

*[unofficial translation]*

Pursuant to Article 44 paragraph 2 item 3 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, 70/17, 125/23), Article 18 paragraph 2 and Article 25 paragraph 9 of the Consumer Credit Law (OGM 15/25), the Council of the Central bank of Montenegro, at its meeting held on 20 November 2025, passed the following

**DECISION  
ON THE CONTENT OF TEMPLATES FOR PROVIDING PRE-CONTRACTUAL  
CONSUMER LOAN INFORMATION TO CONSUMERS**

**Article 1**

This Decision shall determine the content of the template for providing pre-contractual consumer loan information to consumers (hereinafter: the PK template) and more detailed content and the appearance of the template for providing pre-contractual consumer housing loan information to consumers (hereinafter: the PSK template).

**Article 2**

The PK is provided in Annex 1 to this Decision and forms an integral part thereof.

The PSK template, along with the instructions for filling in is provided in Annex 2 to this Decision and forms an integral part thereof.

**Article 3**

As of the day of entry into force of this Decision, the Decision on the Content of the Form for informing Consumers on Consumer Loans (OGM 51/13) shall be repealed.

**Article 4**

This Decision shall enter into force on the day following that of its publication in the "Official Gazette of Montenegro", and it shall apply as of 28 November 2025.

**THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO**

Decision number: 0101-9051-6 /2025

Podgorica, 20 November 2025

**CHAIRPERSON  
GOVERNOR,**

**Irena Radović, m. p.**

## PK TEMPLATE

## PRE-CONTRACTUAL CONSUMER LOAN INFORMATION

## 1. Identity and contact data of the creditor/credit intermediary

|  |                           |
|--|---------------------------|
| Creditor<br>TIN<br>Address<br>Telephone<br>number (*)<br>E-mail address (*)<br>Fax number<br>(*)<br>Website (*)  | Name                      |
| Where applicable<br>Credit intermediary<br>TIN/Unique Master Citizen<br>Number<br>Address<br>Telephone number (*)<br>E-mail address (*)<br>Fax number (*)<br>Website (*) | Name, or name and surname |
| (*) This information is optional for the creditor/credit intermediary.   |                           |

Wherever the words “where applicable” are indicated, the creditor shall fill in the field if the information is relevant to the credit product, or delete information in question or the entire row where the information is not relevant for the type of the loan in question.

## 2. Description of the main features of the credit product

|   |   |
|---|---|
| Type of loan  |   |
| Total amount of the loan  |   |
| The conditions governing the tranche drawdown   |   |
| Duration of the loan agreement  |   |
| Annuities and, where applicable, the schedule of annuity allocation   | [The amount, number and frequency of payments to be made by the consumer]<br><br>Interest and/or fees shall be paid as follows: |
| Total amount to be paid by the consumer   | [The sum of total loan amount and total cost of the loan]   |
| Where applicable<br><br>This loan shall be granted in the form of deferred payment for specific items or services or in the form of a linked loan agreement |   |

|  |                                |
|--|--------------------------------|
| Name of the item/service<br>Price for cash payment   |                                |
| Where applicable<br>Required security instruments  | [Type of security instruments] |
| Where applicable<br><i>The paid amounts do not carry out the current amortisation of the principal</i> |                                |

### 3. Cost of the loan

|  |  |
|--|--|
| Interest rate or, where applicable, different interest rates applied to the loan agreement   | [%<br>— fixed, or<br>— variable (with index or reference rate applied to the initial interest rate),<br>— interest rates validity periods] |
| Effective interest rate (EIR)<br>The EIR helps in comparing various offers.  | [% Representative example specifying all elements used for the calculation of the effective interest rate]                                 |
| Is it required, in order to be granted a loan under the conditions that apply in the market, to obtain/conclude<br>— loan insurance policy, or<br>— other ancillary service agreement?<br><i>If the creditor does not know the costs of those services, they are not covered by EIR.</i> | Yes/no [if yes, specify the type of insurance]<br><br>Yes/no [if yes, specify the type of ancillary service]                               |

### Related costs

|  |  |
|--|--|
| Where applicable<br>Fee for maintaining one or several accounts clearly recording both, payment transactions and tranche drawdowns |  |
| Where applicable<br>The amount of costs (fees) for using a means of payment (e.g., credit cards)                                   |  |
| Where applicable<br>All other costs (fees) arising from the loan agreement   |  |
| Where applicable<br>The conditions under which the above-mentioned costs (fees) associated with the loan agreement may be changed  |  |
| Where applicable<br>The obligation to pay the notarial costs   |  |

|   |  |
|---|--|
| Costs in the case of late payments<br><i>Missed/late payments can have serious consequences for you (e.g., enforced sale) and make it much more difficult to be granted a loan.</i> | (Default interest rate applicable in the case of late payments of annuities and the measures for its adjustment, and any fees payable for the default, where applicable) |
|---|--|

