



Secretariat of the Committee on the Internal Market and Consumer Protection
The Secretariat

SD/CM

FINAL
Compromise amendments

on the Draft Report
**on the Proposal for a Directive of the European Parliament and of the Council on
consumer credits**

Rapporteur: Kateřina Konečná
(2021/0171(COD))

Compromise 14 on Recitals

Whereas:

- (1) Directive 2008/48/EC of the European Parliament and of the Council¹ lays down rules at Union level concerning consumer credit agreements and crowdfunding credit services for consumers.
- (2) In 2014, the Commission presented a report on the implementation of Directive 2008/48/EC. In 2020, the Commission presented a second report on the implementation of that Directive and a Commission Staff Working Document to present the results of a REFIT evaluation of the Directive which included broad consultation of relevant stakeholders.
- (3) Those reports and consultations revealed that Directive 2008/48/EC has been partially effective in ensuring high standards of consumer protection and fostering the development of a single market for credit, and that such objectives are still relevant. The reasons why that Directive has been only partially effective stem both from the Directive itself, as for instance imprecise wording of particular articles, and from external factors, such as the developments linked to digitalisation, the practical application and enforcement in Member States as well as from the fact that certain aspects of the consumer credit market are not covered by the Directive.
- (4) Digitalisation has contributed to market developments that were not foreseen at the time when Directive 2008/48/EC was adopted. In fact, the rapid technological developments registered since the 2008 Directive have brought significant changes to the consumer credit market, both on the supply side and on the demand side, such as the emergence of new products and the evolution of consumer behaviour and preferences.
- (5) The imprecise wording of certain provisions of Directive 2008/48/EC, allowing Member States to adopt diverging provisions going beyond those provided in that Directive, resulted in a fragmented regulatory framework across the Union in a number of aspects of consumer credit.
- (6) The *de facto* and *de jure* situation resulting from those national differences in some cases leads to distortions of competition among creditors in the Union and creates obstacles to the internal market. The situation restricts consumers' ability to benefit from a gradually increasing offer of cross-border credit, which is expected to further grow as a result of digitalisation. Those distortions and restrictions may in turn have consequences in terms of reduced demand for goods and services. The situation also leads to an inadequate and non-consistent level of protection for consumers across the Union.
- (7) In recent years, credit offered to consumers has evolved and diversified considerably. New credit products have appeared, in particular in the online environment, and their use continues to develop. This has raised legal uncertainty with regard to the application of the Directive 2008/48/EC to such new products. ***Practices such as the sale of small value credits and long-term leases have experienced unprecedented growth in recent years, often which in some cases have led to leading to abuses and unfair commercial practices which led to consumers have been left in a precarious facing a deterioration***

¹ Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ L 133, 22.5.2008, p. 66).

in their financial situation, or even heavily in problematic debt, which This could have been avoided if such practices were properly more effectively regulated and if contractual information were provided in a more transparent, comprehensive and timely manner. (ID 115)

- (8) This Directive complements the rules set out in Directive 2002/65/EC of the European Parliament and of the Council² concerning the distance marketing of consumer financial services. In order to ensure legal certainty, it should be clarified that in case of conflict between the provisions, the provision of this Directive as *lex specialis* should apply.
- (9) In accordance with Article 26 of the Treaty on the Functioning of the European Union (TFEU), the internal market comprises an area in which the free movement of goods and services and the freedom of establishment are ensured. The development of a more transparent and efficient legal framework for consumer credit should increase consumer trust and *welfare and* facilitate the development of cross-border activities. (ECR 116)
- (10) In order to improve the functioning of the internal market for consumer credits, it is necessary to provide for a harmonised Union framework in a number of core areas. In view of the developing market in consumer credit, in particular in the online environment, and the increasing mobility of European citizens, forward-looking Union legislation which is able to adapt to future forms of credit and which allows Member States the appropriate degree of flexibility in their implementation will help to create a level playing field for businesses.
- (11) Article 169(1) and Article 169(2), point (a), TFEU provide that the Union is to contribute to the attainment of a high level of consumer protection through measures adopted pursuant to Article 114 TFEU. Article 38 of the Charter of Fundamental Rights of the European Union (the ‘Charter’) provides that Union policies are to ensure a high level of consumer protection.
- (12) It is important that consumers benefit from a high level of consumer protection. Thus, it should be possible for the free movement of credit offers to take place under optimum conditions for both those who offer credit and those who require it, with due regard to specific situations in the Member States.
- (13) Full harmonisation is necessary in order to ensure that all consumers in the Union enjoy a high and equivalent level of protection of their interests and to create a well-functioning internal market. Member States should therefore not be allowed to maintain or introduce national provisions diverging from other than those laid down in this Directive, unless otherwise provided in this Directive. However, such restriction should only apply where there are provisions harmonised in this Directive. Where no such harmonised provisions exist, Member States should remain free to maintain or introduce national legislation. Accordingly, Member States should have the possibility to maintain or introduce national provisions on joint and several liability of the seller or the service provider and the creditor. Member States should also have the possibility to maintain or introduce of national provisions on the cancellation of a contract for the sale of goods or supply of services where the consumer exercises his right of withdrawal from the credit agreement or from the agreement for the provision of crowdfunding credit services. In this respect, Member States, in the case of open-end credit agreements, should be allowed to fix a minimum period needing to elapse between the

² Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC (OJ L 271, 9.10.2002, p. 16).

time when the creditor asks for reimbursement and the day on which the credit has to be reimbursed.

- (14) The definitions contained in this Directive determine the scope of harmonisation. The obligation on Member States to implement this Directive should therefore be limited to its scope as determined by those definitions. However, this Directive should be without prejudice to the application by Member States, in accordance with Union law, of the provisions of this Directive to areas not covered by its scope. A Member State could thereby maintain or introduce national legislation corresponding to this Directive or certain provisions of this Directive on credit agreements outside its scope, for instance on credit agreements upon the conclusion of which the consumer is requested to deposit an item as security in the creditor's safe-keeping and where the liability of the consumer is strictly limited to that pledged item. Furthermore, Member States could also apply this Directive to linked credit which does not fall within the definition of a linked credit agreement in this Directive. Thus, the provisions of this Directive on linked credit agreements could be applied to credit agreements that serve only partially to finance a contract for the supply of goods or provision of a service.
- (15) A number of Member States have applied Directive 2008/48/EC to areas not covered by its scope to enhance the level of consumer protection. In fact, several of the credit agreements not falling within the scope of that Directive can be detrimental for consumers, including short-term high cost loans whose amount is typically lower than the minimum threshold of EUR 200 set out in Directive 2008/48/EC. In this context, and with the aim to ensure a high level of consumer protection and to facilitate the cross-border consumer credit market, the scope of this Directive should cover some agreements that were excluded from the scope of Directive 2008/48/EC, such as consumer credit agreements below the amount of EUR 200. Likewise, other potentially detrimental products, because of the high costs they entail or high fees in case of missed payments, should be covered by this Directive, ***albeit subject to a strict application of the principle of proportionality in order to avoid an undue administrative burden***, to ensure increased transparency and better consumer protection, resulting in higher consumer confidence. ***This Directive should not apply to deferred debit cards provided by a credit or payment institution, under the terms of which they are linked to a payment account, with a defined maximum authorised monthly amount to be repaid within a month free of interest and with only limited charges linked to the provision of the payment service, provided they are granted to consumers only after assessing their ability to reimburse according to article 18 (1), (2), (4) of the present directive and after ensuring the consumer has received the pre-contractual information as described in art 10(4). Nor should it apply to hiring or ~~To this extent~~, leasing agreements where an obligation to purchase the object of the agreement is not laid down. (RE 121, EPP 124)*** eCredit agreements in the form of an overdraft facility ***or overrunning (EPP 124)*** and where the credit has to be repaid within one month, and credit agreements where the credit is granted free of interest and without any other charges, including Buy Now Pay Later schemes, i.e. new digital financial tools that let consumers make purchases and pay them off over time, and credit agreements under the terms of which the credit has to be repaid within three months and only insignificant charges are payable should not be excluded from the scope of application of this Directive. ***However, for those credit agreements involving a total amount of credit less than EUR 200, or is granted free of interest and without any other charges; or has to be repaid within three months and only insignificant charges are payable, Member States should be able to exclude the application of certain***

provisions of this Directive related to information requirements and early repayment considering the characteristics of their national market, the duration, risk and nature of the credit. (RE 121, EPP/RE/SD 123) Moreover, all credit agreement up until EUR 100 000 should be included in the scope of application of this Directive. The upper threshold of credit agreements under this Directive should be increased to take into account indexation to adjust for the effects of inflation since 2008 and in coming years.'

- (15a) *Financial products that encourage the green and digital transition are currently limited across the EU. In order to increase consumer spending encouraging these transitions, such as the purchase of electric vehicles, or energy-efficient home renovations, creditors should be encouraged to offer as part of their portfolios affordable environmentally sustainable consumer credit products and develop corresponding policies. (LEFT 2, GREENS 125, EPP 135)*
- (15b) *Member States economic contexts vary substantially, within and outside the Euro area, so national authorities should be allowed to include credit agreements involving a total amount of credits up to EUR 150 000 in the scope of this Directive if necessary to achieve the objectives of this Directive, including consumer protection. (EPP 126)*
- (16) Crowdfunding is increasingly a form of finance available to consumers, typically for small expenses or investments. Regulation (EU) 2020/1503 of the European Parliament and of the Council³ excludes from its scope crowdfunding services, including those facilitating the granting of credit, that are provided to consumers as defined in Directive 2008/48/EC. In this context, this Directive aims to complement Regulation (EU) 2020/1503 by remedying this exclusion by bringing legal clarity on the applicable legal regime for crowdfunding services when a consumer seeks to take out a credit through a provider of crowdfunding credit services *other than those under the scope of Regulation (EU) 2020/1503. (ECR 127)*
- (17) A provider of crowdfunding credit services operates a digital platform open to the public in order to match or facilitate the matching of prospective lenders with consumers that seek funding. Such funding could take the form of consumer credit. Where providers of crowdfunding credit services directly provide credit to consumers, the provisions of this Directive concerning creditors would apply to them. Where providers of crowdfunding credit services facilitate the granting of credit between creditors acting in the course of their trade, business or profession, and consumers, obligations for creditors under this Directive should apply to those creditors. In such a situation, providers of crowdfunding credit services act as credit intermediaries, hence obligations for credit intermediaries under this Directive should apply to them.
- (18) Some provisions of this Directive should moreover apply to providers of crowdfunding credit services, acting in such capacity and not as creditors or credit intermediaries, where they facilitate the granting of credit between, on the one side, persons granting consumer credit outside of the course of their trade, business or profession, and on the other side, consumers. In this context, the provider of crowdfunding credit services should comply with certain rules and obligations of this Directive including the obligation to carry out a creditworthiness assessment and the rules on pre-contractual information. Persons granting credit not in the course of their trade, business or

³ Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (OJ L 347, 20.10.2020, p. 1).

profession, to consumers through a crowdfunding credit platform should not be subject to obligations for creditors under this Directive.

- (19) In the case of specific credit agreements to which only some provisions of this Directive are applicable, Member States should remain free to regulate, in their national law, such types of credit agreements as regards other aspects not harmonised by this Directive.
- (20) Agreements for the provision on a continuing basis of services or for the supply of goods of the same kind, where the consumer pays for them for the duration of their provision by means of instalments, may differ considerably, in terms of the interests of the contractual parties involved, and the modalities and performance of the transactions, from credit agreements covered by this Directive. Therefore, such agreements should not be regarded as credit agreements for the purposes of this Directive. Such agreement includes, for example, an insurance contract where the insurance is paid for in monthly instalments.
- (21) Credit agreements covering the granting of credit secured by real estate and credit agreements the purpose of which is to finance the acquisition or retention of property rights in land or in an existing or projected building should be excluded from the scope of this Directive as such agreements are regulated by Directive 2014/17/EC of the European Parliament and of the Council⁴. However, unsecured credits the purpose of which is the renovation of a residential immovable property, including those involving a total amount of credit above EUR 100 000, should not be excluded from the scope of this Directive.
- (22) This Directive should apply irrespective of whether the creditor is a legal person or a natural person. However, this Directive should not affect the right of Member States to limit the provision of credit for consumers to legal persons only or to certain legal persons.
- (23) Certain provisions of this Directive should apply to natural and legal persons (credit intermediaries) who, in the course of their trade, business or profession, for a fee, present or offer credit agreements to consumers, assist consumers by undertaking preparatory work in respect of credit agreements or conclude credit agreements with consumers on behalf of the creditor.
- (23a) *Throughout all processes regulated in this Directive, special attention should be given to the needs of persons with disabilities.***
- (24) Information to consumers, such as pre-contractual information or general information, should be provided free of charge.
- (25) This Directive respects fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union ('the Charter'). In particular, this Directive fully respects the rights to the protection of personal data, to property, to non-discrimination, to protection of family and professional life, and to consumer protection pursuant to the Charter.
- (25a) *This Directive is without prejudice to Regulation 2016/679 that applies to any processing of personal data carried out by creditors and credit intermediaries falling within the scope of this Directive (RE 131)***

⁴ 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, p. 34).

- (26) Consumers who are legally resident in the Union should not be discriminated against on ground of their nationality or place of residence, or on any ground as referred to in Article 21 of the Charter when requesting, concluding or holding a credit agreement or an agreement for the provision of crowdfunding credit services within the Union. ***However, nothing in this Directive should be construed to oblige a creditor, credit intermediary or provider of crowdfunding credit services to provide services in Member States in which they do not conduct business. (EPP 133, RE 134)***
- (27) Consumers should be protected against unfair or misleading practices, in particular with respect to the information provided by the creditor, credit intermediary or provider of crowdfunding credit services, in line with Directive 2005/29/EC of the European Parliament and of the Council⁵. That Directive continues to apply to credit agreements and crowdfunding credit services and works as a "safety net" ensuring that a high common level of consumer protection against unfair commercial practices can be maintained in all sectors, including by complementing other Union law.
- (28) Advertising tends to focus on one or several products in particular, while consumers should be able to make their decisions in full knowledge of the range of credit products on offer. In that respect, general information plays an important role in educating the consumer in relation to the broad range of products and services available and the key features thereof. Consumers should therefore be able at all times to access general information on credit products available. This should be without prejudice to the obligation to provide consumers with personalised pre-contractual information.
- (29) Specific provisions should be laid down on advertising of credit agreements or crowdfunding credit services and certain items of standard information to be provided to consumers in order to enable them, in particular, to compare different offers. Such information should be given in a clear, concise and prominent way by means of a representative example. The standard information should be shown upfront and saliently, in a clear way and in an engaging format. It should be clearly legible and adapted to take into account the technical constraints of certain media such as mobile telephone screens ***and/or digital channels***. Temporary promotional conditions, such as a teaser rate with lower interest rate for the initial months of the credit agreement or crowdfunding credit services, should be clearly identified as such. Consumers should see all essential information at a glance, ***with further information made available to the consumer by clicking or swiping***~~even~~ when they watch it on the screen of a mobile telephone. The creditor and, where applicable, credit intermediary and provider of crowdfunding credit services' telephone number and email address should also be communicated to the consumer to enable him or her to contact the creditor, the credit intermediary or provider of crowdfunding credit services quickly and efficiently. A ceiling should be provided where it is not possible to indicate the total amount of credit as the total sums made available, in particular where a credit agreement gives the consumer freedom of drawdown with a limitation with regard to the amount. The ceiling should indicate the upper limit of credit which can be made available to the consumer. In specific and justified cases, in order to improve consumer understanding of information disclosed in advertising of credit agreements or crowdfunding credit services where the medium used does not allow to visually display it, such as in radio

⁵ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive') (OJ L 149, 11.6.2005, p. 22).

advertising, the amount of information disclosed could be reduced. In addition, Member States should remain free to regulate information requirements in their national law regarding advertising of credit agreements or crowdfunding credit services which does not contain information on the cost of the credit. ***In order to reduce instances of mis-selling of consumer credit to consumer who are not able to afford it and to promote sustainable lending, credit advertising should contain, in all cases, a clear and prominent warning to make consumers aware that borrowing money costs money. Advertising should not incite over-indebted consumers to seek credit, specify that other credit contracts should have no influence on the assessment of a credit application and suggest that success or social achievement can be acquired thanks to credit agreements.*** (GREENS 139, EPP/RE/SD 140, RE 141, EPP 143, SD 145)

- (29a) ***Standard information should be provided to consumers in order to enable them, in particular, to compare different offers. Such information should be given in a clear, concise and prominent way ~~by means of a representative example~~. The standard information should be shown upfront and saliently, in a clear way and in an engaging format. ~~Temporary promotional conditions, such as a teaser rate with lower interest rate for the initial months of the credit agreement or crowdfunding credit services, should be clearly identified as such.~~*** (SD 145)
- (30) In order to be able to make their decisions in full knowledge of the facts, consumers should receive adequate information, for careful consideration at their own leisure and convenience, ***in due time, and in any case*** ~~at least one day~~ prior to the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services, including information on the conditions and cost of the credit and on their obligations, as well as adequate explanations thereof. These rules should be without prejudice to Council Directive 93/13/EEC⁶. (LEFT 5, SD 147, EPP 148, EPP/RE 149, EPP 150, ECR 151)
- (31) Pre-contractual information should be provided through the Standard European Consumer Credit Information form. To help consumers understand and compare offers, ~~a Standard European Consumer Credit Overview form summarising the key element of the credit should be provided in addition to the Standard European Consumer Credit Information form~~ ***should include in the beginning of the form all the key elements of the credit***, through which consumers should see all essential information at a glance, even on the screen of a mobile telephone. Information should be clear, clearly legible and adapted to the technical constraints of certain media such as mobile telephone screens. It should be displayed in an adequate and suitable way on the different channels, to ensure that every consumer can access information on an equal basis and in line with Directive (EU) 2019/882 of the European Parliament and of the Council⁷. ***For this purpose, the format and presentation of the information should be standardised at EU level through the implementation of regulatory technical standards.*** (ECR 152, EPP 153, EPP 154, SD 155, EPP 156, RE 157)
- (32) To ensure the fullest possible transparency and comparability of offers, pre-contractual information should, in particular, include the annual percentage rate of charge applicable to the credit, determined in the same way throughout the Union. As the annual percentage rate of charge can at this stage be indicated only through an example,

⁶ Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ L 95, 21.4.1993, p. 29).

⁷ Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70).

such example should be representative. Therefore, it should correspond, for instance, to the average duration and total amount of credit granted for the type of credit agreement or crowdfunding credit services under consideration and, if applicable, to the goods purchased. When determining the representative example, the frequency of certain types of credit agreement or crowdfunding credit services in a specific market should also be taken into account. As regards the borrowing rate, the frequency of instalments and the capitalisation of interest, creditors should use their usual method of calculation for the consumer credit concerned. In case pre-contractual information is provided less than one day before the consumer is bound by any credit agreement or agreement for the provision of crowdfunding credit services, the creditor and, where applicable, the credit intermediary or providers of crowdfunding credit services should remind consumers, one *to seven* days after conclusion of the contract, of the possibility to withdraw from the credit agreement.

- (33) The total cost of the credit to the consumer should comprise all the costs, including interest, commissions, taxes, fees for credit intermediaries and any other fees which the consumer has to pay in connection with the credit agreement or crowdfunding credit services, except for notarial costs. Creditors' actual knowledge of the costs should be assessed objectively, taking into account the requirements of professionalism laid down in this Directive.
- (34) Credit agreements or crowdfunding credit services in which a borrowing rate is periodically revised in line with changes occurring in a reference rate referred to in the credit agreement or crowdfunding credit services should not be regarded as credit agreements or crowdfunding credit services with a fixed borrowing rate.
- (35) Member States should remain free to maintain or introduce national provisions prohibiting the creditor or the provider of crowdfunding credit services from requiring the consumer, in connection with the credit agreement or crowdfunding credit services, to open a bank account or conclude an agreement in respect of another ancillary service, or to pay the expenses or fees for such bank accounts or other ancillary services. In those Member States where such combined offers are allowed, consumers should be informed before the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services about any ancillary services which are compulsory in order for the credit to be obtained in the first place or on the terms and conditions marketed. The costs payable in respect of those ancillary services, in particular insurance premiums, should be included in the total cost of the credit. Alternatively, if the amount of such costs cannot be determined in advance, consumers should receive adequate information about the existence of costs at a pre-contractual stage. The creditor or the provider of crowdfunding credit services should be presumed to have knowledge of the costs of the ancillary services which he or she offers to the consumer himself or herself, or on behalf of a third party, unless the price thereof depends on the specific characteristics or situation of the consumer.
- (36) For specific types of credit agreements, however, it is appropriate, in order to ensure an adequate level of consumer protection without placing an excessive burden on creditors or, where applicable, credit intermediaries, to restrict the pre-contractual information requirements, taking into account the specific character of such types of agreements.
- (37) The consumer should be given comprehensive information before he or she concludes the credit agreement or the agreement for the provision of crowdfunding credit services, regardless of whether or not a credit intermediary is involved in the marketing of the credit. Therefore, in general, the pre-contractual information requirements should also

apply to credit intermediaries. However, where suppliers of goods and services act as credit intermediaries in an ancillary capacity, it is not appropriate to impose on them the legal obligation to provide the pre-contractual information in accordance with this Directive. Suppliers of goods and services may be deemed, for example, to be acting as credit intermediaries in an ancillary capacity if their activity as credit intermediaries is not the main purpose of their trade, business or profession. In those cases, a sufficient level of consumer protection is still achieved since the creditor should be responsible for ensuring that the consumer receives the full pre-contractual information, either from the credit intermediary, where the creditor and the intermediary so agree, or in some other appropriate manner.

