agreement which meets the conditions set out in Article 1(6) of the Housing Loan Act.

Done at ...

For the bank:

Endnotes

- 1 Article 2(a) of Act No 129/2010 Coll. on consumer credits and on other credits and loans for consumers (and amending certain laws), as amended by Act No 394/2011 Coll.
- 2 Article 5(ah) of Act No 483/2001, as amended by Act No 279/2017 Coll.
- 3 Article 7(6) of Act No 310/1992 Coll. on home savings, as amended by Act No 90/2016 Coll.
- 4 Act No 310/1992 Coll., as amended.
Articles 67 to 88 of Act No 483/2001 Coll., as amended.
- 5 Article 1(2) of Act No 129/2010 Coll., as amended.
- 6 Article 11 of the Labour Code, as amended.
- 7 For example: Article 7b(6) of Act No 182/1993 Coll. on the ownership of apartments and non-residential premises, as amended.
- 8 Act No 150/2013 Coll. on the State Housing Development Fund, as amended by Act No 276/2015 Coll.
- 8a Article 33a of Act No 595/2003 Coll. on income tax, as amended by Act No 279/2017 Coll.
- 8b Article 2(2) of Act No 310/1992 Coll., as amended.
- 8c Article 139b(5) of Act No 50/1976 Coll. on land planning and building regulations (the Planning Act), as amended.
- 8d Article 43b(3) to (6) of Act No 50/1976 Coll., as amended by Act No 237/2000 Coll.
- 9 Article 2(1), (7) and (8) of Act No 483/2001 Coll., as amended.
- 10 Article 7(1) of Act No 483/2001 Coll., as amended by Act No 747/2004 Coll.
- 11 Article 20(1) of Act No 129/2010 Coll., as amended.
- 12 Article 22 of Act No 431/2002 Coll. on accounting, as amended.
- 13 Article 6 of Act No 186/2009 Coll. on financial intermediation and financial advisory services (and amending certain laws), as amended by Act No 129/2010 Coll.
- 14 Article 9 of the Labour Code, as amended by Act No 257/2011 Coll.
- 15 Article 20(1)(b) of Act No 129/2010 Coll., as amended by Act No 35/2015 Coll.
- 16 Article 2 of Act No 147/2001 Coll. on advertising (and amending certain laws), as amended.
- 17 Article 45 of the Commercial Code, as amended.
Articles 7 and 8 of Act No 250/2007 Coll. on consumer protection (and amending Act No 372/1990 Coll. on non-indictable offences, as amended), as amended.
- 18 Article 3 of Act No 129/2010 Coll.
- 19 Articles 4 and 8 of Act No 136/2001 Coll. on the protection of competition (and amending Act No 347/1990 Coll. on the organisation of ministries and other central state administration authorities of the Slovak Republic, as amended), as amended.
Article 4(3) of Act No 250/2007 Coll., as amended by Act No 397/2008 Coll.
- 20 Article 1(1) of Act No 270/1995 Coll. on the state language of the Slovak Republic.
- 21 Article 2(m) of Act No 129/2010 Coll.
- 22 For example: Act No 382/2004 Coll. on experts, interpreters and translators (and amending certain laws), as amended.
- 22a Point 3 of Article 3(1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016).
Article 84(1) of Act No 483/2001 Coll., as amended.
- 23 Articles 62 to 81 of Act No 36/2005 Coll. on family (and amending certain laws), as amended.
- 23aa Article 170(19) and (20) of Act No 461/2003 Coll. on social insurance, as amended by Act No 279/2017 Coll.
- 23b Act No 601/2003 Coll. on the minimum subsistence amount (and amending certain laws), as amended.
- 24 Article 4 of Act No 461/2003 Coll. on social insurance, as amended.
- 25 Article 85a(2) of Act No 483/2001 Coll., as amended.
- 26 Article 1(1) of Act No 1/1993 Coll. on the Collection of Laws of the Slovak Republic, as amended.
- 27 Article 7 of Act No 129/2010 Coll., as amended.
- 28 Article 20(1)(a) of Act No 129/2010 Coll., as amended by Act No 35/2015 Coll.
- 29 Article 7(8)(b) to (p) of Act No 129/2010 Coll., as amended by Act No 35/2015 Coll.
- 30 Article 7(8) of Act No 129/2010 Coll., as amended by Act No 35/2015 Coll.
- 31 Act No 122/2013 Coll. on the protection of personal data (and amending certain laws), as amended by Act No 84/2014 Coll.
- 32 Article 8a of Act No 129/2010 Coll., as amended by Act No 35/2015 Coll.
- 32a Article 12(2)(a) of Act No 310/1992 Coll., as amended by Act No 242/1999 Coll.
- 32b Articles 197 and 198 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013), as amended.
- 32c Articles 223 to 227 of Regulation (EU) No 575/2013, as amended.
- 33 Article 23a(1) of Act No 483/2001 Coll., as amended by Act No 213/2014 Coll.
- 34 Article 2(1) of Act No 483/2001 Coll., as amended by Act No 213/2014 Coll.
- 35 Article 32 of Act No 186/2009 Coll., as amended by Act No 129/2010 Coll.
- 36 Article 7(5) of Act No 129/2010 Coll., as amended by Act No 39/2015 Coll.