#### 4. Other important legal aspects

|   |  |
|---|--|
| Right of withdrawal, or the right of unilateral termination of the loan agreement<br><i>You shall have a right to a unilateral termination of the loan agreement within a period of 14 days, without giving any reason. (Article 45 of the Consumer Credit Law)</i>         | [the manner and conditions for exercising the right]   |
| Early repayment<br><i>You shall have the right to a partial or full early repayment of the loan at any time.</i>  | [the manner and conditions for exercising the right]   |
| Where applicable<br>The right to a compensation in the case of early repayment  | [Set a compensation (calculation method) in accordance with the provisions of Article 47 of the Consumer Credit Law] |
| Credit registry consultation for the assessment of creditworthiness<br><i>The creditor must inform you immediately and without charge of the results of a credit registry consultation if the credit application is rejected based on the data obtained from that base.</i> |  |
| Right to a copy of the Draft Loan Agreement<br><i>This provision shall not apply if the creditor, at the time of the application, is unwilling to proceed to the conclusion of the loan agreement with you.</i>   |  |
| The period in which the information provided prior to the conclusion of the loan agreement become binding for the creditor  | This information is valid from .... to ....  |

Place and date

Authorised person of the creditor/ credit intermediary

Consumer

## ANNEX 2

## PSK TEMPLATE

## PRE-CONTRACTUAL CONSUMER HOUSING LOAN INFORMATION

| No. | TYPE OF INFORMATION   |
|-----|---|
|     | (Introductory text)   |
|     | <p>This document was produced for [name and surname of consumer] on [date].</p> <p>This document was produced on the basis of the information that you have provided and on the current financial market conditions.</p> <p>The information below remains valid until [validity date], (where applicable) apart from the interest rate and other costs. After that date, the information may change in line with market conditions.</p> <p>(Where applicable) This template does not constitute an obligation for [name of credit institution] to grant you a loan.</p>         |
| 1.  | <b>CREDITOR</b>   |
|     | <p>[Name]</p> <p>[Telephone number]</p> <p>[Address]</p> <p>(Optional) [E-mail address]</p> <p>(Optional) [Fax number]</p> <p>(Optional) [Web address]</p> <p>(Optional) [Contact person/branch office]</p> <p>(Where applicable, the information on the provision of advisory services:)<br/>         [(We recommend, having assessed your needs and circumstances, that you take out this loan. /We are not recommending a particular loan for you. However, based on your answers, we are giving you information about this loan so that you can make your own choice.)]</p> |
| 2.  | <b>(Where applicable) CREDIT INTERMEDIARY</b>   |
|     | <p>[Name]</p> <p>[Telephone number]</p> <p>[Address]</p> <p>(Optional) [E-mail address]</p> <p>(Optional) [Fax number]</p> <p>(Optional) [Web address]</p>  |

|           |  |
|-----------|--|
|           | <p>(Optional) [Contact person]</p> <p>(Where applicable) [information on the provision of advisory services] [(We recommend, having assessed your needs and circumstances, that you take out this loan. /We are not recommending a particular loan for you. However, based on some of your answers, we are giving you information about this loan so that you can make your own choice.)]</p> <p>[Fee]</p>   |
| <b>3.</b> | <b>MAIN FEATURES OF THE LOAN</b>   |
|           | <p>Amount and currency of the loan to be granted: [value] [currency]</p> <p>(Where applicable) This loan is not in [national currency of the consumer]</p> <p>(Where applicable) The value of your loan in [national currency of the consumer] could change.</p> <p>(Where applicable) For example, if the value of [national currency of the consumer] fell by 20% relative to [loan currency], the value of your loan would increase to [insert amount in national currency of the consumer]. However, it could be more than this if the value of [national currency of the consumer] falls by more than 20%.</p> <p>(Where applicable) The maximum value of your loan will be [insert amount in national currency of the consumer]. (Where applicable) You will receive a warning if the credit amount reaches [insert amount in national currency of the consumer]. (Where applicable) You will have the opportunity to [insert right to renegotiate the loan in foreign currency or right to the conversion of the loan to [alternative currency] and conditions]</p> <p>Duration of the loan: [duration]</p> <p>[Type of loan]</p> <p>[Type of applicable interest rate]</p> <p>Total amount to be paid by the consumer:</p> <p>This means that you will pay back [amount] for every [unit of the currency] borrowed.</p> <p>(Where applicable) [This/Part of this] is an interest-only loan. You will still owe [insert amount of loan on an interest-only basis] at the end of the loan repayment term.</p> <p>(Where applicable) Value of the immovable property assumed to prepare this information sheet: [insert amount].</p> <p>(Where applicable) Maximum available loan amount relative to the value of the immovable property [insert ratio] or Minimum value of the immovable property required to borrow the specified amount [insert amount]</p> <p>(Where applicable) [Collateral]</p> |