- (38) Member States should have the possibility to regulate the potentially binding character of the information to be provided to the consumer prior to the conclusion of the credit agreement or the crowdfunding credit services and the period of time during which the creditor or the provider of crowdfunding credit services is to be bound by it.
- (39) Despite the pre-contractual information to be provided, the consumer may still need additional assistance in order to decide which credit agreement or crowdfunding credit services, within the range of products proposed, are the most appropriate for his or her needs and financial situation. Therefore, Member States should ensure that creditors and, where applicable, credit intermediaries and providers of crowdfunding credit services provide such assistance in relation to the credit products which they offer to the consumer, by providing adequate explanations about the relevant information *in a easily understandable manner before the signing of the contract*, including in particular the essential characteristics of the products proposed to the consumer in a personalised manner so that the consumer can understand the effects which they may have on his or her economic situation. Creditors and, where applicable, credit intermediaries and providers of crowdfunding credit services should adapt the way in which such explanations are given to the circumstances in which the credit is offered and the consumer's need for assistance, taking into account the consumer's knowledge and experience of credit and the nature of individual credit products. Such explanations should not in itself constitute a personal recommendation. **(SD 162)**
- (40) As highlighted in the Commission Proposal for a Regulation laying down harmonised rules on artificial intelligence (Artificial Intelligence Act)⁸, artificial intelligence (AI) systems can be easily deployed in multiple sectors of the economy and society, including cross border, and can circulate throughout the Union. In this context, creditors, credit intermediaries and providers of crowdfunding credit services should be allowed to personalise the price of their offers for specific consumers or specific categories of consumer based on automated decision-making *within defined limits* and ~~profiling of consumer behaviour allowing them to assess the consumer's purchasing power~~. Consumers should therefore be clearly informed when the price presented to them is personalised on the basis of automated processing, so that they can take into account the potential risks in their purchasing decision. *Creditors, credit intermediaries and crowdfunding credit services should also inform consumers who receive the offer about the sources of data used for the personalisation of the offer.* **(LEFT 7, SD 163, EPP 164)**

⁸ COM/2021/206 final.

~~(40a) Credit offers should not be based on personal data other than data related to assessing the ability of the consumers to re-pay their credit and data relevant to assess the consumer's creditworthiness. (LEFT 8, SD 163)~~

- (41) As a general rule, tying practices should not be allowed unless the financial service or product offered together with the credit agreement or crowdfunding credit services could not be offered separately as it is a fully integrated part of the credit, for example in the event of an overdraft facility. While, taking into account proportionality considerations, creditors or providers of crowdfunding credit services should be able to require the consumer to have a relevant insurance policy in order to guarantee repayment of the credit or to insure the value of the security, the consumer should have the opportunity to choose his or her own insurance provider. This should not prejudice the credit conditions set by the creditor or the provider of crowdfunding credit services, provided that the insurance policy of that provider has an equivalent level of guarantee as the insurance policy proposed or offered by the creditor or providers of crowdfunding credit services. Moreover, Member States should have the possibility to standardise, wholly or in part, the cover provided by insurance contracts in order to facilitate comparisons between different offers for consumers who wish to make such comparisons. ***Creditors should not use bundling practices which de facto remove consumer choice and lead to prohibited tying for example due to disproportionate terms and conditions when purchasing the loan or the ancillary product separately. Consumers shall, if needed, have three days to compare insurance offers, without the offer being changed. (SD 165)***
- (42) Ancillary services should be presented in a clear and transparent manner. In addition, it should not be possible to infer the consumer's agreement to such ancillary services, but such agreement should be a clear affirmative act establishing a freely given, specific, informed and unambiguous indication of the consumer's approval. In this context, silence, pre-ticked boxes or inactivity should not constitute agreement.
- (43) Providing advice in the form of a personalised recommendation ('advisory services') is an activity which may be combined with other aspects of granting or intermediating credit. Therefore, in order to be in a position to understand the nature of the services provided to them, consumers should be made aware of what constitutes such advisory services and of whether advisory services are being, or can be, provided or not. Given the importance which consumers attach to the use of the terms 'advice' and 'advisors', Member States should be allowed to prohibit the use of those terms, or similar terms, when advisory services are being provided to consumers by creditors, credit intermediaries or providers of crowdfunding credit services. It is appropriate to ensure that Member States impose safeguards where advice is described as independent to ensure that the range of products considered and remuneration arrangements are commensurate with consumers' expectations of such advice. When providing advisory services, the creditor, credit intermediary or provider of crowdfunding credit services should provide an indication of whether the recommendation will be based on only their own product range or on a wide range of products from across the market, so that the consumer can understand the basis on which the recommendation is made. Moreover, the creditor, credit intermediary or provider of crowdfunding credit services should provide an indication of the fee payable by the consumer for the advisory services or, where the amount cannot be ascertained at the time of disclosure, the method used for its calculation.

- (44) Credit sales that have not been solicited by the consumers may in some cases be associated with practices that are harmful to the consumer. In this regard, ***without prejudice to the creditor's possibility of advertising***, unsolicited sale of credit, including non-requested pre-approved credit cards sent to the consumers, or the unilateral increase of a consumers' overdraft, ***overrunning*** or credit card limit, should be prohibited. ***The prohibition of unsolicited sales of credit should however not apply to credit offered at point of sale to finance the purchase of a good or a service, or to offers from creditors to propose a renegotiation of a standing credit agreement with better conditions for the consumer.*** (SD 166, RE 167, EPP 168)
- (45) Member States should take appropriate measures to promote responsible practices during all phases of the credit relationship, taking into account the specific features of their credit market. Those measures ***should shall*** ~~may~~ include, for instance, the provision of information to, and the education of, consumers, including warnings about the risks attaching to default on payment and to over-indebtedness. In the expanding credit market, in particular, it is important that creditors should not engage in irresponsible lending or give out credit without prior assessment of creditworthiness. Member States should carry out the necessary supervision to avoid such behaviour of creditors and should determine the necessary means to sanction such behaviour. Without prejudice to the provisions on credit risk of Directive 2013/36/EU of the European Parliament and of the Council⁹, creditors or providers of crowdfunding credit services should bear the responsibility of checking individually ***and proportionally*** the creditworthiness of the consumer. To that end, creditors or providers of crowdfunding credit services should be allowed to use information provided by the consumer not only during the preparation of the credit agreement or of the agreement for the provision of crowdfunding credit services in question, but also during a long standing commercial relationship. Consumers should also act with prudence and respect their contractual obligations. (ECR 170, EPP 171)
- (46) It is essential that the consumer's ability and propensity to repay the credit is assessed and verified before a credit agreement or an agreement for the provision of crowdfunding credit services is concluded. That assessment of creditworthiness should be ***proportionate and*** done in the interest of the consumer, to prevent irresponsible lending practices and over-indebtedness, and should take into consideration all necessary and relevant factors that could influence a consumer's ability to repay the credit. ***That assessment, performed in accordance with the obligations laid down in this Directive, should not be understood as a right of the consumer to get credit or a duty of the provider to provide credit.*** Member States should be able to issue additional guidance on additional criteria and methods to assess a consumer's creditworthiness, for example by setting limits on loan-to-value or loan-to-income ratios. ~~***Member States should ensure that credit products such as social micro-credits are available to the most vulnerable consumers, with repayment plans adapted to their repayment capacity.***~~ (RE 174, EPP/RE/SD 175, ~~SD 172~~)
- (46a) ***Reasonable allowances to the consumers should be determined by the creditor for committed and other non-discretionary expenditures such as the consumers' current obligations, including appropriate substantiation and consideration of the living***

⁹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

expenses of the consumer, his/her household, future events during the term of the proposed credit agreement such as a reduction in income or, where applicable, an increase in the borrowing rate or negative change in the exchange rate, or deferred payments of principal or interest. In the case of variable rates, the maximum possible rate should not be higher than the cap applicable to the APRC. (SD 176)

- (47) The assessment of creditworthiness should be based on information on the financial and economic situation, including income and expenses, of the consumer. The European Banking Authority Guidelines on loan origination and monitoring (EBA/GL/2020/06) provide guidelines on what categories of data may be used for the processing of personal data for creditworthiness purposes, which include evidence of income or other sources of repayment, information on financial assets and liabilities, or information on other financial commitments. Personal data, such as personal data found on social media platforms or health data, including cancer data, should not be used when conducting a creditworthiness assessment. ***Member States should guarantee the Right to be forgotten to all European patients 10 years after the end of their treatment, and up to five years after the end of treatment for patients whose diagnosis was made before the age of 18 and ensure equal access to all people cured of relevant communicable and non-communicable diseases to financial products or services such as insurance and loans.*** Consumers should provide information about their financial and economic situation in order to facilitate the creditworthiness assessment. In principle, credit should only be made available to the consumer where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement or the agreement for the provision of crowdfunding credit services are likely to be met in the manner required under that agreement. However, ***Member States may determine that in exceptional, and in specific and well justified circumstances*** ~~should~~ such assessment be negative, the creditor or the provider of crowdfunding credit services can exceptionally make credit available in specific and justified circumstances such as when they have a long-standing relationship with the consumer, or in case of loans to fund exceptional ***and urgently needed medical*** healthcare expenses, students loans or loans for consumers with disabilities. In such case, ***the creditor or the provider of crowdfunding credit services should be obliged to warn*** ~~inform~~ the consumer that due to a negative assessment of creditworthiness the consumer may be exposed to difficulties with repayment of the credit. ***Member States should however ensure that in these exceptional cases consumers are equally protected from financial difficulties. Furthermore,*** when deciding on whether or not to make the credit available to the consumer, the creditor or the provider of crowdfunding credit services should take into account the amount and the purpose of the credit, and the likelihood that the obligations resulting from the agreement will be met. (LEFT 13, RE 178, EPP 180, GREENS 181, EPP 182, EPP 184, EPP 185, ID 193)

- ~~(47b) Notes that in situations where the creditor or the provider of crowdfunding credit services may exceptionally make credit available to the consumer in specific and well justified circumstances should remain possible but remain limited. Notes that the ECB already supervises these situations with an arbitration process which allows creditors to grant credits in case of negative decision but only by using some very limited arbitration envelopes. The use of these exceptional situations is limited and strongly monitored by internal and external regulatory control processes, including the ECB.~~

(47ab) The ECB supervises situations in which credit is offered after a negative creditworthiness assessment. The making available of the those credits should remain possible but limited by allowing it only in exceptional, specific and well justified circumstances. The ECB supervision includes an arbitration process and monitoring by internal and external regulatory control processes.

~~*(47eb) Taking into account the principle of proportionality, this Directive should lay down special rules for assessing the creditworthiness of consumers for ‘small value credits’ as defined in the definition norms. In this regard, a less extensive set of data can be consulted when assessing creditworthiness. (EPP 183)*~~

(47b) In order to respect the principle of proportionality, the EBA should take into account the nature, duration, value, the complexity and the risks of the credit for the consumer when they develop the guidelines detailing how and based on which data creditors and providers of crowdfunding credit services perform the creditworthiness assessment.

(47d) In the case of open-ended credit or crowdfunding credit services, the relevance of the initial creditworthiness assessment shall be assessed by the creditor or provider of crowdfunding credit services periodically. However, creditors and providers of crowdfunding credit services should not require the consumer to provide information or documents, provided that the consumer fulfils its contractual obligations.

(48) The Proposal for a Regulation laying down harmonised rules on artificial intelligence (Artificial Intelligence Act), establishes that AI systems used to evaluate the credit score or creditworthiness of natural persons should be classified as high-risk AI systems, since they determine those persons’ access to financial resources or essential services such as housing, electricity, and telecommunication services. In view of those high stakes, whenever the creditworthiness assessment involves automated processing, the consumer should have a right to obtain human intervention on the part of the creditor or providers of crowdfunding credit services. ***Without prejudice to the General Data Protection Regulation***, the consumer should also have the right to obtain a meaningful explanation of the assessment made, ***of the categories of data taken into account***, and of the functioning of the automated processing used, including among others the main variables, the logic and risks involved, as well as a right to express his or her point of view and to contest the assessment of the creditworthiness and the decision ***after having duly received information on the procedure to follow***. ~~*Member States shall ensure that in case of a negative assessment, the creditor or provider of crowdfunding services shall provide the consumer with justifications for the rejection on paper or on any other durable medium as chosen by the consumer.*~~ (LEFT 11, SD 186, RE 188, EPP 189)

(49) To assess the credit status of a consumer, the creditor or the provider of crowdfunding credit services should also consult credit databases. The legal and actual circumstances may require that such consultations vary in scope. To prevent any distortion of competition among creditors or providers of crowdfunding credit services, they should have access to private or public credit databases concerning consumers in a Member State where they are not established under non-discriminatory conditions compared with creditors or providers of crowdfunding credit services established in that Member State. Member States should ~~facilitate~~ ***ensure*** the cross-border access to private or public databases, ***but only to those who fully comply*** ~~in compliance~~ with the Regulation

(EU) 2016/679 of the European Parliament and of the Council¹⁰. To enhance reciprocity, credit databases should as a minimum hold information on consumers' arrears in payment, **and information about the successful repayment of past obligations** in accordance with Union and national law. **In order to assess the creditworthiness of consumers with little or no credit history, the databases should also include information from different sectors of the economy beyond the traditional credit sector such as from non-banking lenders, telecommunication providers and utilities.** (SD 190, EPP 192)

- (50) Where a decision to reject an application for credit is based on the consultation of a credit database, the creditor or the provider of crowdfunding credit services should inform the consumer of this fact and of the information about him or her held in the database consulted. **The information contained in credit databases should be up-to-date and accurate. Consumers should be informed when new negative data are entered into those databases and efficient procedures should be in place for consumers to be able to challenge the content of credit databases and the outcome of database searches.** (LEFT 14)
- (51) This Directive does not regulate contract law issues related to the validity of credit agreements or agreements for the provision of crowdfunding credit services. Therefore, in that area, the Member States may maintain or introduce national provisions which are in conformity with Union law. Member States may regulate the legal regime governing the offer to conclude the credit agreement or the agreement for the provision of crowdfunding credit services, in particular when it is to be given and the period during which it is to be binding on the creditor or the provider of crowdfunding credit services. If such an offer is made at the same time as the pre-contractual information provided for by this Directive, it should, like any additional information the creditor or the provider of crowdfunding credit services may wish to give to the consumer, be provided in a separate document. That separate document may be annexed to the Standard European Consumer Credit Information.
- (52) The credit agreement and the agreement for the provision of crowdfunding credit services should contain all necessary information in a clear and concise manner to enable the consumer to know his or her rights and obligations under that agreement.
- (53) Without prejudice to Directive 93/13/EEC, and to pre-contractual obligations under this Directive, and in order to ensure a high level of consumer protection, the consumer should be presented, in due time and prior to any modifications to the terms and conditions of the credit agreement or of the agreement for the provision of crowdfunding credit services, with a description of the proposed changes and, where applicable, the need for consumer consent or of the changes introduced by operation of law; the timescale for implementing those changes; the means for complaint available to the consumer as well as the time period for the consumer to lodge a complaint and the name and address of the competent authority where the complaint may be submitted. The modification of a contract should not affect any consumer right, including information rights under this Directive.
- (54) In order to ensure full transparency, the consumer should be provided with information concerning the borrowing rate, both at a pre-contractual stage and when the credit

¹⁰ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

agreement or the agreement for the provision of crowdfunding credit services is concluded. During the contractual relationship, the consumer should further be informed of changes to the variable borrowing rate and changes to the payments caused thereby. This is without prejudice to provisions of national law not related to consumer information which lay down conditions for, or prescribe the consequences of, changes, other than changes concerning payments, in borrowing rates and other economic conditions governing the credit, for instance rules providing that the creditor or the provider of crowdfunding credit services may change the borrowing rate only where there is a valid reason for such change or that the consumer may terminate the contract should there be a change in the borrowing rate or in other specific economic condition concerning the credit.

- (54a) *Overdraft facilities and overrunning are increasingly common forms of consumer credit. Therefore, there is a need to regulate these financial products in order to increase the level of consumer protection and avoid over-indebtedness. There is a danger that consumers will be put in an extremely difficult position if the creditor decides to request an immediate refund. Therefore, consumer rights in respect of overdraft facilities and overrunning should be laid down in this Directive. (EPP 196)*
- (55) In case of a significant overrun exceeding a period of one month, the creditor should present the consumer without delay with information on the overrun, including the amount involved, the borrowing rate and any applicable penalties, charges or interest on arrears applicable. In case of regular overrunning, the creditor should offer to the consumer advisory services, where available, to help consumers identifying less expensive alternatives, or redirect consumers towards debt advisory services.
- ~~(55a) *In implementing this Directive, and for the purpose of Article 25 of this Directive, each Member State should determine the amount of the significant overrunning. (EPP 199)*~~
- (56) Consumers should have a right of withdrawal without penalty and with no obligation to provide justification. However, the right of withdrawal should not be used in bad faith.
- (57) Where a consumer withdraws from a credit agreement or an agreement for the provision of crowdfunding credit services in connection with which the consumer has received goods, in particular from a purchase in instalments ~~or from a hiring or leasing agreement providing for an obligation to purchase~~, this Directive should be without prejudice to any regulation by Member States of questions concerning the return of the goods or any related questions. **(ECR 202)**
- (58) In some cases, national law already provides that funds cannot be made available to the consumer before the expiry of a specific deadline. In those cases, consumers may wish to ensure that they receive the goods or services purchased early. Therefore, in the case of linked credit agreements, Member States should have the possibility to exceptionally provide that, if the consumer explicitly wishes early receipt of the purchased goods or services, the deadline for the exercise of the right of withdrawal could be reduced so that it is the same as the deadline before which funds cannot be made available.
- (59) In the case of linked credit agreements, a relationship of interdependence exists between the purchase of goods or services and the credit agreement or the agreement for the provision of crowdfunding credit services concluded for that purpose. Therefore, where the consumer exercises the right of withdrawal in respect of the purchase agreement, based on Union law, the consumer should no longer be bound by the linked credit

agreement. This should not affect national law applicable to linked credit agreements in cases where a purchase agreement has been voided or where the consumer has exercised his or her right of withdrawal based on national law. Nor should this affect the rights of consumers granted by national law according to which no commitment may be entered into between the consumer and a supplier of goods or services, nor any payment made between those persons, as long as the consumer has not signed the credit agreement or the agreement for the provision of crowdfunding credit services to finance the purchase of the goods or services.