37 For example: Article 92a of Act No 483/2001 Coll., as amended.
38 Articles 43a to 54 of the Civil Code, as amended.
39 Article 53(6) of the Civil Code, as amended.
Articles 1 and 1a of Regulation No 87/1995 Coll. of the Slovak Government implementing certain provisions of the Civil Code, as amended.
40 Act No 747/2004 Coll. on financial market supervision (and amending certain laws), as amended.
41 Article 9(3) of Act No 97/1963 Coll. on international private and procedural law, as amended by Act No 589/2003 Coll.
41a Article 195a of Act No 7/2005 Coll., as amended by Act No 279/2017 Coll.
42 Article 5 of Act No 266/2005 Coll. on the protection of consumers in respect of the distance marketing of financial services (and amending certain laws), as amended by Act No 186/2009 Coll.
Article 7 of Act No 102/2014 Coll. on the protection of consumers in respect of the sale of goods or provision of services on the basis of a distance or off-premises contract (and amending certain laws).
43 Article 7(1) of Act No 483/2001 Coll., as amended by Act No 747/2004 Coll.
Article 20(1) of Act No 129/2010 Coll., as amended.
43a Article 137(c) and (d) of the Civil Dispute Procedure Code.
44 Article 28(2) of Act No 566/1992 Coll. on Národná banka Slovenska, as amended by Act No 659/2007 Coll.
Article 12.1 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank (OJ C 83, 30.3.2010).
45 For example: Act No 527/2002 Coll. on voluntary auctions (and amending Act No 323/1992 Coll. on notaries and notarial activities – the Notarial Code – as amended), as amended; and Act No 382/2004 Coll., as amended.
45a Article 20a(1) of Act No 129/2010 Coll., as amended.
45b Act No 371/2014 Coll. on resolution in the financial market (and amending certain laws), as amended.
45c Act No 7/2005 Coll. on bankruptcy and restructuring (and amending certain laws), as amended.
45d Article 20a(16) of Act No 129/2010 Coll., as amended by Act No 35/2015 Coll.
45e For example: Act No 483/2001 Coll., as amended.
45f Articles 116 and 117 of the Civil Code.
46 Article 14 of Act No 186/2009 Coll., as amended by Act No 132/2013 Coll.
47 Act No 186/2009 Coll., as amended.
48 Article 2(b) and (c) of Act No 129/2010 Coll., as amended.
49 Article 10 of Act No 186/2009 Coll., as amended by Act No 129/2010 Coll.
50 For example: Articles 38 and 39 of Act No 202/1995 Coll. – the Foreign Exchange Act (and amending Act No 372/1990 Coll. on non-indictable offences, as amended), as amended; Act No 747/2004 Coll., as amended; and Act No 297/2008 Coll. on the prevention of money laundering and terrorist financing (and amending certain laws), as amended.
51 Article 19(4) of Act No 747/2004 Coll., as amended.
52 Article 10(5) of Act No 747/2004 Coll.
53 For example: the Civil Procedure Code; Act No 244/2002 Coll. on arbitration proceedings, as amended; Act No 420/2004 Coll. on mediation (and amending certain laws), as amended; Articles 90 to 95 of Act No 492/2009 Coll. on payment services (and amending certain laws), as amended; and Act No 335/2014 Coll. on consumer arbitration (and amending certain laws).
53a Article 32(10) and Article 37(5) of Act No 595/2003 Coll., as amended.
54 For example: Article 7(14), Article 7a(3) and (4), and Article 27b(1) to (3) of Act No 483/2001 Coll., as amended; Act No 186/2009 Coll., as amended; and Act No 129/2010 Coll., as amended.
55 Articles 52 to 54 of the Civil Code, as amended.
56 Articles 53(6) and 53b(1) of the Civil Code, as amended.
57 Article 4 of Act No 266/2005 Coll. on the protection of consumers in respect of the distance marketing of financial services (and amending certain laws), as amended.
58 Article 4(1)(c) of Act No 266/2005 Coll., as amended.