|           |   |
|-----------|---|
| <b>4.</b> | <b>INTEREST RATE AND OTHER COSTS</b>  |
|           | <p>The effective interest rate (EIR) is the total cost of the loan expressed as an annual percentage. The EIR is provided to help you to compare different offers.</p> <p>The EIR applicable to your loan is [EIR]</p> <p>The EIR comprises:</p> <p>Interest rate [value in percentage in cases where fixed interest rate is applied, while in cases where variable interest rate is applied next to the overall value in percentage its components must be specified: variable parameter and the fixed portion of the interest rate in percentage]. The creditor specifies the value of the variable parameter applied in accordance with their general conditions and/or other internal acts as at the date of issuing the PSK template.]</p> <p>[Other components of the EIR]</p> <p>Costs to be paid on a one-off basis:</p> <p>(Where applicable) You must pay a mortgage registration fee. [Insert amount of fee where known or basis for calculation.]</p> <p>Costs to be paid regularly:</p> <p>(Where applicable) This EIR is calculated using assumptions regarding the interest rate: [elements used for EIR calculation]</p> <p>(Where applicable) Because [part of] your loan is a variable interest rate loan, the actual EIR could be different from this EIR if the interest rate for your loan changes. For example, if the interest rate rose to [scenario as described in the Instruction in section 4], the EIR could increase to [insert illustrative EIR corresponding to that scenario].</p> <p>(Where applicable) Please note that this EIR is calculated on the basis that the interest rate remains at the level fixed for the initial period throughout the duration of the agreement.</p> <p>(Where applicable) The following costs are not known to the creditor and are therefore not included in the EIR: [Costs]</p> <p>(Where applicable) You will need to pay a mortgage registration fee.</p> <p>Please make sure that you are aware of all other taxes and costs associated with your loan.</p> |
| <b>5.</b> | <b>FREQUENCY AND NUMBER OF PAYMENTS</b>   |
|           | <p>Frequency of payments: [frequency]</p> <p>Number of payments: [number]</p>   |
| <b>6.</b> | <b>AMOUNT OF EACH ANNUITY</b>   |
|           | [Amount] [currency]   |

|    |  |
|----|--|
|    | <p>Your income may change. Please consider whether you will still be able to pay your [frequency] annuities if your income falls.</p> <p>(Where applicable) Because [this/part of this] is an interest-only loan you will need to make separate arrangements to repay the [insert amount of the interest-only loan] you will owe at the end of the loan life. Remember to add any extra payments you will need to make to the annuity amount shown here.</p> <p>(Where applicable) The interest rate on [part of] this loan can change. This means the amount of your annuities could increase or decrease. For example, if the interest rate rose to [scenario as described in the Instructions in section 6] your payments could increase to [insert annuity amount corresponding to that scenario].</p> <p>(Where applicable) The value of the amount you have to pay in [national currency of the consumer] each [frequency of annuity] could change. (Where applicable) Your payments could increase to [insert maximum amount in national currency of the consumer] each [insert period] (Where applicable). For example, if the value of [national currency of the consumer] fell by 20% relative to [loan currency] you would have to pay an extra [insert amount in national currency of the consumer] each [insert period]. Your payments could increase by more than this.</p> <p>(Where applicable) The exchange rate used for converting your repayment in [loan currency] to [national currency of the consumer] will be the middle rate of the Central Bank applicable on the day the conversion request is submitted, or the rate will be calculated on [date] using [enter the name of the reference parameter or calculation method].</p> <p>(Where applicable) [Details on tied savings products in case of an interest-only loan; details on deferred-interest loans].</p> |
| 7. | <b>(Where applicable) LOAN REPAYMENT PLAN EXAMPLE</b>  |
|    | <p>This loan repayment plan shows the amount to be paid every [frequency].</p> <p>The annuities (column [number]) consist of the sum of interest to be paid (column [number]), where applicable, the part of the principal paid (column [number]) and, where applicable, the amount of other costs (column [number]). (Where applicable) The costs in column designated for other costs relate to [list of costs]. Outstanding principal (column [number]) is the amount of the loan that remains to be repaid after each annuity.</p> <p>[Repayment plan template]</p>  |
| 8. | <b>ADDITIONAL OBLIGATIONS</b>  |
|    | <p>The consumer must comply with the following obligations in order to benefit from the lending conditions described in this Template:</p> <p>[Obligations]</p> <p>(Where applicable) Please note that the lending conditions described in this Template (including the interest rate) may change if these obligations are not complied with.</p>  |