- (60) The contracting parties should have the right to effect a standard termination of an open-end credit agreement. In addition, where agreed in the credit agreement or in the agreement for the provision of crowdfunding credit services, the creditor or the provider of crowdfunding credit services should have the right to suspend the consumer's right to draw down on an open-end credit agreement for objectively justified reasons. Such reasons may include, for instance, suspicion of an unauthorised or fraudulent use of the credit or a significantly increased risk of the consumer being unable to fulfil his or her obligation to repay the credit. This Directive should not affect national contract law regulating the rights of the contracting parties to terminate the credit agreement on the basis of a breach of contract.
- (61) Under certain conditions, the consumer should be allowed to pursue remedies against the creditor or the provider of crowdfunding credit services in the event of problems related to the purchase agreement. However, Member States should determine to what extent and under what conditions the consumer is required to pursue the remedies against the supplier, in particular by bringing an action against the supplier, before being in a position to pursue them against the creditor or providers of crowdfunding credit services. Consumers should not be deprived of their rights under national law attaching joint and several liability to the seller or supplier of services and to the creditor or the provider of crowdfunding credit services.
- (62) The consumer should have the right to discharge his or her obligations before the date agreed in the credit agreement. As provided by the Court of Justice of the EU *Lexitor* ruling,¹¹ the right of ~~the consumer shall have the right~~ to a reduction in the total cost of the credit in the event of early repayment of the credit includes all the costs imposed on the consumer, *except for up-front costs, which are fully exhausted at the time of granting the loan and correspond to services effectively provided to the consumer. The up-front costs should be adequately identified and declared in the credit contract.* In the case of early repayment the creditor should be entitled to a fair and objectively justified compensation for the costs directly linked to the early repayment, taking into account also any savings thereby made by the creditor. However, in order to determine the method of calculating the compensation, it is important to respect several principles. The calculation of the compensation due to the creditor should be transparent and comprehensible to consumers already at the pre-contractual stage and in any case during the performance of the credit agreement. In addition, the calculation method should be easy for creditors to apply, and supervisory control of the compensation by the competent authorities should be facilitated. Therefore, and due to the fact that consumer credit is, given its duration and volume, not financed by long-term funding mechanisms, the ceiling for the compensation should be fixed in terms of a flat-rate amount. This approach reflects the specific nature of consumer credits and should not prejudice the

¹¹ Judgment of the Court of Justice of 11 September 2019, *Lexitor*, C-383/18, ECLI:EU:C:2019:702.

approach in respect of other products which are financed by long-term funding mechanisms, such as fixed-rate mortgage loans. **(ID 204, RE 205, SD 206)**

- (63) Member States should have the right to provide that compensation for early repayment may be claimed by the creditor only on condition that the amount repaid over a 12-month period exceeds a threshold defined by Member States. When fixing that threshold, which should not exceed EUR 10 000, Member States should take into account the average amount of consumer credits in their market.
- (64) In order to promote the establishment and functioning of the internal market and to ensure a high degree of protection for consumers throughout the Union, it is necessary to ensure the comparability of information relating to annual percentage rates of charge throughout the Union.
- (65) The fixing of caps on interest rates, on annual percentage rates of charge and or the total cost of the credit to the consumer is a common practice in a number of Member States. Such capping has proved beneficial for consumers. In that context, Member States should be able to maintain their current legal regime. However, in an effort to increase consumer protection without imposing unnecessary limits on Member States, caps on interest rates, on annual percentage rates of charge and or on the total cost of the credit to the consumer should be introduced throughout the Union.
- (65a) To off-set the impact on economic operators of lack of harmonization of legal regimes across the Union, the Commission should make available, in a concise and clear form, the legal frameworks of Member States, including fixed caps. (EPP 213)***
- (66) There are substantial differences in the laws of the various Member States with regard to the conduct of business in the granting of credit agreements or in the provision of crowdfunding credit services. While recognising the diversity in the types of actor involved in credit intermediation, certain standards at Union level are essential in order to ensure a high level of professionalism and service.
- (67) The applicable Union framework should give consumers the confidence that creditors, credit intermediaries and providers of crowdfunding credit services take account of the interests of the consumer, based on the information available to the creditor, credit intermediary and providers of crowdfunding credit services at that moment and on reasonable assumptions about risks to the consumer's situation over the term of the proposed credit agreement or proposed crowdfunding credit services. A key aspect of ensuring such consumer confidence is the requirement to ensure a high degree of fairness, honesty and professionalism in the industry, appropriate management of conflicts of interest including those arising from remuneration and to require advice to be given in the best interests of the consumer.
- (68) It is appropriate to ensure that the relevant staff of creditors, credit intermediaries and providers of crowdfunding credit services possess an adequate level of knowledge and competence in order to achieve a high level of professionalism. It should be, therefore, required to prove relevant knowledge and competence at the level of the company, based on the minimum knowledge and competence requirements. Member States should be free to introduce or maintain such requirements applicable to individual natural persons. For the purpose of this Directive, staff directly engaged in activities under this Directive should include both front- and back-office staff, including management, who fulfil an important role in the credit agreement or crowdfunding credit services process. Persons fulfilling support functions which are unrelated to the credit agreement or crowdfunding credit services process, including human resources

and information and communications technology personnel, should not be considered as staff under this Directive. Member States should put in place measures to support raising awareness of the requirements of this Directive in small and medium-sized creditors (SMEs) and facilitating their compliance, such as information campaigns, user guides, employee training schemes.

- (69) In order to increase the ability of consumers to make informed decisions about borrowing and managing debt responsibly, Member States should promote measures to support the education of consumers in relation to responsible borrowing and debt management in particular relating to consumer credit agreements, **as well as general budget management**. This obligation could be fulfilled taking into account the financial competence framework developed by the Union together with the Organisation for Economic Co-operation and Development (OECD). It is particularly important to provide guidance for consumers taking out consumer credit for the first time, and especially on digital tools. In that regard, the Commission should identify examples of best practices to facilitate the further development of measures to enhance consumers' financial awareness. The Commission may publish such examples of best practices in coordination with similar reports drawn up in view of other Union legislative acts. **(SD 214)**
- (69a) Creditors have a key-role to play in preventing over-indebtedness through the early detection and support of consumers experiencing financial difficulties. This is why creditors should have processes and policies in place for early detection and monitoring of such consumers. ~~combining internal warning systems and human analysis. A consumer should be considered in financial difficulty after two missed repayments.~~ (SD 215)**
- (70) Given the significant consequences for creditors, consumers and potentially financial stability of enforcement proceedings, it is appropriate to encourage creditors to deal proactively with emerging credit risk at an early stage and to put in place necessary measures to ensure that creditors exercise reasonable forbearance and make reasonable attempts to resolve the situation through other means before enforcement proceedings are initiated. Where possible, solutions should be found which take account, among other elements, of the individual circumstances of the consumer, the consumer's interests and rights, his or her ability to repay the credit and reasonable need for living expenses, and limit costs for consumers in case of default. Member States should not prevent the parties to a credit agreement from expressly agreeing that the transfer to the creditor of goods covered by a linked credit agreement or proceeds from the sale of such goods is sufficient to repay the credit. **In order to exchange best practices, it is therefore necessary to provide that the Commission should monitor and report on the implementation of debt advisory services in Member States. (EPP 216)**
- (71) Forbearance measures may include a total or partial refinancing of a credit agreement or a modification of the previous terms and conditions of a credit agreement. Such modification may include, among others: extending the term of the credit agreement; changing the type of the credit agreement; deferring payment of all or part of the instalment repayment for a period; **reducing** ~~changing~~ the interest rate; offering a payment holiday; partial repayments; currency conversion; and partial forgiveness and debt consolidation. **(EPP 217, SD 218)**
- (72) Consumers facing difficulties to meet their financial commitments stand to benefit from specialised help on managing their debts. The objective of debt advisory services is to help consumers facing financial problems and guide them to repay, as far as possible,

their outstanding debts, while maintaining a decent level of life and preserving their dignity. This personalised and independent assistance provided by professional operators which are not creditors, credit intermediaries, providers of crowdfunding credit services or credit servicers, may include legal counselling, money and debt management as well as social and psychological assistance. Member States should ensure that **quality** debt advisory services provided by independent professional operators are made available, directly or indirectly, **and free of charge or at a reasonable cost**, to consumers, and that where possible, consumers facing difficulties to repay their debts are referred to debt advisory services before ~~that~~ enforcement proceedings are initiated. Member States remain free to maintain or introduce specific requirements for such services. **(SD 219)**

- (73) In order to ensure market transparency and stability, and pending further harmonisation, Member States should ensure that appropriate measures for the regulation or supervision of creditors and providers of crowdfunding credit services are in place.
- (74) Member States should ensure that non-credit institutions are subject to an adequate admission process including entering the non-credit institution in a register and supervision arrangements by a competent authority.
- (75) This Directive regulates only certain obligations of credit intermediaries in relation to consumers. Member States should therefore remain free to maintain or introduce additional obligations incumbent on credit intermediaries, including the conditions under which a credit intermediary may receive fees from a consumer who has requested his service.
- (76) Assignment of the creditor's rights under a credit agreement or an agreement for the provision of crowdfunding credit services should not have the effect of placing the consumer in a less favourable position. The consumer should also be properly informed when the credit agreement or the agreement for the provision of crowdfunding credit services is assigned to a third party. However, where the initial creditor, in agreement with the assignee, continues to service the credit vis-à-vis the consumer, the consumer has no significant interest in being informed of the assignment. Therefore, a requirement at Union level that the consumer be informed of the assignment in such cases would be excessive.
- (77) Member States should remain free to maintain or introduce national rules providing for collective forms of communication where this is necessary for purposes relating to the effectiveness of complex transactions such as securitisations or liquidation of assets that take place in the compulsory administrative liquidation of banks.
- (78) Consumers should have access to adequate, **prompt** and effective alternative dispute resolution procedures for the settlement of disputes arising out of rights and obligations established under this Directive, using existing entities where appropriate. Such access is already ensured by Directive 2013/11/EU of the European Parliament and of the Council¹² in so far as relevant contractual disputes are concerned. However, consumers should also have access to alternative dispute resolution procedures in the event of pre-contractual disputes concerning rights and obligations established by this Directive, for example, in relation to pre-contractual information requirements, advisory services and creditworthiness assessment and also in relation to the information given by credit

¹² Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (OJ L 165, 18.6.2013, p. 63).

intermediaries which are remunerated by creditors and therefore have no direct contractual relationship with consumers. Such alternative dispute resolution procedures and the entities offering them should comply with the quality requirements established by Directive 2013/11/EU. (EPP 221)

- (79) Member States should designate competent authorities empowered to ensure enforcement of this Directive and ensure that those competent authorities are granted investigation and enforcement powers and adequate resources necessary for the performance of their duties. Competent authorities of different Member States should cooperate with each other whenever necessary for the purpose of carrying out their duties under this Directive.
- (79a) *Data on the rate of defaults regarding consumer loans should be collected in order for the Commission to be able to monitor the quality of consumer credit products offered in national markets and better detect irresponsible lending practices. Such data gathering should, in order to facilitate comparison, be based on a common template introduced by the Commission through an implementing act. (SD 222)***
- (80) Member States should lay down rules on penalties to address infringements of the national provisions adopted pursuant to this Directive and ensure that they are implemented. While the choice of penalties remains within the discretion of the Member States, the penalties provided for should be effective, proportionate and dissuasive *in order to achieve its full purpose. However in addition to behavioral sanctions, the possibility of imposing systematic sanctions as an ultima ratio measure should be envisaged if repeated non-compliance would disruptively affect the consumer credit market, creating unfair business conditions in the market. (EPP 223)*
- (81) Current national rules on penalties differ significantly across the Union. In particular, not all Member States ensure that effective, proportionate and dissuasive fines can be imposed on traders responsible for ~~widespread~~ infringements ~~or widespread~~ ~~infringements with a Union dimension~~. To ensure that Member States' authorities can impose effective, proportionate and dissuasive penalties in relation to ~~widespread~~ infringements **including** ~~and to~~ widespread infringements with a Union dimension that are subject to coordinated investigation and enforcement measures in accordance with Regulation (EU) 2017/2394 of the European Parliament and of the Council¹³, fines should be introduced as an element of penalties for such infringements. In order to ensure that the fines have a deterrent effect, Member States should set in their national law the maximum fine for such infringements at a level that is at least 4 ~~6~~% of the creditor, credit intermediary or provider of crowdfunding credit services' annual turnover in the Member State or Member States concerned. In certain cases, those traders can also be a group of companies. (SD 225, EPP 226)
- (81a) *Current national rules on remedies for consumers differ significantly across the Union. Not all Member States ensure effective and proportionate remedies, including compensation for damage suffered by the consumer. Member States should ensure that consumers are granted effective and proportionate remedies where creditors, the credit intermediary or the provider of crowdfunding credit services have failed to comply with this Directive and have caused damage to consumers. (SD 227)***

¹³ Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004 (OJ L 345, 27.12.2017, p. 1).

- (82) To enhance transparency and consumer confidence, competent authority may disclose to the public any administrative penalty that is imposed for infringement of the measures adopted pursuant to this Directive, unless such disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.
- (83) Since the objective of this Directive, namely the establishment of common rules for certain aspects of the laws, regulations and administrative provisions of the Member States concerning consumer credit, cannot be sufficiently achieved by the Member States considering market developments in the light of digitalisation and the goal to facilitate cross-border credit provision but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.
- (84) In order to amend non-essential elements of this Directive, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of additional assumptions for the calculation of the annual percentage rate of charge. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹⁴. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (85) In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents¹⁵, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.
- (86) Taking account of the number of amendments that need to be made to Directive 2008/48/EC due to the evolution of the consumer credit sector and in the interests of the clarity of Union legislation, that Directive should be repealed and replaced by this Directive.
- (86a) *When transposing the Directive, Member States should ensure that the cost of implementing this Directive is neither borne by consumers nor passed on to them. (EPP 228)***
- (86b) *Due to the ubiquitous trend of digitalisation and the emergence of new service providers in the consumer credit market, the Commission should actively monitor the situation on the market and propose review of the Directive if new forms of actors appear whose business is not currently covered by this Directive. (EPP 229)***

¹⁴ OJ L 123, 12.5.2016, p. 1

¹⁵ OJ C 369, 17.12.2011, p. 14.

- (87) Member States should apply the measures necessary to comply with this Directive from [OP: please insert date: six months from the transposition deadline]. However, taking into account the difficult economic circumstances created by the COVID-19 pandemic and the specific challenges faced by micro, small and medium undertakings, such undertakings should be provided with sufficient time to prepare for the application of this Directive. Hence, as regards micro, small and medium undertakings, Member States should apply the measures necessary to comply with this Directive from [OP: please insert date: 18 months from the transposition deadline].
- (88) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725¹⁶ and delivered an opinion on XX XXXX¹⁷,

Compromise 1 on Articles 1-6 (Chapter 1)

Replacing relevant amendments, including:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Directive lays down a common framework for harmonisation of certain aspects of the laws, regulations and administrative provisions of the Member States concerning consumer credits in the form of certain credit agreements for consumers and crowdfunding credit services for consumers.

Article 2

Scope

1. This Directive applies to credit agreements.
Articles 1, 2 and 3, Articles 5 to 10, Articles 12 to 23, Articles 26 to 33, Article **35 to 37** and Articles 39 to 50 shall also apply to crowdfunding credit services ***and similar digital services that may be offered in the future*** where those services are not provided by a creditor or by a credit intermediary. **(GREENS 234, SD 233, LEFT 20)**
2. This Directive does not apply to the following:

¹⁶ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

¹⁷ ...

- (a) credit agreements which are secured either by a mortgage, or by another comparable security commonly used in a Member State on residential immovable property *such as lien* or secured by a right related to residential immovable property; **(EPP 235)**
- (b) credit agreements the purpose of which is to acquire or retain property rights in land or in an existing or projected building;
- (c) credit agreements involving a total amount of credit of more than EUR 100 000;
- (d) credit agreements where the credit is granted by employers to their employees as a secondary activity either free of interest or offered at annual percentage rates of charge which are lower than those prevailing on the market and which are not offered to the general public;
- (e) credit agreements which are concluded with investment firms as defined in Article 4(1), point (1), of Directive 2014/65/EU of the European Parliament and of the Council¹⁸ or with credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council¹⁹ for the purposes of allowing an investor to carry out a transaction relating to one or more of the financial instruments listed in Section C of Annex I to Directive 2014/65/EU, where the investment firm or credit institution granting the credit is involved in that transaction;
- (f) credit agreements which are the outcome of a settlement reached in court or before another statutory authority;
- (fb) leasing agreements where an obligation to purchase the object of the agreement is not laid down either by the agreement itself or by any separate agreement; (EPP 243, ECR 248, RE 250, EPP 251,)**
- (g) credit agreements which relate to the deferred payment, free of charge, of an existing debt;
- (h)—credit agreements where the consumer is requested to deposit an item as security in the creditor's safe-keeping and the liability of the consumer is strictly limited to that deposited item;
- (i) credit agreements which relate to loans granted to a restricted public under a statutory *or-legal* provision with a general interest purpose, and at lower interest rates than those prevailing on the market or free of interest or on other terms which are more favourable to the consumer than those prevailing on the market. **(EPP 247)**

¹⁸ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173 12.6.2014, p. 349).

¹⁹ 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 and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

- (j) credit agreements existing on [OP: please insert date six months from the transposition deadline]; however, Articles 23 and 24, Article 25(1), second sentence, Article 25(2) and Articles 28 and 39 shall apply to all open-end credit agreements existing on [OP: please insert date six months from the transposition deadline].
- ~~(ja) credit agreements which are concluded between consumers borrowing and investing via crowdfunding platforms, as defined in Article 2(1), point (d), of Regulation (EU) 2020/1503, where the platform does not act as creditor or credit intermediary, but facilitates the granting of credit between consumers acting as creditors and consumers acting as project owners, as defined in Article 2(1), point (h), of that Regulation (peer-to-peer lending). (LEFT 21)~~
- (jb) *deferred payments offered free of interest and charges to be paid less than 45 days from delivery of the good or service. (ECR 253, SD 252, RE 255)*
- (jc) *deferred debit cards provided by a credit or payment institution and linked to a payment account, with a defined maximum authorised monthly amount to be repaid within a month free of interest and with only limited charges linked to the provision of the payment service, provided they are granted to consumers only after assessing their ability to reimburse according to article 18 (1), (2), (4) of the present directive and after ensuring the consumer has received the pre-contractual information as described in art 10(4)*
- (jd) *Credit agreements granted free of interests and other fees including penalty charges, the purpose of which is to acquire a terminal equipment as defined in point 1(a) of Article 1 of Commission Directive 2008/63/EC where necessary for the use of electronic communication services, granted by an operator whose principal activity is not the provision of financial services.*
3. Notwithstanding paragraph 2, point (c), this Directive applies to unsecured credit agreements involving a total amount of credit of more than EUR 100 000, where the purpose of those credit agreements is the renovation of a residential immovable property.
- 3a. *Notwithstanding paragraph 2, point (c), Member States may provide that the provisions of this Directive also apply to credit agreements involving a total amount of credit of up to EUR 150 000. (EPP 262, GREENS 263)*
4. In the case of credit agreements in the form of overrunning, only Articles 1, 2, 3, Article 18, 19 25, 29, 35, 36, 39, 40 and Articles 41 to 50 shall apply. (EPP 264, SD 265, GREENS 266, LEFT 22)
5. Member States may determine that only Articles 1, 2 and 3, Articles 7 and 8, Article 11, Article 19, Article 20, Article 21(1), points (a) to (h) and (l), Article 21(3), Article 23, Article 25, Articles 28 to 50 apply to credit agreements which are concluded by

an organisation whose membership is restricted to persons residing or employed in a particular location or employees and retired employees of a particular employer, or to persons meeting other qualifications laid down under national law as the basis for the existence of a common bond between the members and which fulfills all of the following conditions:

- (a) it is established for the mutual benefit of its members;
- (b) it does not make profits for any other person than its members;
- (c) it fulfils a social purpose required by national law;
- (d) it receives and manages the savings of, and provides sources of credit to, its members only;
- (e) it provides credit on the basis of an annual percentage rate of charge which is lower than that prevailing on the market or which is subject to a ceiling laid down by national law.

Member States may exempt from the application of this Directive credit agreements concluded by an organisation referred to in the first subparagraph where the total value of all existing credit agreements entered into by that organisation is insignificant in relation to the total value of all existing credit agreements in the Member State in which the organisation is based and the total value of all existing credit agreements entered into by all such organisations in the Member State is less than 1 % of the total value of all existing credit agreements entered into in that Member State.

Member States shall each year review whether the conditions for the application of any such exemption as referred to in the second subparagraph are still fulfilled and shall take action to withdraw the exemption where they consider that they are no longer met.

6. Member States may determine that only Articles 1, 2 and 3, Articles 7 and 8, Article 11, Article 19, Article 20, Article 21(1), points (a) to (h), (l) and (r), Article 21(3), Article 23, Article 25, Articles 28 to 38 and Articles 40 to 50 shall apply to credit agreements which provide for arrangements to be agreed by the creditor and the consumer in respect of deferred payment or repayment methods, where the consumer is already in default on the initial credit agreement and where the following conditions are fulfilled:

- (a) the arrangement is likely to avert the possibility of legal proceedings concerning the default of the consumer;
- (b) the consumer would not by entering into the arrangement be subject to terms less favourable than those laid down in the initial credit agreement.