|            |   |
|------------|---|
|            | <p>(Where applicable) Listed below are the possible consequences of opting out of any additional service relating to the loan, which may occur at a later stage of the repayment period:</p> <p>[Consequences]</p>  |
| <b>9.</b>  | <b>EARLY REPAYMENT</b>  |
|            | <p>You have the possibility to repay this loan early, either fully or partially.</p> <p>(Where applicable) [Conditions]</p> <p>The creditor shall not be entitled to charge a compensation for an early repayment made in accordance with the housing loan agreement.</p>   |
| <b>10.</b> | <b>FLEXIBLE FEATURES OF THE LOAN</b>  |
|            | <p>(Where applicable) [Information on portability/subrogation] You have the possibility to transfer this loan to another [creditor] [or] [immovable property]. [Insert conditions]</p> <p>(Where applicable) You do not have the possibility to transfer this loan to another [creditor] [or] [immovable property].</p> <p>(Where applicable) Additional features: [Insert an explanation of additional features listed in the Instructions, section 10, item 5 and, optionally, any other features offered by the creditor as part of the loan agreement not referred to in previous sections].</p>  |
| <b>11.</b> | <b>OTHER RIGHTS OF THE CONSUMER</b>   |
|            | <p>(Where applicable) You have [length of reflection period] after [the start of reflection period] to reflect before committing yourself to contracting this loan. (Where applicable) Once you have received the offer to conclude a loan agreement from the creditor, you need not accept it before the end of [time limit for reflection] from the beginning of the of reflection period.</p> <p>(Where applicable) For a period of [length of withdrawal period] after [date of concluding the loan agreement] you may exercise your right to withdraw from and unilaterally terminate the loan agreement. [Conditions] [Explain procedure]</p> <p>(Where applicable) You may lose your right to withdraw from and unilaterally terminate the loan agreement if, during that period, you buy or sell an immovable property connected to this loan agreement.</p> <p>(Where applicable) Should you decide to exercise your right of withdrawal [from the 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 7].</p> |
| <b>12.</b> | <b>COMPLAINTS</b>   |
|            | <p>If you have a complaint please contact [enter the contact details of the relevant creditor department and direct to a document and/or web address providing information on the complaint procedure].</p> <p>(Where applicable) Time limit for deciding upon the complaint [period of time].</p>  |

|                                   |  |
|-----------------------------------|--|
|                                   | (Where appropriate) [If we do not resolve the complaint to your satisfaction internally,] you may also contact: [enter name of the authority competent for out-of-court settlement of disputes].   |
| <b>13.</b>                        | <b>NON-COMPLIANCE WITH THE OBLIGATIONS UNDER THE LOAN AGREEMENT: CONSEQUENCES FOR THE CONSUMER</b>   |
|                                   | [Types of non-compliance]<br><br>[Financial and/or legal consequences]<br><br>Should you encounter difficulties in making your [frequency] payments, please contact us immediately to explore possible solutions.<br><br>(Where applicable) As a last resort, the consequence of failing to regularly meet your obligations may also be the loss of your property.   |
| <b>(Where applicable)<br/>14.</b> | <b>ADDITIONAL INFORMATION</b>  |
|                                   | (Where applicable) [Specify the law applicable to the loan agreement]<br><br>(Where the creditor intends to use a language different from the language of the PSK template) Information and contractual terms will be supplied in [language]. With your consent, we intend to communicate in [language/s] for the duration of the loan agreement.<br><br>[Insert statement on right of the consumer to request a draft loan agreement and, as applicable, on the right of the co-debtor, pledgor and guarantor to request a draft loan agreement or insert draft agreement and a list of all articles of the General operating conditions which are relevant for the loan in question] |
| <b>15.</b>                        | <b>SUPERVISORY AUTHORITY</b>   |
|                                   | This creditor is supervised by the Central Bank of Montenegro ( <a href="http://www.cbcq.me">www.cbcq.me</a> ).<br><br>(Where applicable) This credit intermediary is supervised by the Central Bank of Montenegro ( <a href="http://www.cbcq.me">www.cbcq.me</a> ).   |

Place and date

Authorised person of the creditor/ credit intermediary

Consumer

## **INSTRUCTION FOR FILLING IN THE PSK TEMPLATE**

When filling in the PSK template, the creditor and the credit intermediary shall act in accordance with this Instruction.