6 a. *Member States may determine that articles 8(2)points d to f, 10.3(a), 11.2(a), 21(3)and 29 shall not apply to the following credit agreements: credit agreements involving a total amount of credit less than EUR 200; credit agreements in the form of an overdraft facility and where the credit has to be*

~~repaid within three months; credit agreements where the credit is granted free of interest and without any other charges; credit agreements under the terms of which the credit has to be repaid within three months and only insignificant charges are payable. (RENEW 270)~~

Article 3

Definitions

For the purposes of this Directive, the following definitions shall apply:

- (1) ‘consumer’ means a natural person who acts for purposes which are outside his or her *professional activity*, trade ~~or business or profession~~; (EPP 272)
- (2) ‘creditor’ means a natural or legal person who grants or promises to grant credit in the course of his or her *professional activity*, trade ~~or business or profession~~; (EPP 273)
- (3) ‘credit agreement’ means an agreement whereby a creditor grants or promises to grant to a consumer credit in the form of a deferred payment, loan or other similar financial accommodation, except for agreements for the provision on a continuing basis of services or for the supply of goods of the same kind, where the consumer pays for such services or goods for the duration of their provision by means of instalments;
 - (3a) *‘ancillary service’ means a service offered to the consumer in conjunction with the credit agreement; (EPP 281)*
 - (3 b) *‘small value credit’ means a credit agreement involving a total amount of credit of up to EUR 200; (EPP 279)*
- (4) ‘crowdfunding credit services’ means services provided by a crowdfunding platform to facilitate the granting of consumer credit;
- (5) ‘total cost of the credit to the consumer’ means all the costs, including interest, commissions, taxes and any other kind of fees which the consumer is required to pay in connection with the credit agreement or crowdfunding credit services and which are known to the creditor, in the case of credit agreements, or to the crowdfunding credit services provider, in the case of crowdfunding credit services, except for notarial costs; costs in respect of ancillary services relating to the credit agreement or crowdfunding credit services ~~which are sold simultaneously~~ are also included in the total cost of the credit to the consumer where, in addition, the conclusion of a contract regarding such ancillary services is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed;
- (6) ‘total amount payable by the consumer’ means the sum of the total amount of credit and the total cost of the credit to the consumer;

- (7) ‘annual percentage rate of charge’ or ‘APR’ means the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit, where applicable including the costs referred to in Article 30(2);
- (8) ‘borrowing rate’ means the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down;
- (9) ‘fixed borrowing rate’ means the borrowing rate that the creditor or the provider of crowdfunding credit services and the consumer agree on in the credit agreement or in the agreement for the provision of crowdfunding credit services for the entire duration of the credit agreement or crowdfunding credit services, or several borrowing rates that the creditor or the provider of crowdfunding credit services and the consumer agree on in the credit agreement or crowdfunding credit services for partial periods for which the borrowing rates are determined exclusively by a fixed specific percentage. If not all borrowing rates are determined in the credit agreement or in the agreement for the provision of crowdfunding credit services, 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 specific percentage agreed on the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services;
- (10) ‘total amount of credit’ means the ceiling or the total sums made available under a credit agreement or under crowdfunding credit services;
- (11) ‘durable medium’ means any **interoperable** instrument, **including paper and interoperable, portable and machine readable digital versions of documents**, which enables the consumer to store information addressed personally to him or her in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.
- (12) ‘credit intermediary’ means a natural or legal person who is not acting as a creditor or notary and not merely introducing, either directly or indirectly, a consumer to a creditor, and who, in the course of his or her trade, business or profession, for a fee, which may take a pecuniary form or any other agreed form of financial consideration:
- (a) presents or offers credit agreements to consumers;
 - (b) assists consumers by undertaking preparatory work or other pre-contractual administration in respect of credit agreements other than as referred to in point (a); or
 - (c) concludes credit agreements with consumers on behalf of the creditor;
- (13) ‘pre-contractual information’ means the information that the consumer needs to be able to compare different credit offers, **understand them** and take an

informed decision on whether to conclude the credit agreement or the agreement for the provision of crowdfunding credit services; **(LEFT 24, EPP 291)**

- (14) ‘profiling’ means any form of automated processing of personal data as defined in Article 4, point (4), of Regulation (EU) 2016/679;
- (15) ‘means of distance communication’ mean any means of distance communication as defined in Article 2, point (e) of Directive 2002/65/EC;
- (16) ‘tying practice’ means the offering or the selling of a credit agreement or crowdfunding credit services in a package with other distinct financial products or services where the credit agreement or crowdfunding credit services are not made available to the consumer separately;
- (17) ‘bundling practice’ means the offering or the selling of a credit agreement or crowdfunding credit services in a package with other distinct financial products or services where the credit agreement or crowdfunding credit services are also made available to the consumer separately but not necessarily on the same terms or conditions as when offered bundled with those other products or services;
- (18) ‘advisory services’ means personal recommendations to a consumer in respect of one or more transactions relating to credit agreements or crowdfunding credit services and that constitute a separate activity from the granting of a credit and from the and from the activities of credit intermediary as defined in point (12);
- (19) ‘overdraft facility’ means an explicit credit agreement whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's current account;
- (20) ‘overrunning’ means a tacitly accepted overdraft whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's current account or the agreed overdraft facility;
- (21) ‘linked credit agreement’ means a credit agreement or crowdfunding credit services where
 - (a) the credit or services in question serve exclusively to finance an agreement for the supply of specific goods or the provision of a specific service, and
 - (b) those two agreements form, from an objective point of view, a commercial unit; a commercial unit shall be deemed to exist where the supplier or service provider himself or herself finances the credit for the consumer or, if it is financed by a third party, where the creditor or provider of crowdfunding credit services use the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement or of the agreement for the provision of crowdfunding credit services, or where the specific goods or the provision of a specific service are explicitly specified in the credit agreement or in the crowdfunding credit services;

(ba) the creditor or provider of crowdfunding services promotes the sale of goods or services, or the provider of goods or services uses the services of the creditor or provider of crowdfunding services in connection with the conclusion or preparation of the agreements for the provision of specific goods or services, or the credit agreement or the crowdfunding credit services are explicitly specified in the agreement for the provision of specific goods or services. (LEFT 25)

(22) ‘early repayment’ means the full or partial discharge of the consumer’s obligations under a credit agreement or crowdfunding credit services, *before the date for the final payment agreed in the credit agreement*-(LEFT 26, SD 293, GREENS 294, EPP 295, EPP 296)

(23) ‘crowdfunding platform’ means a crowdfunding platform as defined in Article 2(1)(d) of Regulation (EU) 2020/1503.

(24) ‘revolving credit facility’ means a form of credit agreement issued by the creditor that provides the consumer with the ability to draw down or withdraw funds, repay funds, and withdraw funds again;

(25) ‘debt advisory services’ means personalised assistance of a technical, legal or psychological nature provided by independent professional operators *which are not creditors, credit intermediaries, providers of crowdfunding credit services or credit services as defined in Article 3, point (8) of Directive (EU) 2021/2167*, in favour of consumers who experience or might experience difficulties in meeting their financial commitments; (LEFT 27, GREENS 297)

(25a) *‘Right to be Forgotten’ means that, people who have survived relevant communicable and non-communicable diseases such as cancer do not have to declare their diagnosis 10 years after the end of their treatment, and up to five years after the end of treatment for patients whose diagnosis was made before the age of 18, and can no longer be treated differently to people who have not had a this diagnosis when applying for and accessing financial products or services such as insurance and loans.*

For this purpose, Member States should define their own lists of relevant communicable and non-communicable diseases, with the support of medical, scientific and statistical experts and with the consultation of all relevant stakeholders including the patients ‘organizations and relevant EU’s agencies (EMA, ECDC) on which “Right to be Forgotten” would apply, committing themselves to review this list periodically. Member States should also take measures to inform consumers of the existence of this right.

(25b) *‘deferred payment’ means a deferred payment of an invoice whereby the trader gives its consumer more time to pay the invoice, free of interest and without any other charges, including penalty charges, as agreed between parties, as set out in the supplier’s invoice or as laid down by law, and executed within 30 45 days of the issuance of the invoice; (SD 298, EPP 304)*

(25c) ‘financial difficulty’ means a situation whereby a natural person has missed two repayments; (SD 301)

(25d) ~~‘targeting of advertising’ means techniques of processing of personal data available to the sponsors of advertisements that are used to determine the potential audience of an advertisement, that is, the specific person or groups of persons that are and are not eligible to be delivered an advertisement based on information observed or inferred from them or revealed by them; (SD 302)~~

(25e) ~~‘amplification of advertising’ means automated techniques of processing of personal data employed by publishers or other providers of advertising services involved in the publishing and dissemination of advertisements to select the audience of an advertisement within the potential audience as defined by the sponsor of the advertisement; (SD 303)~~

Article 4

Conversion of amounts expressed in euro into national currency

1. For the purposes of this Directive, those Member States who convert the amounts expressed in euro into their national currency shall initially use in that conversion the exchange rate prevailing on the date of entry into force of this Directive.
2. Member States may round off the amounts resulting from the conversion referred to in paragraph 1, provided that such rounding off does not exceed EUR 10.

Article 5

Obligation to provide information free of charge to consumers

Member States shall require that, when information is provided to consumers in accordance with this Directive, such information is provided *timely*, without charge to the consumer *and regardless of the media used to provide it. (EPP 309, SD 307)*

Article 6

Non-discrimination

Member States shall ensure that the conditions to be fulfilled for being granted a credit do not discriminate against consumers legally resident in the Union on ground of their nationality or place of residence or on any ground as referred to in Article 21 of the Charter of Fundamental Rights of the European Union, when those consumers request, conclude or hold a credit agreement or crowdfunding credit services within the Union.

Refusal to provide services in a Member State where the creditor or, where applicable, credit intermediaries or providers of crowdfunding credit services do not conduct business shall not be considered discrimination. (EPP 314)

Compromise 12 on Article 6a (new)

Article 6a (new)

Consumer credit products that support the digital and green transition

1. *Without prejudice to Article 18 of this Directive, Member States shall encourage creditors or, where applicable, credit intermediaries or providers of crowdfunding credit services to develop and offer consumer credit products that support the digital and green transition. (EPP 316)*
2. *(Date of transposition + 12 months), the Commission shall submit a report to the European Parliament and to the Council to assess the types of measures, tools and initiatives taken by Member States in accordance with paragraph 1.*

CA2 on CHAPTER 2

CHAPTER II

INFORMATION TO BE PROVIDED PRIOR TO THE CONCLUSION OF THE CREDIT AGREEMENT OR OF THE AGREEMENT FOR THE PROVISION OF CROWDFUNDING CREDIT SERVICES

Article 7

Advertising and marketing of credit agreements and crowdfunding credit services

Without prejudice to Directive 2005/29/EC, Member States shall require that any advertising and marketing communications concerning credit agreements or crowdfunding credit services are fair, clear and not misleading. Wording in such advertising and marketing communications that may create false expectations for a consumer regarding the availability or the *total* cost of a credit *or, where applicable, the total amount payable by the consumer* shall be prohibited. (SD 318, EPP 319)

~~Creditors or providers of crowdfunding credit services shall not present advertising to recipients of services based on profiling within the meaning of Article 4(4) of Regulation (EU) 2016/679 using special categories of sensitive data as referred to in Article 9(1) of Regulation (EU) 2016/679.~~

Where Applicable, Regulation xxx/2022 (the Digital Services Act) shall apply to creditors or providers of crowdfunding credit services.

Article 8

Standard information to be included in advertising of credit agreements and crowdfunding credit services

1. Member States shall require that advertising concerning credit agreements or crowdfunding credit services ~~which indicates an interest rate or any figures relating to the cost of the credit to the consumer~~ include standard information in accordance with this Article. (LEFT 31, GREENS 325, EPP 326)

~~This obligation shall not apply where national law requires the indication of the annual percentage rate of charge in advertising concerning credit agreements or crowdfunding credit services which does not indicate an interest rate or any figures relating to any cost of credit to the consumer within the meaning of the first subparagraph. (LEFT 32, GREENS 327, EPP 328)~~

2. The standard information shall be easily legible or clearly audible, as appropriate, and adapted to the technical constraints of the medium used for advertising and shall specify in a clear, concise and prominent way, by means of a representative example, all of the following elements:
 - (a) *where applicable*, the borrowing rate, fixed or variable or both, together with particulars of any charges included in the total cost of the credit to the consumer; **(GREENS 330)**
 - (b) the total amount of credit;
 - (c) *where applicable* the annual percentage rate of charge; **(GREENS 331)**
 - (d) where applicable, the duration of the credit agreement or crowdfunding credit services;
 - (e) in the case of a credit in the form of deferred payment for specific goods or services, the cash price and the amount of any advance payment;
 - (f) where applicable, the total amount payable by the consumer and the amount of the instalments.

(fa) a prominent, clearly visible warning to make consumers aware that borrowing costs money, using the words 'Caution! Borrowing money costs money' (LEFT 33, GREENS 335)

In specific and justified cases where the medium used to communicate the standard information referred to in the first subparagraph does not allow the information to be visually displayed, points (e) and (f) in that subparagraph shall not apply.

In all other cases, information listed in points (c) and (fa)-of the first subparagraph shall be displayed prominently and in a bigger format than all other information. (LEFT 38, GREENS 337)

3. Where the conclusion of a contract regarding an ancillary service relating to the credit agreement or crowdfunding credit services is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the standard information shall, together with the annual percentage rate of charge referred to in paragraph 2, point (c), specify in a clear, concise and prominent way the obligation to enter into that contract.
 - 3 a. ***When the medium used to communicate the standard information does not allow for the information to be visually displayed in a clear manner, the consumer should be able to access further information by means of clicking, scrolling or swiping. For digital forms of advertising, this information shall be included in a web page directly linked to such advertisements and access to a credit offer shall only be possible after all the additional information to be contained in the advertising is provided to the consumer (RE 342, EPP 341, EPP 338, EPP 336)***

3b. *The Commission may adopt implementing acts concerning the template and the format of the standard information referred to in paragraph 2. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article [XY]. In any case the list of the standard information and warnings under this Article cannot be extended by this implemented act. (LEFT 39, GREENS 337, EPP 334)*

3c. *Member States shall prohibit advertising for consumer credit products which:*

(a) *incites over-indebted consumers to seek credit;*

(b) *specifies that outstanding credit contracts or registered credit in databases have little or no influence on the assessment of a credit application;*

(c) *suggests that success or social achievement can be acquired thanks to credit agreements; (LEFT 41, SD 324, GREENS 339)*

3d. *Member States may prohibit advertising for consumer credit products which:*

(a) *highlights the ease or speed with which credit can be obtained;*

(b) *states that a promotion is conditional upon taking up credit;*

(c) *offer “grace periods” for the repayment of credit instalments of more than three months. (LEFT 41, SD 324, GREENS 339)*

Article 9

General information

1. Member States shall ensure that clear and comprehensible general information about credit agreements or crowdfunding credit services is made available to consumers by creditors or, where applicable, by credit intermediaries or providers of crowdfunding credit services, at all times *on paper or on any other durable medium chosen by the consumer (RE 350, EPP 347, EPP 348, SD 349)*

2. The general information referred to in paragraph 1 shall include at least the following:

(a) the identity, geographical address, telephone number and email address of the issuer of the information;

(b) the purpose for which the credit may be used;

(c) the possible duration of the credit agreements or crowdfunding credit services;

(d) types of available borrowing rate, indicating whether fixed or variable or both, with a short description of the characteristics of a fixed and variable rate, including related implications for the consumer;

(e) a representative example of the total amount of credit, the total cost of the credit to the consumer, the total amount payable by the consumer and the annual percentage rate of charge;

- (f) an indication of possible further costs, not included in the total cost of the credit to the consumer, to be paid in connection with a credit agreement or crowdfunding credit services;
- (g) the range of different options available for reimbursing the credit to the creditor, including the number, frequency and amount of the regular repayment instalments;
- (h) a description of the conditions directly relating to early repayment;
- (i) a description of the right of withdrawal;
- (j) indication of ancillary services the consumer is obliged to acquire in order to obtain the credit or to obtain it on the terms and conditions marketed and, where applicable, a clarification that the ancillary services may be purchased from a provider that is not the creditor; and

Article 10

Pre-contractual information

1. Member States shall require that the creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services provide the consumer with ~~the~~ ***clear, understandable and comprehensible*** pre-contractual information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement or crowdfunding credit services on the basis of the credit terms and conditions offered by the creditor or by the provider of crowdfunding credit services and, where applicable, the preferences expressed and information supplied by the consumer. Such pre-contractual information shall be provided to the consumer ***in due time and in any case*** before he or she is bound by any credit agreement or offer, or by any agreement or offer for the provision of crowdfunding credit services, ***including where distance means of communication are used.*** (SDD 355, SD 357, EPP 359, RE 361, LEFT 42)270

In case the pre-contractual information referred to in the first subparagraph is provided less than one day before the consumer is bound by the credit agreement or offer, or by any agreement or offer for the provision of crowdfunding credit services, Member States shall require that the creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services send a reminder, on paper or on ***any other*** durable medium ***chosen by the consumer***, to the consumer of the possibility to withdraw from the credit agreement or crowdfunding credit services and of the procedure to follow for withdrawing, in accordance with Article 26. That reminder shall be provided to the consumer, ~~at the latest,~~ one ***to seven*** days after the conclusion of the credit agreement, of the agreement for the provision of crowdfunding credit services, or the acceptance of the credit offer. (LEFT 43, SD 366, ECR 362, EPP 363, EPP 364)

2. The pre-contractual information referred to in paragraph 1 shall be provided on paper or on ***any other*** durable medium ***chosen by the consumer*** by means of the Standard European Consumer Credit Information form set out in Annex I. All the information provided in the form shall be equally prominent. The creditor shall be deemed to have fulfilled the information requirements in this paragraph and in Article 3, paragraphs

(1) and (2) of Directive 2002/65/EC if he or she has supplied the Standard European Consumer Credit Information.

3. The pre-contractual information referred to in paragraph 1 shall specify all of the following elements:
- (a) the type of credit;
 - (b) the identity, geographical address, telephone number and email address of the creditor as well as, where applicable, the identity, geographical address, telephone number and email address of the credit intermediary and of the provider of crowdfunding credit services involved;
 - (c) the total amount of credit and the conditions governing the drawdown;
 - (d) the duration of the credit agreement or crowdfunding credit services;
 - (e) in the case of a credit in the form of deferred payment for specific goods or services and in the case of linked credit agreements, the specific goods or services and their cash price;
 - (f) the borrowing rate, or all borrowing rates where different borrowing rates apply in different circumstances, the conditions governing the application of each borrowing rate and, where available, any index or reference rate applicable to each initial borrowing rate, as well as the periods, conditions and procedures for changing each borrowing rate;
 - (g) the annual percentage rate of charge and the total amount payable by the consumer, illustrated by means of a representative example mentioning all the assumptions used in order to calculate that rate; Where the consumer has informed the creditor or the provider of crowdfunding credit services of one or more components of his or her preferred credit, such as the duration of the credit agreement or of the agreement for the provision of crowdfunding credit services and the total amount of credit, the creditor or the provider of crowdfunding credit services shall take those components into account;
 - (h) where a credit agreement or crowdfunding credit services provide different ways of drawdown with different charges or borrowing rates and the creditor uses the assumption set out in Part II, point (b), of Annex IV, an indication that other drawdown mechanisms for the relevant type of credit agreement or crowdfunding credit services may result in higher annual percentage rates of charge;
 - (i) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;
 - (j) where applicable, the charges for maintaining one or several compulsory accounts recording both payment transactions and drawdowns, the charges for using a means of payment for both payment transactions and drawdowns, any other charges deriving from the credit agreement or crowdfunding credit services, and the conditions under which any of those charges may be changed;
 - (k) where applicable, any costs payable by the consumer to a notary on conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services;(l) the obligation, if any, to enter into an ancillary service

contract relating to the credit agreement or the crowdfunding credit services, where the conclusion of such a contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed;

- (m) the interest rate applicable in the case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default;
- (n) a warning *and explanation* regarding the *legal and financial* consequences of missing or late payments, *including related costs*; (LEFT 45, EPP 399, GREENS 400, SD 404);
- (na) a warning and explanation regarding the legal and financial consequences of non-compliance with the other commitments linked to the specific credit agreement or crowdfunding credit services; ~~displayed at every stage of the purchasing process.~~ (SD 354)*
- (o) where applicable, the sureties required;
- (p) the existence of a right of withdrawal *and its duration*; (SD 404)
- (q) the right of early repayment, and, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined;
- (r) the consumer's right to be informed immediately and free of charge, pursuant to Article 19(2), of the result of a database consultation carried out for the purposes of assessing his or her creditworthiness;
- (s) the consumer's right, as set out in paragraph 8, to be supplied, ~~on request~~ *at any time, on a durable medium* and free of charge, with a copy of the draft credit agreement, or of the draft agreement for the provision of crowdfunding credit services, provided that the creditor at the time of the request is willing to proceed to the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services with the consumer; (SD 409)
- (t) where applicable, an indication that the price was personalised on the basis of automated processing, including profiling;
- (u) where applicable, the period of time during which the creditor or the provider of crowdfunding credit services is bound by the pre-contractual information provided in accordance with this Article;
- (v) the possibility of having recourse to an out-of-court complaint and redress mechanism for the consumer and the methods for having access to it.
- (f c) a comprehensive repayment schedule containing all payments and repayments over the lifetime of the contract, including those payments and repayments for any ancillary services relating to the credit agreement or crowdfunding credit services which are sold simultaneously, whereby payment and repayments, in case different borrowing rates apply in different circumstances, should be based on reasonable upward changes in the borrowing rate for the consumer; (GREENS 434)*

Where the credit agreement or the crowdfunding credit services references a benchmark as defined in Article 3(1), point (3), of Regulation (EU) 2016/1011 of the

European Parliament and of the Council²⁰, the name of that benchmark and of its administrator and its potential implications on the consumer shall be provided by the creditor or, where applicable, the credit intermediary or the provider of crowdfunding credit services, to the consumer in a separate document, which may be annexed to the Standard European Consumer Credit Information form.

4. ~~At the same time as~~ **The Standard European Consumer Credit Information form is provided to the consumer, the creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services, shall provide the consumer with the Standard European Consumer Credit Overview form set out in Annex II, containing the following pre-contractual information shall provide the consumer with the following pre-contractual information at the beginning of the form, which information will be noticeably separated from the rest of the pre-contractual information provided on the same form: (GREENS 421, EPP 422, EPP 423)**
- (a) the total amount of credit;
 - (b) the duration of the credit agreement or of the agreement for the provision of crowdfunding credit services;
 - (c) the borrowing rate, or all borrowing rates if different borrowing rates apply in different circumstances; **in the case of credits with a variable borrowing rate, a simulation of the impact on the cost of the credit of reasonable upward changes in the borrowing rate ; (GREENS 427, SD 353)**
 - (d) the annual percentage rate of charge and the total amount payable by the consumer;
 - (e) in the case of a credit in the form of deferred payment for specific goods or services and in the case of linked credit agreements, the specific goods or services and their cash price;
 - (f) **a warning and explanations regarding the consequences of missing or costs in the case of late payments including related costs; (LEFT 48, GREENS 431, EPP 432, SD 433)**
- (fa) information about the right of withdrawal; (GREENS 436, EPP 437)**
- (fb) information about early repayment in accordance with Article 29; (EPP 435)**

The duplication of the information stated on the first page of the Standard European Consumer Credit Information form shall be avoided in the rest of the form.

5. Information displayed in the Standard European Consumer Credit Information form ~~and in the Standard European Consumer Credit Overview form~~ shall be consistent. It shall be clearly legible and take into account the technical constraints of the medium on which it is displayed. Information shall be displayed in an adequate and suitable

²⁰ 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, p. 1).

way on the different channels *taking into account interoperability*. (LEFT 50, EPP 440, RE 441, ECR 442, SD 443, EPP 444)

The Commission is empowered to adopt delegated acts concerning the adoption and, where necessary, amendment, of regulatory technical standards to stipulate the format and presentation of the Standard European Consumer Credit Information form in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010. (LEFT 51, GREENS 452)

Any additional information which the creditor may provide to the consumer shall be *clearly legible and* given in a separate document which may be annexed to the Standard European Consumer Credit Information form ~~or the Standard European Consumer Credit Overview form.~~ (LEFT 53, GREENS 451, RE 446, EPP 447, EPP 448, ECR 449, EPP 450, GREENS 451)

6. ~~By way of derogation from paragraph 3, in the case of voice telephony communications, as referred to in Article 3(3) of Directive 2002/65/EC, the description of the main characteristics of the financial service to be provided pursuant to Article 3(3), point (b), second indent, of that Directive shall include at least the elements referred to in paragraph 3, points (c), (d), (e), (f) and (i) of this Article, together with the annual percentage rate of charge illustrated by means of a representative example and the total amount payable by the consumer.~~ (LEFT 54, EPP 453)

7. ~~If the agreement has been concluded at the consumer's request using a means of distance communication which does not enable the information to be provided in accordance with this article, the creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services shall provide the consumer with the Standard European Consumer Credit Information form and the Standard European Consumer Credit Overview form immediately after the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services.~~ (LEFT 55, EPP 455, ECR 456, RE 457, EPP 458, EPP 459)

7a. In any event, if the agreement has been concluded at the consumer's request using a means of distance communication, the agreement and any other jointly provided document shall always be provided to the consumer in a form which allows their automated reading and legal assessment, to evaluate their compliance with this Directive, as well as with the Union's unfair contractual terms law and personal data protection law (LEFT 56)

8. Upon request from the consumer, *the* creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services shall, in addition to the Standard European Consumer Credit Information form ~~and the Standard European Consumer Credit Overview form~~, provide the consumer free of charge with a copy of the draft credit agreement, or of the draft agreement for the provision of crowdfunding credit services, provided that the creditor at the time of the request is willing to proceed to the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services with the consumer. *The provision of the credit offer shall oblige the creditor to maintain its terms and conditions for a minimum of 14 days from the date of receipt by the consumer.* (LEFT 57, EPP 461, RE 462, EPP 463, ECR 465, GREENS 466, EPP 467)

9. In the case of a credit agreement or crowdfunding credit services under which payments made by the consumer do not give rise to an immediate corresponding

amortisation of the total amount of credit, but are used to constitute capital during periods and under conditions laid down in the credit agreement, in the agreement for the provision of crowdfunding credit services or in an ancillary agreement, the creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services shall in the pre-contractual information referred to in paragraph 1 include a clear and concise statement that such credit agreements or crowdfunding credit services do not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement or crowdfunding credit services, unless such a guarantee is given expressly.

10. This Article shall not apply to suppliers of goods or services acting as credit intermediaries in an ancillary capacity. This is without prejudice to the creditor, or where applicable, credit intermediary or provider of crowdfunding credit services' obligation to ensure that the consumer receives the pre-contractual information referred to in this Article. ~~(LEFT 58, GREENS 468)~~

Article 11

Pre-contractual information with regard to credit agreements referred to in Article 2(5) or (6)

1. For credit agreements referred to in Article 2(5) or (6), the pre-contractual information referred to in Article 10(1) shall, by way of derogation from paragraph 2 of that Article, be provided on paper or on *any other* durable medium *chosen by the consumer* by means of the European Consumer Credit Information form set out in Annex III. *The information shall be clear, understandable and comprehensible.* All information provided in that form shall be equally prominent. The creditor shall be deemed to have fulfilled the information requirements in this paragraph and in Article 3, paragraphs (1) and (2) of Directive 2002/65/EC if he or she has supplied the European Consumer Credit Information. ~~(RE 469, EPP 470, SD 471) In the process of providing pre-contractual information, special attention shall be given to the needs of persons with disabilities. (SD 371, RE 373, EPP 374, LEFT 44, GREENS 370)~~
2. For credit agreements referred to in Article 2(5) or (6), the pre-contractual information referred to in Article 10(1) shall, by way of derogation from paragraph 3 of that Article, specify all of the following elements:
 - (a) the type of credit;
 - (b) the identity, geographical address, telephone number and email address of the creditor as well as, where applicable, the identity, geographical address, telephone number and email address of the credit intermediary involved;
 - (c) the total amount of credit;
 - (d) the duration of the credit agreement;
 - (e) the borrowing rate and the conditions governing the application of that rate, any index or reference rate applicable to the initial borrowing rate, the charges applicable from the time the credit agreement is concluded, and, where applicable, the conditions under which those charges may be changed;

- (f) the annual percentage rate of charge, illustrated by means of representative examples mentioning all the assumptions used in order to calculate that rate;
- (g) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;
- (h) the conditions and procedure for terminating the credit agreement;
- (i) the right of early repayment, and, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined.
- (j) where applicable, an indication that the consumer may be requested to repay the amount of credit in full at any time;
- (k) the interest rate applicable in the case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default;
- (ka) a warning and explanation regarding the legal and financial consequences of missing or late payments, including related costs (LEFT 45, EPP 399, GREENS 400, SD 404)**
- (kb) a ~~general~~ warning and explanation regarding the legal and financial consequences of non-compliance with the other commitments linked to the specific credit agreement or crowdfunding credit services, ~~displayed at every stage of the purchasing process.~~ (SD 354)**
- (l) the consumer's right to be informed immediately and free of charge, pursuant to Article 19(2), of the result of a database consultation carried out for the purposes of assessing his or her creditworthiness;
- (m) where applicable, an indication that the price was personalised on the basis of automated processing, including profiling;
- (n) where applicable, the period of time during which the creditor is bound by the pre-contractual information provided in accordance with this Article;
- (o) the possibility of having recourse to an out-of-court complaint and redress mechanism for the consumer and the methods for having access to it.
- (o a) a comprehensive repayment schedule containing all payments and repayments over the lifetime of the contract, including those payments and repayments for any ancillary services relating to the credit agreement or crowdfunding credit services which are sold simultaneously, whereby payment and repayments, in case different borrowing rates apply in different circumstances, should be based on reasonable upward changes in the borrowing rate for the consumer; (GREENS 434)**

3. ~~At the same time as the European Consumer Credit Information form is provided to the consumer, the creditor and, where applicable, the credit intermediary, shall provide the consumer with the Standard European Consumer Credit Overview form set out in Annex H. (LEFT 59, ECR 477, EPP 478, GREENS 479)~~

4. Information displayed in the European Consumer Credit Information form and in the Standard Consumer Credit Overview form shall be consistent. It shall be clearly legible and take into account the technical constraints of the medium on which it is displayed. Information shall be displayed in an adequate and suitable way on the different channels *taking into account interoperability*. (LEFT 60, GREENS 481, ECR 482, EPP 483) *It shall provide the consumer with the following pre-contractual information at the beginning of the form, which information will be noticeably separated from the rest of the pre-contractual information provided on the same form:*
- (a) *the total amount of credit*
 - (b) *the duration of the credit agreement*
 - (c) *the borrowing rate and the conditions governing the application of that rate, any index or reference rate applicable to the initial borrowing rate, the charges applicable from the time the credit agreement is concluded, and, where applicable, the conditions under which those charges may be changed;*
 - (d) *the annual percentage rate of charge, illustrated by means of representative examples mentioning all the assumptions used in order to calculate that rate;*
 - (e) *a warning and explanation regarding the legal and financial consequences of missing or late payments, including related costs; (LEFT 45, EPP 399, GREENS 400, SD 404)*
 - (f) *the right of early repayment, and, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined.*
 - (fa) *information about the right of withdrawal; (GREENS 436, EPP 437)*
 - (fb) *information about early repayment in accordance with Article 29; (EPP 435)*

The duplication of the information stated on the first page of the Standard European Consumer Credit Information form shall be avoided in the rest of the form.

5. ~~By way of derogation from paragraph 2, in the case of voice telephony communications, as referred to in Article 3(3) of Directive 2002/65/EC, the description of the main characteristics of the financial service to be provided pursuant to Article 3(3), point (b), second indent, of that Directive shall include at least the elements referred to in paragraph 2, points (e) to (f) and (l), of this Article.~~
6. Upon request from the consumer, the creditor and, where applicable, the credit intermediary shall, in addition to the European Consumer Credit Information ~~and the Standard European Consumer Credit Overview form~~, provide the consumer free of charge with a copy of the draft credit agreement, provided that the creditor at the time of the request is willing to proceed to the conclusion of the credit agreement with the consumer. (LEFT 61, EPP 484, ECR 485, GREENS 486, RE 487, EPP 488)
7. If the agreement has been concluded at the consumer's request using a means of distance communication which does not enable the information to be provided in accordance with this Article, the creditor shall immediately after the conclusion of the credit agreement provide the consumer with the European Consumer Credit Information form ~~and the Standard European Consumer Credit Overview form~~

immediately after the conclusion of the credit agreement. **(EPP 489, EPP 490, RE 491, ECR 492)**

8. This Article shall not apply to suppliers of goods or services acting as credit intermediaries in an ancillary capacity. This is without prejudice to the creditor, or where applicable, the credit intermediary's obligation to ensure that the consumer receives the pre-contractual information referred to in this Article.

Article 12

Adequate explanations

1. Member States shall ensure that creditors and, where applicable, credit intermediaries and providers of crowdfunding credit services are required to provide adequate explanations to the consumer on the proposed credit agreements or crowdfunding credit services and any ancillary services that make it possible for the consumer to assess whether the proposed credit agreements or crowdfunding credit services and ancillary services are adapted to his or her needs and financial situation. ***Such explanations should be given free of charge and before concluding the credit agreement.*** The explanations shall include the following elements: **(SD 493, EPP 496)**
 - (a) the information referred to in Article 10, 11 and 38, ***with particular emphasis on explaining the legal and financial consequences that may result from improper performance of contractual obligations;*** **(EPP 495)**
 - (b) the essential characteristics of the credit agreement, crowdfunding credit services or ancillary services proposed;
 - (c) the specific effects that the credit agreement, crowdfunding credit services or ancillary services proposed may have on the consumer, including the consequences of payment default or late payment by the consumer;
 - (d) where ancillary services are bundled with a credit agreement or crowdfunding credit services, whether each component of the bundle can be terminated separately and the implications for the consumer of such termination.
- 1a Member States may require creditors and where applicable, credit intermediaries and providers of crowdfunding services, to document in what form and when such explanations were provided to the consumer.*** **(SD 497)**
2. Member States may adapt ***in duly justified cases*** the requirement referred to in paragraph 1 with regard to the manner in which the explanations shall be given and the extent to which they shall be given to the following:
 - (a) the circumstances of the situation in which the credit is offered;
 - ~~(b) the person to whom the credit is offered;~~ **(LEFT 62, GREENS 498)**
 - (c) the nature of the credit offered.

Article 13

Personalised offers on the basis of automated processing

Without prejudice to Regulation 2016/679, Member States shall require that creditors, credit intermediaries and providers of crowdfunding credit services ~~obtain the consent of and~~ inform consumers *in clear and unambiguous manner* when they are presented with a personalised offer that is based on ~~profiling or other types of~~ automated processing of personal *or inferred* data. (RE 502, LEFT 63, SD 501, EPP 503, GREENS 500, SD 501)

Member States shall require that creditors, credit intermediaries and providers of crowdfunding credit services communicate to the consumer who receive the offer which sources have been used in the personalisation of the offer. (SD 504)

~~*Member States shall prohibit discriminatory price optimisation practices when selling consumer credit products to consumers, in particular pricing which is based on individual price sensitivity.*~~ (SD 505)

CA3 on CHAPTER 3

CHAPTER III

TYING AND BUNDLING PRACTICES, AGREEMENT FOR ANCILLARY SERVICES, ADVISORY SERVICES AND UNSOLICITED CREDIT SALES, *AND ADDITIONAL PROTECTION REGARDING ONLINE INTERFACES* (SD 506)

Article 14

Tying and bundling practices

1. Member States may allow bundling practices but shall prohibit tying practices.
2. By way of derogation from paragraph 1 and without prejudice to the application of competition law, Member States may allow creditors or providers of crowdfunding credit services to request the consumer to open or maintain a payment or a savings account, where the only purpose of such an account is one of the following:
 - (a) to accumulate capital to repay the credit;
 - (b) to service the credit;
 - (c) to pool resources to obtain the credit;
 - (d) to provide additional security for the creditor in the event of default.
3. ~~By way of derogation from paragraph 1 and without prejudice to the application of competition law, Member States may allow tying practices where the creditor or the provider of crowdfunding credit services can demonstrate to the competent authority that the tied products or categories of product offered, on terms and conditions similar to each other, result in a clear benefit to the consumers taking due account of the availability and the prices of the relevant products offered on the market. (GREENS 511, SD 512)~~
4. Member States may allow creditors or providers of crowdfunding credit services to require the consumer to hold a relevant insurance policy related to the credit agreement or crowdfunding credit services, taking into account proportionality

considerations. In such cases, Member States shall ensure that the creditor or the provider of crowdfunding credit services is required to accept the insurance policy from a supplier different to his or her preferred supplier where such insurance policy has a level of guarantee equivalent to the one the creditor or the provider of crowdfunding credit services has proposed, without modifying the condition of the credit offering to the consumer. *Under those circumstances, the insurance policy shall avoid imposing restrictive conditions, whenever specific requirements related to pre-existing medical conditions are fulfilled. Member States shall guarantee that people cured of relevant communicable and non-communicable diseases have equal access to insurance policies (Right to be forgotten). Member States shall guarantee that people cured of relevant communicable and non-communicable diseases have equal access to insurance policies (Right to be forgotten).* (Left 65, ID 517)

Member States shall require that if the consumer needs additional time to compare insurance offers before purchasing one, that consumer shall be given at least three days to compare them, without the offer being changed

~~*In addition, creditors or providers of crowdfunding services should not be permitted to conclude the sale of a relevant insurance policy related to the credit agreement before a 7-day cooling off period in order to ensure that the consumer is able to compare offers. (GREENS 519, SD 520)*~~

Article 15

Inferred agreement for the purchase of ancillary services

1. Member States shall ensure that creditors, credit intermediaries and providers of crowdfunding credit services do not infer the agreement of the consumer for the purchase of ancillary services presented through default options. Default options include pre-ticked boxes.
 2. The agreement of the consumer to the purchase of ~~consumer credit products or~~ ancillary services presented through boxes shall be given by a **unambiguous and** clear affirmative act establishing a freely given, specific, informed and unambiguous indication of his or her approval to the content and substance associated to the boxes. (LEFT 67, EPP 522)
- 2a** *Silence or inactivity in no case imply consent to constitute agreement within meaning of this Article. (LEFT 68, EPP 523, SD 524)*

Article 16

Advisory services

1. Member States shall ~~require~~ **ensure** that the creditor, and where applicable the credit intermediary and the provider of crowdfunding credit services explicitly inform the

consumer, in the context of a given transaction, whether advisory services are being or can be provided to the consumer. **(EPP 525)**

2. Member States shall require that the creditor, and where applicable the credit intermediary and the provider of crowdfunding credit services, before the provision of advisory services or the conclusion of a contract for the provision of such services, provide the consumer with the following information on paper or another durable medium:

- (a) an indication of whether the recommendation will be based on only their own product range or on a wide range of products from across the market in accordance with paragraph 3, point (c).
- (b) where applicable, an indication of the fee payable by the consumer for the advisory services or, where the amount of such fee cannot be established at the time when the information is provided, the method used for its calculation.

The information referred to in the first subparagraph, points (a) and (b), may be provided to the consumer in the form of additional pre-contractual information in accordance with Article 10(5), second subparagraph.

3. Where advisory services are provided to consumers, Member States shall require that creditors and, where applicable, credit intermediaries or providers of crowdfunding credit services:

- (a) obtain the strictly necessary information regarding the consumer's financial situation, preferences and objectives related to the credit agreement or crowdfunding credit services, in order for the creditor, credit intermediary or providers of crowdfunding credit services to recommend credit agreements or crowdfunding credit services that are suitable to the consumer.
- (b) assess the financial situation and the needs of the consumer on the basis of the information referred to in point (a), which shall be up to date at the time of the assessment, taking into account reasonable assumptions as to the risks to the consumer's financial situation over the term of the recommended credit agreement or credit agreements, or crowdfunding credit services;
- (c) consider a sufficiently large number of credit agreements or crowdfunding credit services in their product range and on that basis recommend a credit agreement or several credit agreements, or crowdfunding credit services from among that product range that is suitable to the consumer's needs, financial situation and personal circumstances; ***non-tied intermediaries consider for that purpose a sufficiently large number of credit agreements or crowdfunding credit services available on the market and make the recommendation on that basis; (EPP 528)***
- (d) act in the best interests of the consumer, ***with a view to minimising defaults and arrears by informing themselves about the consumer's needs and circumstances and recommending suitable credit agreements; (RE 529, GREENS 530, SD 531)***
- (e) give the consumer a record on paper or on another durable medium of the recommendation provided.

4. Member States ~~may~~ **shall** prohibit the use of the terms 'advice' and 'advisor' or similar terms when the advisory services are being marketed and provided to consumers by

creditors or, where applicable, credit intermediaries or providers of crowdfunding credit services. **(SD 533)**

Where Member States do not prohibit the use of the terms ‘advice’ and ‘advisor’ or similar terms, they shall impose the following conditions on the use of the term ‘independent advice’ or ‘independent advisor’ by creditors, credit intermediaries or providers of crowdfunding credit services providing advisory services:

- (a) creditors and, where applicable, credit intermediaries or providers of crowdfunding credit services shall consider a sufficiently large number of credit agreements or crowdfunding credit services available on the market;
- (b) credit intermediaries shall not be remunerated for the advisory services by one or more creditors.

~~Point (b) of the second subparagraph shall apply only where the number of creditors considered is less than a majority of the market.~~ **(GREENS 535)**

Member States may impose more stringent requirements for the use of the terms ‘independent advice’ or ‘independent advisor’ by creditors and, where applicable, credit intermediaries or providers of crowdfunding credit services.

5. Member States shall require that creditors and, where applicable, credit intermediaries or providers of crowdfunding credit services to warn a consumer when a credit agreement or crowdfunding credit services may induce a specific risk for the consumer considering his or her financial situation.
6. Member States shall ensure that advisory services may only be provided by creditors and, where applicable, credit intermediaries or providers of crowdfunding credit services.

Member States may, by way of derogation from the first subparagraph, allow other persons than those referred to in the first subparagraph to provide advisory services where one of the following conditions is fulfilled:

- (a) the advisory services are provided in an incidental manner in the course of a professional activity that is regulated by legal or regulatory provisions or a code of ethics which do not exclude the provision of those services;
- (b) the advisory services are provided in the context of management of existing debt by insolvency practitioners and that management activity is regulated by legal or regulatory provisions;
- (c) the advisory services are provided in the context of management of existing debt by public or voluntary debt advisory services providers which do not operate on a commercial basis ***but which meet the professional criteria to provide advisory services set by the Member States;*** **(EPP 538)**
- (d) the advisory services are provided by persons that are authorised and supervised by competent authorities.