Instructions between square brackets shall be replaced with corresponding data and information.

In the sections where the words “where applicable” are indicated, the creditor shall provide the information required if it is applicable to the specific loan agreement.

If it is necessary to attach additional templates, draft agreements or similar informative documents, the creditor or, where applicable, the credit intermediary, shall when issuing such a document annexed to the PSK template, specify the number and/or date of creation of the document in the relevant space of the relevant PSK template section to which the annexed document relates by using the following wording template: “Additional information: [title of the additional template, draft agreement, information list or other informative document and its number and/or date of creation].”

### **Section “Introductory text”**

1. The validity date shall be properly highlighted. For the purpose of this section, the “validity date” shall mean the period during which the data, e.g., the interest rate stated in the PSK, will remain unchanged and binding on the creditor during that period. If the determination of the applicable interest rate and other costs depends on the results of the sale of underlying bonds (the instrument that finances the creditor), the final interest rate and other costs may differ from those specified. Only in these circumstances it shall be indicated that the validity period shall not apply to the interest rate and other costs by adding the words: “except for the interest rate and other costs”.

### **Section “1. Creditor”**

1. The name, telephone, number and address of the creditor shall refer to the contact information that the consumer may use for future contact with the creditor.
2. Specifying the e-mail address, fax number, web address and contact person is optional.
3. In line with the provisions of the law governing consumer protection, where the transaction is being offered at a distance, the creditor shall indicate, where applicable, the name and geographic address of its representative in the Member State of habitual residence of the consumer. Indication of the telephone number, e-mail address and web address of the representative of the creditor is optional.
4. Where section 2 is not applicable, the creditor shall, using the wording template from the same section of the PSK template, inform the consumer whether advisory services are being provided and on what basis.

### **(Where applicable) Section “2. Credit intermediary”**

Where the product information is being provided to the consumer by a credit intermediary, that intermediary shall include the following information:

1. The name, telephone number and address of the credit intermediary shall refer to the contact information that the consumer may use for future correspondence.
2. Specifying the e-mail address, fax number, web address and contact person is optional.

3. The credit intermediary shall inform the consumer whether advisory services are being provided and on what basis by using the wording template from section 2 of the PSK template.
4. An explanation on the compensation received by the credit intermediary. Where they are receiving compensation from a creditor, the amount and, where different from the name in section 1 of the PSK template, the name of the creditor shall be provided.

### **Section “3. Main features of the loan”**

1. This section shall clearly explain the main features of the loan, including the value and currency and the potential risks associated with the interest rate, including the ones referred to in item 8 of this section, and the repayment method and structure.
2. National currency of the consumer shall be the official currency of the state in which the consumer has habitual residence. Where the loan currency is different from the national currency of the consumer, the creditor shall warn the consumer of that fact.

In the case of a consumer housing loan, where the loan currency differs from the consumer's national currency or an alternative currency, the creditor shall indicate that the consumer will receive a regular warning every time when the value of the total outstanding amount the consumer is obliged to pay or regular annuities change by more than 20% of their value if the exchange rate of the foreign currency in which the consumer housing loan agreement was concluded to the consumer's national currency or another alternative currency, which was valid at the time of concluding that agreement, is applied. The creditor shall also indicate the right to convert the currency of the loan agreement, as well as any other arrangement for limiting the exposure to exchange rate risk that the creditor can make available to the consumer or are provided by the law governing the respective type of loan. Depending on the applicable regulatory framework, the creditor shall apply the wording templates from section “3. Main features of the loan”, as appropriate.

Where there is a provision in the loan agreement to limit the exchange rate risk, the creditor shall indicate the maximum amount the consumer could have to pay back and only in this case use the wording template “The maximum amount of your loan will be [insert an amount in the national currency of the consumer].” Where there is no provision in the loan agreement to limit the exchange rate risk to which the consumer 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 consumer's national currency relative to the loan currency on the value of the loan and use the wording template from section “3. Main features of the loan”, as appropriate.

3. The duration of the loan shall be expressed in years or months, whichever is the most relevant. Where the duration of the loan can vary during the lifetime of the agreement, the creditor shall explain when and under which conditions this can occur.
4. The type of loan shall be clearly indicated (e.g., mortgage loan, purpose-specific housing loan, etc.).

The description of the type of loan shall clearly indicate how the principal and the interest shall be repaid during the life of the loan (i.e., repayment method and structure), specifying clearly whether the loan agreement is based on principal repayment or interest-only basis, or a combination of the two.