Article 17

Ban on unsolicited credit sales

Without prejudice to the creditor’s possibility to advertise within the limitations set by Articles 7 and 8 of the present Directive, Member States shall prohibit any sale of credit to consumers, without their prior request and explicit agreement. **(SD 540, EPP 542, ECR 543)**

This provision shall not apply to the offer of credit agreements at the point of sale to finance the purchase of a good or a service. (SD 540, ID 541, EPP 545, ECR 547)

In particular, Member States shall prohibit the introduction of a new overdraft facility or overrunning agreement or the raising of the limit of an existing overdraft facility or overrunning agreement, without the consumer's prior request or explicit agreement. (EPP 546)

Article 17a (new)

Additional protection regarding online interfaces used

~~*Without prejudice to Directive (EU) 2019/2161, Directive 2005/29/EC and Council Directive 93/13/EEC, Member States shall adopt measures requiring that creditors, credit intermediary services and providers of crowdfunding credit services do not design, organise or operate their online interfaces in a way that deceives, manipulates or otherwise materially distorts or impairs the ability of recipients of their service to make free and informed decisions use the structure, design, function or manner of operation of their online interface nor any type of nudging in a way that could distort or impair consumers' ability to make a free, autonomous ad informed decision or choice (SD 548, LEFT 66)*~~

CA4 on CHAPTER 4

CHAPTER IV

ASSESSMENT OF CREDITWORTHINESS AND DATABASE ACCESS

Article 18

Obligation to assess the creditworthiness of the consumer

1. Member States shall require that, before concluding a credit agreement, or an agreement for the provision of crowdfunding credit services, the creditor or, where applicable, the provider of crowdfunding credit services makes a thorough assessment of the consumer's creditworthiness. That assessment shall be done in the interest of the consumer, to prevent irresponsible lending practices and over-indebtedness, and shall take appropriate account of factors relevant to verifying the prospect of the consumer to meet his or her obligations under the credit agreement or the agreement for the provision of crowdfunding credit services.

~~*The creditor shall make reasonable allowances for potential negative scenarios in the future, including for example, a reduced income; or where applicable, an increase in the borrowing rate or negative change in the exchange rate, or deferred payments of principal or interest. (SD 550)*~~

- 1a *Member States shall ensure that credit intermediaries accurately transmit to the creditor information obtained from the consumer so that the creditworthiness assessment can be carried out. (SD 555)*

2. The assessment of creditworthiness shall be carried out on the basis of relevant and accurate *data* information on the consumer's income and expenses and other financial and economic circumstances which is necessary and proportionate *to the nature, duration, value, the complexity and the risks of the credit for the consumer. This information may include* such as evidence of income or other sources of repayment, information on financial assets and liabilities, or information on other financial commitments. The information shall be obtained from relevant internal or external sources, including the consumer and, where necessary, on the basis of a consultation of a database referred to in Article 19. ~~necessary data and information that is used to assess creditworthiness shall be limited to:~~
- ~~(a) evidence of identification;~~
 - ~~(b) evidence of residence;~~
 - ~~(c) information on the purpose of the loan;~~
 - ~~(d) evidence of eligibility for the purposes of the loan~~
 - ~~(e) evidence of employment, including the type, sector, status and duration~~
 - ~~(f) evidence of income or other sources repayment, including bonuses, commission, overtime, payslips, current bank account statements and audited or professionally verified accounts;~~
 - ~~(g) information on financial assets and liabilities such as saving account statements and loan statements indicating outstanding loan balances;~~
 - ~~(h) information on other financial commitments, such as child maintenance, education fees and alimonies if relevant;~~
 - ~~(i) information on household composition and dependents;~~
 - ~~(j) evidence of tax status;~~
 - ~~(k) evidence of life insurance for the named borrowers;~~
 - ~~(l) where applicable, data from credit registers or credit information bureaux or other relevant databases, covering the information on financial liabilities and arrears in payment;~~
 - ~~(m) information on the collateral, if any;~~
 - ~~(n) evidence of ownership of the collateral;~~
 - ~~(o) evidence of the value of the collateral;~~
 - ~~(p) evidence of insurance of the collateral;~~
 - ~~(q) information on guarantees, other credit risk mitigating factors and guarantors if any;~~
 - ~~(r) rental agreement or evidence of potential rental income for buy-to-let loans if any;~~
 - ~~(s) permissions and cost estimates, for real estate building and improvement loans;~~
 - ~~(t) the household general budget data of the borrower;~~

~~(u) other types/sources of information and data of an economic or financial nature that are necessary for the assessment, when relevant and more appropriate. (LEFT 69, SD 556, GREENS 557)~~

~~The Commission is empowered to adopt delegated acts concerning the adoption and, where necessary amendment the list of the data to be assessed under paragraph 2 of this Article. This list shall be adopted in accordance with Articles 10 to 14 of Regulation (EU) 1093/2010. (LEFT 71, SD 574)~~

The European Banking Authority (EBA) shall develop guidelines detailing how creditors and providers of crowdfunding credit services perform the creditworthiness assessment and on product governance. The guidelines shall specify the type of data recommended to perform the creditworthiness assessment in accordance with the objective of this Article. The Guidelines shall inter alia include a proportionate regime for the creditor, or where applicable, the provider of crowdfunding credit services to perform assessment of creditworthiness for ‘small value credits’ (EPP 578)

When developing such guidelines, the EBA shall:

- a) take into account the interest of the consumers and the protection against over-indebtedness;*
- b) take into account the types of credits offered in the Union and detail specific recommendations for specific credit offers if deemed necessary;*
- c) consult relevant public authorities, stakeholders as well civil society and consumer organizations.*

The EBA shall review such guidelines every 2 years. (LEFT 71, SD 574)

The information obtained in accordance with this paragraph, ~~where possible and necessary,~~ shall be appropriately verified, where necessary through reference to independently verifiable documentation ~~or by using open banking in line with the rules laid down in 2015/2366/EU (Payment Service Directive 2). statistical methods within automated decision-making systems.~~ (EPP 569, RE 567, ECR 568)

~~Creditors, credit intermediaries or third parties acting on their behalf may not request, collect or process personal data as referred to in Article 9(1) of Regulation (EU) 2016/679. Personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation and data collected from social networks shall not be processed or used to perform creditworthiness assessments (LEFT 70, GREENS 566, EPP 571, SD 576).~~

- 2a *The information taken into account for the purpose of the creditworthiness assessment shall be necessary and proportionate to assess the repayment capacity of the consumer in accordance with the objective of this Article, in line with the data*

minimisation principle of Regulation (EU) 2016/679, and shall be relevant, up-to-date, complete and accurate. (SD 572)

2b *Member States shall ensure require that the creditworthiness assessment and corresponding re-payment plans are realistic and tailored to the borrower's specific needs and repayment capacity. (LEFT 72, GREENS 573, SD 580)*

2c ~~*Member States shall ensure that the implementation of this Directive guarantees the 'Right to Be Forgotten'. (EPP 575, RE 583)*~~

2d *Member States shall ensure that creditors or providers of crowdfunding services are held liable and are subject to appropriate sanctions in case of a breach of the above-mentioned provision. (LEFT 73, EPP 577)*

Consumers shall have access to proportionate and effective remedies including compensation for damage suffered. Those remedies shall be without prejudice to the application of other remedies available to consumers under Union or national law. (LEFT 73)

3. Member States shall require that the creditor or, where applicable, the provider of crowdfunding credit services establishes procedures for the assessment referred to in paragraph 1 and that the creditor or the provider of crowdfunding credit services documents and maintains such procedures.

Member States shall also require that the creditor or the provider of crowdfunding credit services documents and maintains the information referred to in paragraph 2.

3a *Member States shall ensure that the creditor or the provider of crowdfunding credit services is required to reassess the consumer's creditworthiness on the basis of updated information before any ~~significant~~ increase in the total amount of credit is granted. (RE 582)*

3b *Member States shall guarantee that the Right to be Forgotten to all European patients 10 year s after the end of their treatment, and up to five years after the end of treatment for patients whose diagnosis was made before the age of 18. Member States shall ensure equal access to credit to all people cured of relevant communicable and non-communicable diseases. (RE 583)*

3b *If the credit application is submitted jointly by more than one consumer, the creditor or, where applicable, the provider of crowdfunding credit services shall perform the creditworthiness assessmet on the basis of the joint repayment capacity of the consumers. (EPP 584)*

4. Member States shall ensure that the creditor or the provider of crowdfunding credit services ~~may~~ only makes the credit available to the consumer where the result of the creditworthiness assessment indicates ~~that there is no significant doubt~~ that the obligations resulting from the credit agreement or the agreement for the provision of crowdfunding credit services ~~will~~ are likely to be met in the manner required under that agreement.

4a *A positive creditworthiness assessment shall not oblige the creditor to provide credit. (RE 586, ID 585, ECR 588, ECR 597)*

Notwithstanding the first subparagraphs, where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement or the agreement for the provision of crowdfunding credit services are not likely to be met in the manner required under that agreement, the creditor or the provider of crowdfunding credit services may exceptionally make credit available to the consumer in specific and well justified circumstances ***that include cases of loans that fund exceptional healthcare expenses, student loans or loans for consumers with disabilities. If the creditor or the provider of crowdfunding credit services make credit available to the consumer in accordance with subparagraph 1, the creditor or the provider of crowdfunding credit services shall warn the consumer in writing, on paper or on another any other durable medium chosen by the consumer, of a negative credit assessment that may lead to over-indebtedness. Such information must be communicated to the consumer before the conclusion of the credit agreement. Member States shall take complementing measures to ensure that the consumers' level of protection against financial difficulties remains equivalent to the standards otherwise established in this directive. (EPP 595, EPP 596, GREENS 594)***

5. Member States shall ensure that where a creditor or a provider of crowdfunding credit services concludes a credit agreement or an agreement for the provision of crowdfunding credit services with a consumer, the creditor or provider of crowdfunding credit services shall not subsequently cancel or alter the credit agreement or the agreement for the provision of crowdfunding credit services to the detriment of the consumer on the grounds that the assessment of creditworthiness was incorrectly conducted. This paragraph shall not apply where it is demonstrated that the consumer ***has not acted in good faith and especially if the consumer*** knowingly withheld or falsified the information provided to the creditor or the provider of crowdfunding credit services referred to in paragraph 2. **(EPP 599)**
6. Where the creditworthiness assessment involves the use of profiling or other automated ~~or semi-automated~~ processing of personal data, Member States shall ensure that the ***creditor or provider of crowdfunding services informs the consumer of this fact and that the*** consumer has the right to: **(LEFT 74, GREENS 602)**
 -)
 - (a) request and obtain human ~~intervention~~ ***assessment*** on the part of the creditor or the provider of crowdfunding credit services to review the decision ***in case of a negative decision; (EPP 606, SD 607)***
 - (b) request and obtain from the creditor or the provider of crowdfunding credit services a clear explanation of the assessment of creditworthiness, including on
 - (i) the logic and risks involved in the automated processing of personal data as well as its significance and effects on the decision;
 - (ii) the categories of data processed as part of the assessment and the weighing of each category in the decision; (LEFT 75, GREENS 610, EPP 612)***
 - (c) express his or her point of view and ***request a review of-and-new*** contest the assessment of the creditworthiness and the decision ***on the granting of the credit by the creditor or the provider of crowdfunding credit services. (EPP 616)***
 - (ca) ***receive an explanation as to information about the procedure for contesting reviewing the decision. (LEFT 76)***

This Article shall apply without prejudice to Regulation (EU) 2016/679. (EPP 631)

7. Member States shall ensure that where the credit application is rejected the creditor or the provider of crowdfunding credit services is required to inform the consumer without delay of the rejection and ~~provide justifications for the rejection on paper or another durable medium, and, where relevant, refer the consumer to debt advisory services available in the consumer's area.~~ Where applicable, *the creditor or the provider of crowdfunding credit services is required to inform the consumer* of the fact that the assessment of creditworthiness is based on automated ~~or semi-automated~~ processing of data *and about the consumer's right to a human intervention and the procedure to contest the decision.* (LEFT 77, GREENS 618, SD 621, EPP 622)
8. Where the parties agree to change the total amount of credit after the conclusion of the credit agreement, or the agreement for the provision of crowdfunding credit services, Member States shall ensure that the creditor or the provider of crowdfunding credit services is required to reassess the consumer's creditworthiness on the basis of updated information before any ~~significant~~ increase in the total amount of credit is granted. (EPP 624, SD 625)
9. Member States ~~may~~ whose legislation requires creditors or providers of crowdfunding credit services to assess the creditworthiness of consumers on the basis of a consultation of the relevant database may retain this requirement; *however, the assessment shall not be based exclusively on a consumer's credit history.* (RE 628, LEFT 78, GREENS 627)
- 9a *In the case of open-ended credit or crowdfunding credit services, the validity ~~relevance~~ of the initial creditworthiness assessment shall, if necessary, be assessed by the creditor or provider of crowdfunding credit services at least every two years. ~~Due adjustments to the repayment schedule shall be made accordingly.~~* (GREENS 630)
- 9b ~~This Article shall apply without prejudice to Regulation (EU) 2016/679. (EPP 631)~~

Article 19

Databases

1. Each Member State shall in the case of cross-border credit ensure access for creditors and providers of crowdfunding credit services from other Member States to *accurate and up-to-date* databases used in that Member State for assessing the creditworthiness of consumers. The conditions for access to such databases shall be non-discriminatory. (EPP 633)
 - 1a *Member States shall ensure that only those creditors and providers of crowdfunding credit services who are under the supervision of the competent national authority, who fully comply with Regulation (EU) 2016/679 and who are also providing their own information have access to the database.* (EPP 634, SD 635)
 - 1b *Access to databases shall be limited to creditors and providers of crowdfunding credit services who are also providing their own information to databases.* (SD 635)
2. Paragraph 1 shall apply both to public and private databases.

3. The databases referred to in paragraph 1 shall hold ~~only the~~ at least information on *all of the consumers' arrears in credit repayments, the nature of the credit concerned and the identity of the creditor. Database providers shall not collect any other information and shall not hold personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation nor data collected from digital social networks.* in payment. (LEFT 80, EPP 637)
4. Where the credit application is rejected on the basis of a consultation of a database referred to in paragraph 1, Member States shall require that the creditor or the provider of crowdfunding credit services informs the consumer immediately and free of charge of the result of such consultation and of the details of the database consulted *as well as the categories of data taken into account.* (SD 638)
 - 4a *Database providers shall have processes in place to ensure that information contained in their publicly and privately managed databases are is up-to-date and accurate. Member States shall ensure that consumers are notified within thirty days of the registration of any negative credit data in a database, informing them of the possibility of exercising their right of access, rectification, erasure and opposition, in line with Regulation (EU) 2016/679.* (LEFT 83, EPP 639, GREENS 642)
 - 4b *National competent authorities shall conduct regular audits of the processes and information contained in databases used in their territory, to assess their compliance with Regulation (EU) 2016/679 and national legislation this Directive.* (LEFT 81)
 - 4c *Member States shall ensure that ~~efficient~~ complaint procedures and out-of-court dispute resolution mechanisms are in place in order to facilitate consumers' challenges to the content of databases, including information obtained through the database searched by third parties.* (LEFT 82, GREENS 640)
 - 4d *Not later than 12 months after entering into force of this Directive, the Commission shall produce guidelines and publish best practices as regards provision of database information to creditors.* (ECR 641)

Compromise 5 on Articles 20-23 (Chapter 5 and 6)

CHAPTER V FORM AND CONTENT OF CREDIT AGREEMENTS

Article 20

Form of the credit agreement and of the agreement for the provision of crowdfunding credit services

1. Member States shall require that credit agreements or agreements for the provision of crowdfunding credit services are drawn up on paper or on *any other* durable medium *chosen by the consumer* and that all the contracting parties are provided with a copy of the credit agreement or of the agreement for the provision of crowdfunding credit services. *Any modification of credit agreements or agreements for the provision of crowdfunding credit services shall be done only in writing on paper or on any other durable medium chosen by the consumer.* (EPP 645)

~~*Particular attention regarding the medium on which the agreement is provided shall be given to agreements provided to persons with disabilities.* (LEFT 84, GREENS 643)~~

~~*Any modification of credit agreements or agreements for the provision of crowdfunding credit services shall be done only in writing on paper or on another durable medium.* (EPP 645)~~

2. Member States may introduce or maintain national rules regarding the validity of the conclusion of credit agreements or agreements for the provision of crowdfunding credit services which are in conformity with Union law.

Article 21

Information to be included in the credit agreement or in the agreement for the provision of crowdfunding credit services

1. Member States shall require that the credit agreement or the agreement for the provision of crowdfunding credit services specify in a clear and concise manner all of the following elements:
- (a) the type of credit;
 - (b) the identities, geographical addresses, telephone numbers and email addresses of the contracting parties as well as, where applicable, the identity and geographical address of the credit intermediary or the provider of crowdfunding credit services involved;
 - (c) the total amount of credit and the conditions governing the drawdown;
 - (d) the duration of the credit agreement or of the agreement for the provision of crowdfunding credit services;
 - (e) in case of a credit in the form of deferred payment for specific goods or services and in the case of linked credit agreements, the specific goods or services and their cash price;
 - (f) the borrowing rate, or all borrowing rates where different borrowing rates apply in different circumstances, the conditions governing the application of each borrowing rate and, where available, any index or reference rate applicable to each initial borrowing rate, as well as the periods, conditions and procedures for changing each borrowing rate;
 - (g) the annual percentage rate of charge and the total amount payable by the consumer, calculated at the time the credit agreement or the agreement for the

provision of crowdfunding credit services is concluded and an indication of all assumptions used in that calculation;

- (h) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;
- (i) where capital amortisation of a credit agreement or of the agreement for the provision of crowdfunding credit services with a fixed duration is involved, the right of the consumer to receive, on request and free of charge, at any time throughout the duration of the credit agreement or of the agreement for the provision of crowdfunding credit services, a statement of account in the form of an amortisation table;
- (j) where charges and interest are to be paid without capital amortisation, a statement showing the periods and conditions for the payment of the interest and of any associated recurrent and non-recurrent charges;
- (k) where applicable, the charges for maintaining one or several compulsory accounts recording both payment transactions and drawdowns, the charges for using a means of payment for both payment transactions and drawdowns, any other charges deriving from the credit agreement or the agreement for the provision of crowdfunding credit services, and the conditions under which those charges may be changed;
- (l) the interest rate applicable in the case of late payments as applicable at the time of the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services and the arrangements for its adjustment and, where applicable, any charges payable for default;
- (m) a warning regarding the consequences of missing or late payments;
- (n) where applicable, a statement, that notarial fees will be payable;
- (o) where applicable, the sureties and insurance required;
- (p) the existence or absence of a right of withdrawal, the period during which that right may be exercised and other conditions governing the exercise thereof, including information concerning the obligation of the consumer set out in Article 26(3), point (b) to pay the capital drawn down and the interest, and the amount of interest payable per day;
- (q) information concerning the rights set out in Article 27 as well as the conditions for the exercise of those rights;
- (r) the right of early repayment set out in Article 29, the procedure for early repayment, as well as, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined;
- (s) the procedure to be followed in exercising the right of termination of the credit agreement or of the agreement for the provision of crowdfunding credit services;
- (t) the possibility of having recourse to an out-of-court complaint and redress mechanism for the consumer and the methods for having access to it;
- (u) where applicable, other contractual terms and conditions;

- (v) where applicable, the name and address of the competent supervisory authority.
- (va) the relevant contact details of debt advisory services and a recommendation for the consumer to contact such services in case of re-payment difficulties. (SD 649)***

The information referred to in the first subparagraph shall be clearly legible and adapted to take into account the technical constraints of the medium on which it is displayed. Information shall be displayed in an adequate and suitable way on the different channels.

The legal effects of the absence in the credit agreement or the agreement for the provision of crowdfunding credit services of information referred to in the first subparagraph shall be assessed in accordance with the national general rules on the law of obligations. (EPP 650, ID 651)

2. Where paragraph 1, point (i), applies, the creditor and, where applicable, the provider of crowdfunding credit services shall make available to the consumer, free of charge and at any time throughout the duration of the credit agreement or of the agreement for the provision of crowdfunding credit services, a statement of account in the form of an amortisation table.

The amortisation table referred to in the first subparagraph shall indicate the payments owing and the periods and conditions relating to the payment of such amounts.

The amortisation table shall also contain a breakdown of each repayment specifying the capital amortisation, the interest calculated on the basis of the borrowing rate and, where applicable, any additional costs.

Where the borrowing rate is not fixed or the additional costs may be changed under the credit agreement or the agreement for the provision of crowdfunding credit services, the amortisation table shall indicate, clearly and concisely, that the data contained in the table will remain valid only until such time as that borrowing rate or those costs are changed in accordance with the credit agreement or the agreement for the provision of crowdfunding credit services.

3. In the case of a credit agreement or an agreement for the provision of crowdfunding credit services under which payments made by the consumer do not give rise to an immediate corresponding amortisation of the total amount of credit, but are used to constitute capital during periods and under conditions laid down in the credit agreement, in the agreement for the provision of crowdfunding credit services or in an ancillary agreement, the credit agreement or the agreement for the provision of crowdfunding credit services shall, in addition to the information referred to in paragraph 1, include a clear and concise statement that such credit agreements or agreements for the provision of crowdfunding credit services do not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement or the agreement for the provision of crowdfunding credit services, unless such a guarantee is given expressly.

CHAPTER VI

MODIFICATIONS OF THE CREDIT AGREEMENT AND CHANGES IN THE BORROWING RATE

Article 22

Information regarding the modification of the credit agreement or of the agreement for the provision of crowdfunding credit services

Without prejudice to other obligations foreseen in this Directive, Member States shall ensure that prior to modifying the terms and conditions of the credit agreement, or of the agreement for the provision of crowdfunding credit services, the creditor or the provider of crowdfunding credit services communicate ***in writing on paper or on any other durable medium chosen by the consumer*** the following information to the consumer: **(EPP 652)**

- (a) a clear description of the proposed changes and, where applicable, the need for consumer consent or of the changes introduced by operation of law;
- (b) the timescale for the implementation of those changes;
- (c) the means for complaint available to the consumer regarding those modifications;
- (d) the time period available for lodging any such complaint;
- (e) the name and address of the competent authority where that complaint may be submitted.

Article 23

Changes in the borrowing rate

1. Member States shall require that the creditor or the provider of crowdfunding credit services inform the consumer of any change ~~and the reason for the change~~ in the borrowing rate, on paper or ***on any other durable medium chosen by the consumer, at least 2 working days*** before the change enters into force. **(SD 653, SD 654)**

The information referred to in the first subparagraph shall include the amount of the payments to be made after the entry into force of the new borrowing rate and, where the number or frequency of the payments changes, particulars thereof.

2. By way of derogation from paragraph 1, the information referred to in that paragraph may be given to the consumer periodically where all of the following conditions are fulfilled:
 - (a) the parties have agreed on such periodical information in the credit agreement or in the agreement for the provision of crowdfunding credit services;
 - (b) the change in the borrowing rate is caused by a change in a reference rate;
 - (c) the new reference rate is made publicly available ***in a timely manner*** by appropriate means; **(EPP 655)**
 - (d) the information concerning the new reference rate is also available:
 - i. at the premises ~~and on the website or mobile app~~ of the creditor or of the provider of crowdfunding credit services;
 - ii. on the website*** of the creditor or the provider of crowdfunding credit services; and
 - iii. where the creditor or provider of crowdfunding credit services has a mobile application, via that mobile application.*** **(SD 656, GREENS 657, EPP 658)**

Compromise 6 on Articles 24-25 (Chapter 7)

CHAPTER VII OVERDRAFT FACILITIES AND OVERRUNNING

Article 24

Overdraft facilities

1. Where a credit has been granted in the form of an overdraft facility, Member States shall require that the creditor, throughout the duration of the credit agreement, keeps the consumer ~~regularly~~ **at least once per month** informed by means of statements of account, on paper or on **any other** durable medium, **chosen by the consumer**, containing the following elements: **(LEFT 86, GREENS 659, EPP 660)**
 - (a) the precise period to which the statement of account relates;
 - (b) the amounts and dates of drawdowns;
 - (c) the balance from the previous statement, and the date thereof;
 - (d) the new balance;
 - (e) the dates and amounts of payments made by the consumer;
 - (f) the borrowing rate applied;
 - (g) any charges that have been applied;
 - (h) where applicable, the minimum amount to be paid by the consumer.
2. Where a credit has been granted in the form of an overdraft facility, Member States shall require that the creditor informs the consumer, on paper or any other durable medium **chosen by the consumer**, of increases in the borrowing rate or in any charges payable, ~~and the reason for change~~, **at least 15 days** before the change in question enters into force. **(SD 661, EPP 663)**

By way of derogation from the first subparagraph, the information referred to in that subparagraph may be given periodically in the manner provided for in paragraph 1 where the following conditions are fulfilled:

- (a) the parties have agreed on such periodical information in the credit agreement;
- (b) the change in the borrowing rate is caused by a change in a reference rate;
- (c) the new reference rate is made publicly available by appropriate means;
- (d) the information concerning the new reference rate is also available:

i. at the premises ~~and on the website or mobile app~~ of the creditor or of the provider of crowdfunding credit services;

ii. on the website of the creditor or the provider of crowdfunding credit services; and

iii. where the creditor or provider of crowdfunding credit services has a mobile application, via that mobile application. (SD 656, GREENS 657, EPP 658)

- 2a** *Member States shall require the creditor or where applicable credit intermediaries or the provider of crowdfunding credit services to notify the consumer in an agreed manner of each reduction or cancellation of the current account overdraft facility at least 30 days prior to the day when the actual reduction or cancellation of the overdraft facility takes effect. (EPP 666)*
- 2b** *The creditor or where applicable credit intermediaries or the provider of crowdfunding credit services shall enable the consumer, against whom no forced collection proceedings have been initiated by the creditor or where applicable credit intermediaries or the provider of crowdfunding credit services, without obligation of previous request on the part of the consumer and with no additional costs, to repay the amount by which the previous overdraft facility was reduced or the amount of cancelled previous overdraft facility, in 12 equal monthly instalments at the interest rate applicable to the current account overdraft facility. If the consumer has not been offered to repay the amount by which the overdraft facility has been reduced or the amount of the cancelled previous overdraft facility, the consumer shall not be obliged to accept the reduction or the cancellation of the current account overdraft facility. (EPP 667)*

Article 25

Overrunning

1. In the case of an agreement to open a current account, where there is a possibility that the consumer is allowed an overrun, Member States shall require that the creditor includes such information in that agreement, in addition the information referred to in Article 11(2), point (e). The creditor shall in any case provide the consumer with that information on paper or **any other** durable medium **chosen by the consumer** on a regular basis.
 2. In the event of a ~~significant~~ overrunning exceeding a period of ~~two weeks~~ one month, Member States shall require that the creditor informs the consumer without delay, on paper or on any other durable medium **chosen by the consumer**, of all of the following: **(LEFT 88, SD 668, GREENS 669)**
 - (a) the overrunning;
 - (b) the amount involved;
 - (c) the borrowing rate;
 - (d) any penalties, charges or interest on arrears applicable.In addition, in case of regular overrunning, the creditor shall offer to the consumer advisory services, where available **and at no cost**, ~~or~~ **and** redirect consumers towards debt advisory services. **(LEFT 89, GREENS 670, SD 671)**
 3. This Article shall be without prejudice to any rule of national law requiring the creditor to offer another kind of credit product when the duration of the overrunning is significant.
- 3a** *Member States shall require the creditor or where applicable credit intermediaries or the provider of crowdfunding credit services notify the consumer in an agreed*

manner of each reduction or cancellation of the current account overrunning at least 30 days prior to the day when the actual reduction or cancellation of the overdraft facility takes effect. (EPP 672)

- 3b** *The creditor or where applicable credit intermediaries or the provider of crowdfunding credit services shall enable the consumer, against whom no forced collection proceedings have been initiated by the creditor or where applicable by credit intermediaries or the provider of crowdfunding credit services, without obligation of previous request on the part of the consumer and with no additional costs, to repay the amount by which the previous overrunning was reduced or the amount of the cancelled previous overrunning, in 12 equal monthly instalments at the interest rate applicable to the current account overrunning. If the consumer has not been offered to repay the amount by which the overrunning has been reduced or the amount of cancelled previous overrunning, the consumer shall not be obligated to accept the reduction or the cancellation of the current account overrunning. (EPP 673)*

Compromise 7 on Articles 26-29 (Chapter 8)

CHAPTER VIII WITHDRAWAL, TERMINATION AND EARLY REPAYMENT

Article 26

Right of withdrawal

1. The Member States shall ensure that the consumer may withdraw from the credit agreement or the agreement for the provision of crowdfunding credit services without giving any reason within a period of 14 calendar days.

The period of withdrawal referred to in the first subparagraph shall begin either from:

- (a) the day of the conclusion of the credit agreement or of the agreement for the provision of crowdfunding credit services; or
- (b) the day on which the consumer receives the contractual terms and conditions and information in accordance with Articles 20 and 21, if that day is later than the date referred to in point (a) of this subparagraph. **(SD 675)**

The deadline referred to in the first subparagraph shall be deemed to have been met if the notification referred to in paragraph 3, point (a), is dispatched by the consumer to the creditor or to the provider of crowdfunding credit services before that deadline expires.

- 1a** *In the case of a linked credit agreement for the purchase of a good with a return policy that ensures a full refund for a certain period of time exceeding 14 calendar days, the right of withdrawal shall be extended to match the duration of such return policy. (SD 683)*

- 1b** *The right of withdrawal referred to in ~~the first sub~~ the previous paragraphs shall in any event lapse one year and 14 calendar days after the conclusion of the credit agreement or the agreement for the provision of crowdfunding credit services. Within this period, the right of withdrawal shall also lapse, when the contract has been fully*

completed by both parties. That right of withdrawal shall not lapse if the consumer has not been informed about his right of withdrawal at all. (EPP 676, EPP 680, RE 681, SD 682, EPP 686)

2. Where, in the case of a linked credit agreement, national legislation applicable on [*date of into force of this Directive*] already provides that funds cannot be made available to the consumer before the expiry of a specific period, Member States may, by way of derogation from paragraph 1, provide that the period referred to in that paragraph may be reduced to the same duration as that specific period at the explicit request of the consumer.
3. If the consumer exercises the right of withdrawal, he or she shall take the following measures:
 - (a) notify either the creditor or the provider of crowdfunding credit services in accordance with the information given by the creditor or by the provider of crowdfunding credit services pursuant to Article 21(1), point (p), on paper or on ***any other*** durable medium ***chosen by the consumer*** within the deadline set out in paragraph 1;
 - (b) pay either to the creditor or the provider of crowdfunding credit services provider the capital and the interest accrued thereon from the date on which the credit was drawn down until the date on which the capital is repaid, without any undue delay and no later than 30 calendar days after the dispatch of the notification referred to in point (a).

The interest referred to in the first subparagraph, point (b), shall be calculated on the basis of the agreed borrowing rate. The creditor or the provider of crowdfunding credit services shall not be entitled to any other compensation from the consumer in the event of withdrawal, except compensation for any non-refundable charges paid by the creditor or by the provider of crowdfunding credit services to any public administrative body.

4. Where an ancillary service relating to the credit agreement or to the crowdfunding credit services is provided by the creditor, the provider of crowdfunding credit services or by a third party on the basis of an agreement between that third party and the creditor or the provider of crowdfunding credit services, the consumer shall no longer be bound by the ancillary service contract if the consumer exercises the right of withdrawal from the credit agreement or from the agreement for the provision of crowdfunding credit services in accordance with this Article.
5. If the consumer has a right of withdrawal under paragraphs 1, 3 and 4 of this Article, Articles 6 and 7 of Directive 2002/65/EC shall not apply.
6. Member States may provide that paragraphs 1 to 4 of this Article shall not apply to credit agreements or crowdfunding credit services which under national law are required to be concluded through the services of a notary, provided that the notary confirms that the consumer is guaranteed the rights provided for under Articles 10 and 11, and Articles 20 and 21.
7. This Article shall be without prejudice to any rule of national law establishing a period of time during which the performance of the contract may not begin.

- 7a ***The Commission is empowered to adopt delegated acts in accordance with Article 45 to develop a standardised one-page document that fulfills the information requirements provided for in Article 21 in order to facilitate the application of paragraph 1. (SD 685)***

Article 27

Linked credit agreements

1. Member States shall ensure that a consumer who has exercised the right of withdrawal based on Union law, concerning a contract for the supply of goods or services she or he shall no longer be bound by a linked credit agreement.
2. Where the goods or services covered by a linked credit agreement are not supplied, or are supplied only in part, or are not in conformity with the contract for the supply thereof, the consumer shall have the right to pursue remedies against the creditor or the provider of crowdfunding credit services if the consumer has pursued remedies against the supplier but has failed to obtain the satisfaction to which he is entitled according to the law or the contract for the supply of goods or services. Member States shall determine to what extent and under what conditions those remedies shall be exercisable.
3. This Article shall be without prejudice to any national rules rendering the creditor or the provider of crowdfunding credit services jointly and severally liable in respect of any claim which the consumer may have against the supplier where the purchase of goods or services from the supplier has been financed by a credit agreement or crowdfunding credit services.

Article 28

Open-end credit agreements or agreements for the provision of crowdfunding credit services

1. Member States shall ensure that the consumer may affect standard termination of an open-end credit agreement or agreement for the provision of crowdfunding credit services free of charge at any time, unless the parties have agreed on a period of notice. Such a period shall not exceed one month.

Member States shall ensure that the creditor or the provider of crowdfunding credit services, where agreed in the credit agreement or in the agreement for the provision of crowdfunding credit services, may effect standard termination of an open-end credit agreement or agreement for the provision of crowdfunding credit services by giving the consumer at least ~~two~~ **three** months' notice on paper or on **any other** durable medium **chosen by the consumer. (EPP 687)**
2. Member States shall ensure that the creditor or the provider of crowdfunding credit services, where agreed in the credit agreement or in the agreement for the provision of crowdfunding credit services may, for objectively justified reasons, terminate the consumer's right to draw down on an open-end credit agreement. The creditor or the provider of crowdfunding credit services shall inform the consumer of the termination and the reasons for it on paper or on **any** other durable medium **chosen by the consumer**, where possible before the termination and at the latest immediately thereafter, unless the provision of such information is prohibited by Union or national law or is contrary to objectives of public policy or public security.

Article 29

Early repayment

1. Member States shall ensure that the consumer is at any time entitled to early repayment. In such cases, the consumer shall be entitled to a reduction in the total cost of the credit, consisting of the interest and the costs for the remaining duration of the contract. When calculating that reduction, all the costs imposed on the consumer by the creditor shall be taken into consideration, *except for up-front costs, which are fully exhausted at the time of granting the loan and correspond to services effectively provided to the consumer. The up-front costs should be adequately identified and declared in the credit contract.* (ID 688, ECR 689, EPP 690, SD 691, RE 692)
2. Member States shall ensure that the creditor, in the event of early repayment, is entitled to fair and objectively justified compensation for possible costs directly linked to the early repayment, provided that the early repayment falls within a period for which the borrowing rate is fixed.

The compensation referred to in the first subparagraph may not exceed 1 % of the amount of credit subject to early repayment where the period of time between the early repayment and the agreed termination of the credit agreement exceeds one year. Where that period does not exceed one year, the compensation shall not exceed 0,5% of the amount of credit subject to early repayment.
- 2a *The calculation of the compensation due to the creditor shall be transparent and comprehensible to consumers already at the pre-contractual stage and in any case during the performance of the credit agreement.* (LEFT 92, EPP 694)
3. Member States shall ensure that the creditor is not entitled to the compensation referred to in paragraph 2 where one of the following conditions is fulfilled:
 - (a) the repayment has been made under an insurance contract intended to provide a credit repayment guarantee;
 - (b) the credit is granted in the form of an overdraft facility *or overrunning*; (EPP 695)
 - (c) the repayment falls within a period for which the borrowing rate is not fixed.
4. By way of derogation from paragraph 2, Member States may provide that ~~the creditor is only entitled to the compensation referred to in paragraph 2 on the condition that the amount of the early repayment exceeds the threshold set out in national law, which shall not exceed EUR 10 000 within any period of 12 months:~~
 - (a) the creditor is only entitled to the compensation referred to in paragraph 2 on the condition that the amount of the early repayment exceeds the threshold set out in national law, which shall not exceed EUR 10 000 within any period of 12 months; (SD 697, SD 698)
 - (b) the creditor may exceptionally claim higher compensation if the creditor can prove that the loss suffered due to early repayment exceeds the amount determined in accordance with paragraph 2. *However, this compensation should not exceed the amount of interest that the consumer would have paid during the period between the early repayment and the agreed date of*

termination of the credit agreement. (SD 697, SD 698, ~~GREENS 699, SD 700 EPP 701~~).

5. Where the compensation claimed by the creditor exceeds the loss actually suffered due to the early repayment, the consumer shall be entitled to a corresponding reduction.

For the purposes of the first subparagraph, the loss shall consist of the difference between the initially agreed interest rate and the interest rate at which the creditor can lend out the amount subject to early repayment on the market at the time of that repayment, and shall take into account the impact of the early repayment on the administrative costs.

6. The compensation referred to in paragraph 2 shall not in any case exceed the amount of interest that the consumer would have paid during the period between the early repayment and the agreed date of termination of the credit agreement.

Compromise 8 on Articles 30-31 (Chapter 9)

CHAPTER IX

ANNUAL PERCENTAGE RATE OF CHARGE AND CAPS ON RATES AND COSTS

Article 30

Calculation of the annual percentage rate of charge

1. The annual percentage rate of charge shall be calculated in accordance with the mathematical formula set out in Part I of Annex IV. It shall equate on an annual basis, to the present value of all commitments (drawdowns, repayments and charges), future or existing, agreed by the creditor or the provider of crowdfunding credit services and the consumer.
2. For the purpose of calculating the annual percentage rate of charge, the total cost of the credit to the consumer shall be determined, with the exception of any charges payable by the consumer for non-compliance with any of his or her commitments laid down in the credit agreement or in the agreement for the provision of crowdfunding credit services and charges other than the purchase price which, for purchases of goods or services, he or she is obliged to pay whether the transaction is effected in cash or on credit.

The costs of maintaining an account recording both payment transactions and drawdowns, the costs of using a means of payment for both payment transactions and drawdowns, and other costs relating to payment transactions shall be included in the total cost of the credit to the consumer unless the opening of the account is optional and the costs of the account have been clearly and separately identified in the credit agreement, in the agreement for the provision of crowdfunding credit services or in any other agreement concluded with the consumer.

~~*The annual percentage rate of charge must also take into account the costs and charges for any additional insurance or other financial products where the conclusion of a contract regarding such insurance or other financial product is*~~

~~compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed. (LEFT 93, SD 702)~~

3. The calculation of the annual percentage rate of charge shall be based on the assumption that the credit agreement or the agreement for the provision of crowdfunding credit services is to remain valid for the period agreed and that the creditor or the provider of crowdfunding credit services and the consumer will fulfil their obligations under the terms and by the dates specified in the credit agreement or in the agreement for the provision of crowdfunding credit services.
4. In the case of credit agreements or agreements for the provision of crowdfunding credit services containing clauses that allow variations in the borrowing rate or variations in certain charges contained in the annual percentage rate of charge which make them unquantifiable at the time of calculation, the annual percentage rate of charge shall be calculated on the assumption that the borrowing rate and other charges will remain fixed in relation to the initial level and will remain applicable until the end of the credit agreement or of the agreement for the provision of crowdfunding credit services. ~~The consumer shall be provided with two versions of the annual percentage rate of charge: (i) the first version shall be calculated on the assumption that the borrowing rate and other charges remain fixed in relation to the initial level and will remain applicable until the end of the credit agreement or of the agreement for the provision of crowdfunding credit services, (ii) the second version shall be calculated on the assumption that the interest rate will suffer a significant increase throughout the duration of the credit agreement or the agreement for the provision of crowdfunding credit services. (SD 703)~~
5. Where necessary, the additional assumptions set out in Part II of Annex IV may be used in calculating the annual percentage rate of charge.

Where the assumptions set out in this Article and in Part II of Annex IV do not suffice to calculate the annual percentage rate of charge in a uniform manner or are no longer adapted to the commercial situations in the market, the Commission is empowered to adopt delegated acts in accordance with Article 45 in order to amend this Article and Part II of Annex IV to add the necessary additional assumptions for the calculation of the annual percentage rate of charge or to modify the existing ones.