5. Where all or a 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 template from section 3 of the PSK template.

6. This section shall specify whether the interest rate is fixed or variable and, where applicable, the periods during which it will remain fixed; the reference periods for interest rate change and the existence of limits regarding the variability of interest rate, such as caps or floors.

The formula used to define the amount of interest rate and its different components shall be explained (the variable parameter used and the fixed part of the interest rate), as well as reference periods for interest rate change. The creditor shall indicate or point to a web address, where further information on the variable parameter, which may be a variable parameter based on the law governing consumer lending, as well as on the fixed part of the interest rate may be found.

7. If different interest rates apply in different circumstances, information shall be provided on all rates applied.
8. The “total amount to be paid by the consumer” shall be the sum of the loan amount and the total cost of the loan.

Where the interest rate is not fixed for the duration of the agreement, it must be highlighted that this amount is illustrative and may vary in particular in relation to the variation in the interest rate.

9. Where the loan is secured by a mortgage on immovable property or another similar collateral or a right regarding the immovable property, the creditor shall draw the consumer's attention to this. Where applicable, the creditor shall indicate the assumed value of the immovable property or adequate information on other collateral used for the purpose of preparing this information template.
10. The creditor shall indicate, where applicable:
  - a) “the maximum available loan amount relative to the value of the immovable property”, indicating the loan-to-value ratio; this ratio should be accompanied by an example in absolute terms of the maximum amount that can be borrowed for a given immovable property value, or
  - b) “the minimum value of the immovable property required by the creditor to lend the specified amount”.
11. Where loans are multi-part loans (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 in accordance with previous items of this section of the Instruction.

#### **Section “4. Interest rate and other costs”**

1. The reference to “interest rate” corresponds to the nominal interest rate or borrowing interest rate or rates.
2. The interest rate shall be indicated as a percentage value. Where the interest rate is variable and based on the reference rate, the creditor shall indicate the interest rate by stating the reference rate and a percentage value of the fixed part of the interest rate. The creditor shall indicate the value of the reference rate applied as at the date of issuing the PSK template.

Where the interest rate is variable, the following information shall be indicated: a) the assumptions used to calculate the EIR; b) applicable caps and floors, where relevant, and

c) a warning that the variability could unfavourably affect the actual level of the EIR. The font size used for the warning should be bigger and figure prominently in the main body of the PSK template in order to attract the consumer's attention. The warning shall be accompanied by an illustrative example of the EIR. Where there is a cap on the interest rate, the illustrative example shall assume that the interest rate will rise at the earliest possible opportunity to the highest level envisaged in the loan agreement. If there is no cap, the example shall illustrate the EIR at the highest interest rate in at least 20 years, or where the underlying data for the calculation of the interest rate is available for a period of less than 20 years, the longest period for which such data is available, based on the highest value of any benchmark rate used in calculating the interest rate. This condition shall not apply to loan agreements where the interest rate is fixed for an actual initial period of several years and may then be fixed for a further period following negotiation between the creditor and the consumer. For loan agreements where the interest rate is fixed for an actual initial period of several years and may then be fixed for a further period following negotiation between the creditor and the consumer, the information shall include a warning that the EIR is calculated on the basis of the interest rate applied in the initial period. The warning shall be accompanied by an additional, illustrative EIR calculated in accordance with Article 51 paragraph (9) of the Consumer Credit Law. Where loans are multi-part loans (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 EIR" all the other costs contained in the EIR shall be listed, including one-off costs such as administration fees, and regular costs, such as annual 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 annuities, costs to be paid regularly but not included in the annuities), indicating their amount, to whom they are to be paid and when, as well as explanations in relation to their possible variability for the duration of the loan agreement. This shall not include costs incurred for breaches of contractual obligations. Where the amount is not known, the creditor shall indicate an estimation 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 EIR because they are unknown to the creditor, this fact shall be highlighted.

Where the consumer has informed the creditor of one or more features of their preferred loan, such as the duration of the loan agreement and the total amount of the loan, the creditor shall, where possible, use those features. If a loan agreement provides for different ways of tranche drawdown with different fees or interest rates and where the creditor uses the assumptions set out in the Decision on the Calculation and Reporting of the Effective Interest Rate on Loans and Deposits, it shall indicate that other drawdown mechanisms for this type of loan agreement may result in a higher EIR. Where the conditions for tranche drawdown are used for calculating the EIR, the creditor shall highlight the fees associated with other tranche drawdown mechanisms that are not necessarily the ones used in calculating the EIR.

4. Where a fee is payable for the registration of the mortgage or a similar collateral instrument that shall be disclosed in this section with the amount, where known, or where this is not possible, with the basis for determining the amount. Where the fees are known and included in the EIR, 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 EIR the existence of the fee shall be clearly specified in the list of costs which are not known to the creditor. In both cases the standardised wording template from section 4 of the PSK template must be used.

### **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 consumer.
2. The number of payments indicated shall cover the whole duration of the loan agreement.

### **Section “6. Amount of each annuity”**

1. The loan currency and currency and the amount of the annuity shall be clearly indicated.
2. Where the amount of the instalment may change during the life of the loan agreement, the creditor shall specify the period during which that initial annuity amount will remain unchanged and when and how frequently afterwards it will change.
3. 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 template from section 6 which reads: “Because [this/part of this] is an interest-only loan you will need to make separate arrangements to repay the [insert amount of loan on an interest-only basis] you will owe at the end of the loan life. Remember to add any extra payments you will need to make to the annuity amount shown here.”.

If there is a requirement for the consumer to take out a tied savings product as a condition for being granted an interest-only loan secured by a mortgage on immovable property or a similar collateral instrument, the amount and frequency of any payments for this product shall be provided in this section of the PSK template.

4. Where the interest rate is variable, the information shall include a statement indicating that fact, using the wording template from section 6 of the PSK template and an illustration of a maximum annuity amount. Where there is a cap, the illustration shall show the amount of the annuity if the interest rate rises to the level of the cap. Where there is no cap, the worst-case scenario shall illustrate the level of annuity at the highest interest rate in the last 20 years, or where the underlying data for the calculation of the interest rate is available for a period of less than 20 years, the longest period for which data is available, based on the highest value of any reference rate used in calculating the interest rate. The requirement to provide an illustrative example shall not apply to loan agreements where the interest rate is fixed for an actual initial period of several years and may be fixed for a further period following negotiation between the credit institution and the consumer. Where loans are multi-part loans (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 consumer’s national currency or where the loan is indexed to a currency which is different from the consumer’s national currency, the creditor shall include a numerical illustration clearly showing how changes to the relevant exchange rate may affect the amount of the annuity using the wording template in section 6 of the PSK template. That example shall be based on a 20% reduction in the value of the consumer’s national currency together with a prominent statement that the annuities 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 payments in the consumer’s currency shall be given instead and the statement on the possibility of further increases omitted.

6. Where the loan agreement is fully or partly a variable interest rate loan and item 3 applies, the illustration in item 5 shall be given on the basis of the annuity amount referred to in item 1.
7. Where the currency used for the payment of annuities is different from the currency of the loan agreement or where the amount of each annuity expressed in the consumer'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 calculated, as well as the exchange rate or the basis for the calculation of the exchange rate and the frequency of its adjustment, and the name of the institution publishing the exchange rate. The exchange rate used for the calculation of the repayment will be the middle rate of the Central Bank applicable on the day the conversion request is submitted which is applicable on the date of drawing up the PSK template, or the rate will be calculated on another contractual date using the reference parameter or calculation method.
8. Where the loan is a deferred-interest loan under which interest due is not fully repaid by the annuities and is added to the total amount of loan outstanding, there shall be an explanation of: how and when deferred interest is added to the loan principal as a cash amount; and what the implications are for the consumer in terms of their remaining debt.

#### **Section "7. Loan repayment plan"**

1. This section includes the obligation of the creditor to draw up a loan repayment plan for all types of loan agreements.

The creditor shall include the information for the consumer, in which cases the consumer is entitled to receive altered repayment plan.

2. Where the interest rate may vary during the lifetime of the loan, the creditor shall indicate the period during which that initial interest rate will remain unchanged.

#### **Section "8. Additional obligations"**

1. In this section the creditor shall indicate obligations such as the obligation to insure the immovable property, to purchase life insurance, to have salary paid into an account opened with the creditor or to buy any other product or service. For each obligation, the creditor shall specify towards whom and by when the obligation needs to be fulfilled.
2. The creditor shall also 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 consumer, which are not included in the EIR.
3. The creditor shall also state whether it is compulsory for the consumer to commit to any ancillary services to be granted the loan agreement on the stated terms, and if so, indicate to the consumer that they may be purchased from a provider of ancillary services of consumer'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 consumer has a right to withdraw from the loan agreement and those additional services at once or separately, the

conditions for and implications of doing so, and, where applicable, of the possible consequences of withdrawing from the agreement on ancillary services required in connection with the loan agreement.

#### **Section “9. Early repayment”**

1. The creditor shall indicate under what conditions the consumer can repay the loan early, either fully or partially.

#### **Section “10. Flexible features of the loan”**

1. Where applicable, the creditor shall explain the possibility to and conditions for transferring the loan to another creditor or immovable property.
2. (Where applicable) Additional features: Where the product contains any of the features specified in item 5, this section must specify these features and provide a brief explanation of: the circumstances in which the consumer may use the features; any conditions attached to the feature; if the feature being part of the loan secured by a mortgage or a similar security instrument means that the consumer loses any statutory or other protections usually associated with the feature and the undertaking offering the feature (if not the creditor).
3. Where the feature contains any additional loan, this section shall explain to the consumer the following: the total amount of the loan (including the loan secured by a mortgage or a similar security instrument); whether the additional loan is secured or not; the relevant interest rates; and how this is regulated. Such additional loan 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 creditworthiness assessment of the consumer.
4. If the feature involves a savings vehicle, the relevant interests need to be explained.
5. The possible additional features are: “overpayments/underpayments” [paying more or less than the annuity ordinarily required by the amortisation structure]; “payment holidays” [periods where the consumer is not required to make payments]; “borrow back” [ability for the consumer to borrow again funds already drawn down and repaid]; “additional borrowing available without further approval”; “additional secured or unsecured borrowing” [in accordance with item 3]; “credit card”; “linked current account”; and “linked savings account”.
6. The creditor may include any other features offered by the creditor as part of the loan agreement not mentioned in previous sections.

#### **Section “11. Other rights of the consumer”**

1. The creditor shall clarify the right(s) of the consumer to e.g., withdrawal - right to a unilateral termination of the loan agreement within a period of 14 days or reflection and, where applicable, other rights such as loan agreement portability (including subrogation) that exist, specify the conditions to which this/these right(s) is subject, the procedure that the consumer will need to follow in order to exercise this/these right(s), inter alia, the address to which the notification of withdrawal shall be sent, and the corresponding fees (where applicable).

2. The reflection period and the right of withdrawal - a unilateral termination of the agreement for the consumer shall be clearly indicated.
3. In accordance with the provisions of the law governing consumer protection, where the transaction is being offered at a distance, the consumer shall be informed of the existence or absence of the right to withdrawal - a unilateral termination of the agreement referred to in Article 45 of the Consumer Credit Law.

### **Section “12. Complaints”**

1. This section shall indicate the contact information of the relevant creditor department and a means of contacting them to complain [address] or [telephone number] or [contact person:] [contact details] and a link to the relevant web address where information on complaints procedure is available or a similar information source.
2. The name of the relevant authority competent for out-of-court complaints and redress shall be indicated, and where using the internal complaint procedure is a precondition for access to that authority, that fact shall also be indicated indicate using the wording template in section 12 of the PSK template.

### **Section “13. Non-compliance with the obligations under the loan agreement: consequences for the consumer “**

1. Where non-compliance with any of the consumer’s obligations under or linked to the loan agreement may have financial or legal consequences for the consumer, the creditor shall describe in this section the different main cases (e.g., late payments/default, failure to meet the obligations set out in section 8. “Additional obligations”) and indicate where further information could be obtained. In addition, the consequences of the cancellation or termination of loan agreement as well as the envisaged order of collateral foreclosure with the information on the right of the creditor to choose the order of collateral foreclosure in accordance with their own estimate.
2. For each of the above-mentioned cases, the creditor shall specify, in clear, easy comprehensible terms, the statutory default interest rate and other possible consequences. References to the most serious consequences must be highlighted, including the possibility of the sale of claims to another creditor.
3. Where the immovable property used to secure the loan may be transferred to or from the creditor, if the consumer does not comply with the obligations, this section shall include a statement indicating that fact, using the wording template from section 13 of the PSK template.

### **Section “14 Additional information”**

1. In the case of distance contract, this section shall include any clause stipulating the law applicable to the loan agreement or the competent court.
2. Where the creditor intends to communicate with the consumer during the life of the agreement in a language different from the language of the PSK template, that fact shall be included and the language of communication named. This is without prejudice to the provisions of the law governing consumer protection.

3. The creditor or the credit intermediary shall inform the consumer of the right to be provided with a copy of the draft loan agreement as well as of the same right enjoyed by the codebtor, guarantor, pledgor, etc. Where applicable, the creditor or the credit intermediary shall give the consumer a copy of the draft loan agreement together with the PSK template. The creditor or the credit intermediary shall specify all articles from the general operating conditions pertaining to the loan agreement in question.

**Section “15. Supervisory authority”**

1. The creditor and credit intermediary shall indicate the supervisory authority.