Article 31

Caps on interest rates, annual percentage rate of charge and the total cost of the credit to the consumer

1. Member States shall introduce caps on one or more of the following:
 - (a) interest rates applicable to credit agreements or to crowdfunding credit services; ~~(LEFT 94, GREENS 712, SD 713)~~
 - (b) the annual percentage rate of charge;
 - (c) the total cost of the credit to the consumer.
 2. Member States may introduce additional caps for revolving credit facilities. ~~(LEFT 95)~~
- ~~2a — Member States may introduce lower caps for environmentally sustainable consumer credit products. (SD 720, GREENS 722)~~

- 2b *Member States may introduce prohibitions or limitations regarding specific charges or fees applied by creditors in their Member State. (LEFT 96)*
- 2c *The European Commission shall make publicly available the caps introduced by Member States. (EPP 723)*
- 2d *By ~~31 December 2023~~(Date of transposition + 12 months), EBA shall submit a report to the European Parliament, to the Council and to the Commission on the implementation of the caps pursuant to paragraph 1 in the Member States. That report shall, at least, contain: (a) a comparison of the Member States' methodologies to determine the size of the caps; (b) a comparison of the size of the caps across Member States; (c) an assessment of the effectiveness of the caps for the purpose of protecting consumers from excessive fees or charges; (d) based on the assessment in (c), a best practice approach for determining the size of caps. (GREENS 724)*

Compromise 9 on Articles 32-36 (Chapter 10 and 11)

CHAPTER X

CONDUCT OF BUSINESS OBLIGATIONS AND REQUIREMENTS FOR STAFF

Article 32

Conduct of business obligations when providing credit to consumers

1. Member States shall require that the creditor, the credit intermediary and the provider of crowdfunding credit services act honestly, *responsibly* fairly, transparently and professionally and take account of the rights and interests of the consumers when carrying out any of the following activities: **(GREENS 725)**
 - (a) manufacturing credit products;
 - (aa) advertising credit products. (EPP 727)**
 - (b) granting, intermediating or facilitating the granting of credit;
 - (c) providing advisory services with regard to credit;
 - (d) providing ancillary services to consumers;
 - (e) executing a credit agreement or crowdfunding credit services;
 - (ea) promoting the sale of goods or services, covered by a linked credit agreement; (SD 726)**

The activities referred to in the first subparagraph, points (a), (b) and (c), shall be based on information about the consumer's circumstances and any specific requirement communicated by a consumer and on reasonable assumptions about risks to the consumer's situation throughout the duration of the credit agreement or of the crowdfunding credit services.

The activities referred to in the first subparagraph, point (c), shall also be based on the information required under Article 16, paragraph 3, point (a).
2. Member States shall ensure that the manner in which creditors remunerate their staff and credit intermediaries and the manner in which credit intermediaries and the provider of crowdfunding credit services remunerate their staff do not impede compliance with the obligation set out in paragraph 1.

~~*Member States shall as a general rule, prohibit remuneration policies contingent upon the subscription of ancillary products (SD 728)*~~

3. Member States shall ensure that, when establishing and applying remuneration policies for staff responsible for the assessment of creditworthiness, creditors comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:
 - (a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the creditor ~~or provokes encourages negative impacts for consumers~~; (SD 730)
 - (b) the remuneration policy is in line with the business strategy, objectives, values and long-term interests of the creditor, and incorporates measures to avoid conflicts of interest, in particular by providing that remuneration is not contingent on the number or proportion of accepted applications for credit.
4. Member States shall ensure that where creditors, credit intermediaries or providers of crowdfunding credit services provide advisory services the remuneration structure of the staff involved does not prejudice their ability to act in the consumer's best interest and is not contingent on sales targets. In order to achieve that goal, Member States may ~~shall~~ also ban commissions paid by the creditor to the credit intermediary. (SD 732)
5. Member States may prohibit or impose restrictions on the payments from a consumer to a creditor, credit intermediary or providers of crowdfunding credit services prior to the conclusion of a credit agreement or of the agreement for the provision of crowdfunding credit services.

Article 33

Knowledge and competence requirements for staff

1. Member States shall ensure that creditors, credit intermediaries and providers of crowdfunding credit services require their staff to possess and keep up-to-date an appropriate level of knowledge and competence in relation to the manufacturing, the offering, *the advertising* and the granting of credit agreements or crowdfunding credit services, the carrying out of credit intermediation activities, the provision of advisory services or crowdfunding credit services *and consumer rights in the area of their trade*. Where the conclusion of a credit agreement or an agreement for the provision of crowdfunding credit services includes an ancillary service, appropriate knowledge and competence in relation to that ancillary service shall be required. (EPP 735, GREENS 733)
2. Member States shall establish minimum knowledge and competence requirements for the staff of creditors, of credit intermediaries and of providers of crowdfunding credit services, ~~including on environmentally sustainable lending, where relevant.~~ (GREENS 737)
3. Member States shall ensure that compliance with the requirements set out in paragraph 1 is supervised by the competent authorities, and that the competent authorities have powers to require creditors, credit intermediaries and providers of crowdfunding credit services to provide the evidence that the competent authority deems necessary to enable such supervision.

CHAPTER XI
FINANCIAL EDUCATION AND SUPPORT TO CONSUMERS IN FINANCIAL
DIFFICULTIES

Article 34

Financial education

1. Member States shall promote measures that support the education of consumers in relation to responsible borrowing and debt management, in particular in relation to consumer credit agreements ***and general budget management***. Clear and general information on the credit granting process shall be provided to consumers in order to guide them, in particular those who take out a consumer credit for the first time, and especially on digital tools. ***In creating and promoting these measures, Member States shall closely cooperate with relevant stakeholders, and in particular consumer organisations. (SD 739, EPP 740)***

Member States shall also disseminate information regarding the guidance that consumer organisations and national authorities may provide to consumers.

This paragraph shall not prevent Member States from providing for additional financial education.

2. The Commission shall assess and publish a report on the financial education available to consumers in the Member States and identify examples of best practices which could be further developed in order to increase the financial awareness of consumers.

Article 35

Arrears and forbearance measures

1. ~~*Member States shall ensure that creditors propose appropriate forbearance measures, tailored to the consumer's individual circumstances, to consumers experiencing or likely to experience financial difficulties, and in any event, prior to launching enforcement proceedings or assigning the credit to third parties.*~~

Member States shall require creditors to have adequate policies and procedures so that they make efforts to exercise, where appropriate, reasonable forbearance before enforcement proceedings are initiated. ***Creditors shall propose appropriate forbearance measures, tailored to the consumer's individual circumstances, to consumers experiencing or likely to experience financial difficulties.*** Such forbearance measures shall take into account, among other elements, the consumer's circumstances and ~~may~~ ***shall*** consist in, among other ~~at least one of the following~~ possibilities: **(LEFT 97, SD 744, GREENS 745)**

- (a) a total or partial refinancing of a credit agreement;
- (b) a modification of the existing terms and conditions of a credit agreement, which may include among others:
 - (i) extending the term of the credit agreement;
 - (ii) changing the type of the credit agreement;
 - (iii) deferring payment of all or part of the instalment repayment for a period;

- (iv) ~~changing~~ **reducing** the interest rate; (LEFT 98, SD 746, GREENS 747, EPP 748)
 - (v) offering a payment holiday;
 - (vi) partial repayments;
 - (vii) currency conversions;
 - (viii) partial forgiveness and debt consolidation.
2. The list of potential measures in paragraph 1, point (b), is without prejudice to rules **additional measures** set out in national law and does not require Member States to provide for all of those measures in national law. ~~(GREENS 749)~~
 3. Member States ~~may~~ **shall** require that, where the creditor is permitted to define and impose charges on the consumer arising from a default, those charges are no greater than is necessary to compensate the creditor for costs it has incurred as a result of the default. ~~Member States shall introduce a cap on those charges. (LEFT 100, GREENS 750)~~
 4. ~~Member States may allow creditors to impose additional charges on the consumer in the event of default. In that case Member States shall introduce a cap on those charges. (LEFT 101, EPP 751)~~
 5. Member States shall not prevent the parties to a credit agreement from expressly agreeing that return or transfer to the creditor of goods covered by a linked credit agreement or proceeds from the sale of such goods is sufficient to repay the credit

Article 36

Debt advisory services

1. Member States shall ensure that **independent** debt advisory services are made available to consumers **who experience difficulties or might experience difficulties in meeting their financial commitments, free of charge and rendered by staff that is not in a situation of conflict of interest.** (LEFT 102, SD 752, GREENS 753, RE 754, EPP 755)
Member States shall ensure that creditors systematically refer consumers experiencing or likely to experience financial difficulties to the nearest debt-advice services available in their area. (SD 752)
- 1a *The organisation or individuals providing debt advisory services shall be required to register through a simple procedure with the national competent authority. (LEFT 103)*
- 1b *The European Commission shall within two years of implementation of this Directive, present a report providing an overview of the availability of debt-advice services across Member States and identify best practices for the further development of such services. (EPP 756)*
- 1c *For the purpose of fulfilling the obligations in paragraph 1, creditors shall have processes and policies in place for the early detection and monitoring of consumers experiencing or likely to experience financial difficulties. (SD 757)*

Article 36a (new)
Debt collection

Member States shall determine the practices which are in any case considered impermissible in the collection of debts.

Such practices shall include, in particular, harassment ~~intimidation~~ of consumers, the presentation of false or misleading legal information, the making of excessive calls or messages ~~and charging fees and penalties to consumers that exceed the costs directly related to the management of the debt.~~ (LEFT 108, EPP 758)

Compromise 10 on Articles 37-41 (Chapter 12 and 13)

CHAPTER XII CREDITORS AND CREDIT INTERMEDIARIES

Article 37

Admission, registration and supervision of non-credit institutions

Member States shall ensure that creditors, credit intermediaries and providers of crowdfunding credit services that are not credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 are subject to an adequate admission process and to registration and supervision arrangements set up by an independent competent authority.

The possibility to offer consumer credits shall be restricted to those entities that have obtained the authorization referred to in Article 37 (1). In the case of credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013, this authorization can be either in the home or host Member State as laid down in the provisions of Directive 2013/36/EU. The Commission shall regularly monitor and review the efficiency of the measures taken. (EPP 763, RE 761, RE 766)

~~*The possibility to offer consumer credits shall be restricted to those entities that have obtained the authorization referred to in Article 37 (1) and no credit shall be provided by providers which are not under the supervision of a competent authority.* (RE 766, SD 760)~~

Article 38

Specific obligations for credit intermediaries

Member States shall require that credit intermediaries:

- (a) indicate, in advertising and documentation intended for consumers, the extent of their powers and whether they work exclusively with one or more creditors or as an independent intermediary;
- (b) disclose to the consumer any fees payable by the consumer to the credit intermediary for services to be provided;

- (c) reach an agreement with the consumer on any fees referred to in point (b) on paper or *on any* ~~an~~ other ~~a~~ durable medium *chosen by the consumer* before the conclusion of the credit agreement;
- (d) communicate any fees referred to in point (b) to the creditor, for the purpose of calculation of the annual percentage rate of charge.

CHAPTER XIII ASSIGNMENTS OF RIGHTS AND DISPUTE RESOLUTION

Article 39

Assignment of rights

1. Member States shall ensure that the consumer, in the event of assignment to a third party of the creditor's rights under a credit agreement or an agreement for the provision of crowdfunding credit services, or of the agreement itself, is entitled to plead against the assignee any defence which was available to him or her against the original creditor, including set-off where such defence is permitted in the Member State concerned.
 - ~~1a — *The assignment to a third party of the creditor's rights under a credit agreement or an agreement for the provision of crowdfunding credit services, or the agreement itself, shall require the explicit consent of the consumer. (GREENS 773)*~~
2. Member States shall require that the original creditor or the provider of crowdfunding credit services inform the consumer of the assignment referred to in paragraph 1, except where the original creditor *or the provider of crowdfunding credit services*, by agreement with the assignee, continues to service the credit vis-à-vis the consumer.
 - 2a The Commission is empowered to adopt and, where necessary, amend, regulatory technical standards to stipulate the format of the notification that creditor or the provider of crowdfunding credit services is obliged to provide to consumers in case of assignment of rights to a third party. (EPP 775)*
 - ~~2b — *Member States shall expressly prohibit the assignment of credit which can no longer be recovered in court or where the legal basis of the credit can no longer be demonstrated. (SD 776)*~~

Article 40

Out-of-court dispute resolution

1. Member States shall ensure that consumers have access to adequate, *prompt* and effective out-of-court dispute resolution procedures for the settlement of disputes between consumers and creditors, credit intermediaries or providers of crowdfunding credit services concerning rights and obligations established under this Directive, using existing entities where appropriate. Such out-of-court dispute resolution procedures and the entities offering them shall comply with the quality requirements laid down by Directive 2013/11/EU. **(EPP 777)**

2. Member States shall encourage the entities performing the dispute resolution referred to in paragraph 1 to cooperate in order to resolve cross-border disputes concerning credit agreements or crowdfunding credit services.
- 2a** *The participation of creditors, credit intermediaries and providers of crowdfunding credit services in out-of-court dispute settlement mechanisms for household costumers shall be mandatory unless the Member State demonstrates to the Commission that other mechanisms are equally effective. (SD 778)*

CHAPTER XIV COMPETENT AUTHORITIES

Article 41

Competent authorities

1. Member States shall designate the national competent authorities empowered to ensure the application and enforcement of this Directive ('competent authorities') and shall ensure that they are granted investigating and enforcement powers and adequate resources necessary for the efficient and effective performance of their duties.

The competent authorities shall be either public authorities or bodies recognised by national law or by public authorities expressly empowered for that purpose by national law. They shall not be creditors, credit intermediaries or providers of crowdfunding credit services.
2. Member States shall ensure that competent authorities, all persons who work or who have worked for the competent authorities, as well as auditors and experts instructed by the competent authorities, are bound by the obligation of professional secrecy. No confidential information which they may receive in the course of their duties may be divulged to any person or authority whatsoever, save in summary or aggregate form, except when an exchange or transmission of such information is expressly required by Union or national law.
3. Member States shall ensure that the competent authorities are either or both of the following:
 - (a) competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 of the European Parliament and of the Council²¹;
 - (a) authorities other than the competent authorities referred to in point (a) provided that national laws, regulations or administrative provisions require those authorities to cooperate with the competent authorities referred to in point (a) whenever necessary in order to carry out their duties under this Directive.
4. Member States shall ensure that the authorities designated as competent for ensuring the application and enforcement of this Directive fulfil the criteria set in Article 5 of Regulation (EU) No 2017/2394.
5. Member States shall inform the Commission of the designation of the competent authorities and any changes thereto, and, where there is more than one competent

²¹ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

authority on their territory, indicate any division of the respective duties between those competent authorities. The first such notification shall be made as soon as possible and at the latest on two years from the date the Directive enters into force.

6. The competent authorities shall exercise their powers in conformity with national law either:
 - (a) directly under their own authority or under the supervision of the judicial authorities; or
 - (b) by application to courts which are competent to grant the necessary decision, including, where appropriate, by appeal, if the application to grant the necessary decision is not successful.
7. Where there is more than one competent authority on their territory, Member States shall ensure that their respective duties are clearly defined and that those authorities collaborate closely so that they can discharge their respective duties effectively.
8. The Commission shall publish a list of the competent authorities in the *Official Journal of the European Union* at least once a year, and update it continuously on its website.
- 8a** ***Member States may apply national legislation to grant product intervention powers to national competent authorities to withdraw products with a high default rate according to the data collected pursuant Article 41a. (SD 779)***

Article 41a

Data collection

National competent authorities of each Member State shall every six months collect ~~monthly~~ default rates associated with different types of consumers credit products relevant to the scope of this Directive and report that data to the ~~EBA~~ Commission in a standard reporting format. The draft typology of the consumer credit products as well as the technical reporting standards shall be developed by the ~~EBA~~. The Commission ~~EBA~~ shall provide an annual, comprehensive report to the ~~Commission~~ on these default rates and make it publicly available. (GREENS 781, SD 780)

The Commission may adopt an implementing act concerning the template and the format of the data reported in accordance with this Article.

Compromise 11 on Articles 42-50 (Chapter 15)

CHAPTER XV FINAL PROVISIONS

Article 42

Level of harmonisation

1. Insofar as this Directive contains harmonised provisions, Member States may not maintain or introduce in their national law provisions diverging from those laid down in this Directive unless provided otherwise in this Directive.
2. Where a Member State makes use of the regulatory choices provided for in Article 2(5) and 2(6), Article 8(1), Article 8(2)(c), Article 20(2), Article 26(2) and Article 29(4), **Article 43(3a) and Article 44(2a)**, it shall inform the Commission thereof as well as of any subsequent changes. Member States shall also take the appropriate measures to diffuse that information amongst national creditors, credit intermediaries, providers of crowdfunding credit services and consumers. **(EPP 782)**

Article 43

Imperative nature of this Directive

1. Member States shall ensure that consumers may not waive the rights conferred on them by the national measures transposing this Directive.
 2. Member States shall ensure that the provisions adopted in order to transpose this Directive cannot be circumvented as a result of the way in which agreements are formulated.
 3. Member States shall take the necessary measures to ensure that consumers do not lose the protection granted by this Directive by virtue of the choice of the law of a third country as the law applicable to the credit agreement or crowdfunding credit services, where the credit agreement or crowdfunding credit services have a close link with the territory of one or more Member States.
- 3a** ~~Nothing in this Directive shall prevent Member States may provide from providing in their national law for a higher level of consumer protection regarding than laid down in Articles 24 and 25 of this Directive.~~ **(EPP 783)**

Article 44

Penalties and structural remedies (EPP 784)

1. Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted pursuant to this Directive and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive. Member States shall notify those rules and of those measures to the Commission by [*OP: please insert date - six months from the transposition deadline*] and shall notify it, without delay, of any subsequent amendment affecting them.
2. Member States shall ensure that when penalties are to be imposed ~~in accordance with Article 21 of Regulation (EU) 2017/2394~~, they include the possibility either to impose fines through administrative procedures or to initiate legal proceedings for the imposition of fines, or both, the maximum amount of such fines being at least 4 ~~6~~% of the creditor, the credit intermediary or the provider of crowdfunding credit services' annual turnover in ~~all~~ **all** Member State(s) concerned ~~by the coordinated enforcement action.~~ **(SD 788, EPP 789)**

- 2a** *In the case of systematic and repeated infringements of the provisions of this Directive by the creditor, the credit intermediary or the provider of crowdfunding credit services, where it is clear that the imposition of penalties in accordance with paragraph 2 cannot ensure the purpose of the penalty, and breaches of the provisions have a disruptive effect on the market, Member States may, as a last resort, provide for the imposition of structural remedies. (EPP 790)*
3. Member States shall provide that the competent authority may disclose to the public any administrative penalty that is imposed for infringement of the measures adopted pursuant to this Directive, unless such disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.

Article 44 (new)

Remedies

Member States shall ensure that consumers have access to proportionate and effective remedies, including compensation, in accordance with applicable national civil law, for damage suffered by the consumer and, where relevant, a price reduction or the termination of the contract. Those remedies shall be without prejudice to the application of other remedies available to consumers under Union or national law. (SD 791)

Article 45

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 30(5) shall be conferred on the Commission for a period of five years from xx xx xxxx. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 30(5) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 30(5) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period

shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 46

Review and monitoring

1. The Commission shall undertake, every ~~five~~ **three** years and for the first time ~~five~~ **three** years from the date of application, an evaluation of this Directive. The evaluation shall include an assessment of the thresholds laid down in Article 2(2), point c, and in Part II of Annex IV, and of the percentages used to calculate the compensation payable in the event of early repayment as referred to in Article 29, in the light of economic trends in the Union and the situation in the market concerned. (SD 793)
~~1a In the evaluation referred to in paragraph (1), The European Commission will include an assessment of new forms of service providers participating in the consumer credit market with a special focus on digital trends and will propose the necessary amendment to the Directive accordingly. (EPP 794)~~
1a In the evaluation referred to in paragraph 1, The Commission will shall also include an assessment of new forms of service providers participating in the consumer credit market with a special focus on digital trends (EPP 794), volumes and trends of the cross-border provision of credits per Member State, the costs of complying with this Directive for creditors and crowdfunding service providers differentiated according to size of companies and the number and amount of penalties imposed by national authorities in accordance with or in relation to this Directive classified by Member States. (ECR 792) Member States will may, where necessary, propose amendments to this Directive.
2. The Commission shall also monitor the effect of the existence of the regulatory choices referred to in Article 42 on the internal market and consumers.
3. The Commission shall report the results of the evaluation and assessment referred to in paragraphs 1 and 2 to the European Parliament and the Council, accompanied, if appropriate, by a legislative proposal.

Article 47

Repeal and transitional provisions

Directive 2008/48/EC is repealed with effect from [OP: please insert date - six months from the transposition deadline]. However, as regards relations, within the scope of this Directive, between consumers and creditors or credit intermediaries or providers of crowdfunding credit services who qualify as micro, small and medium undertakings as referred to in Article 3 of Directive 2013/34/EU of the European Parliament and of the Council²², Directive 2008/48/EC shall continue to apply until [OP: please insert date - 18 months from the transposition deadline].

²² Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

Directive 2008/48/EC shall also continue to apply to credit agreements existing on [OP: please insert date - six months from the transposition deadline] until [their termination].

However, Articles 23 and 24, Article 25(1), second sentence, Article 25(2) and Articles 28 and 39 of this Directive shall apply to all open-end credit agreements existing on [OP: please insert date - six months from the transposition deadline].

References to the repealed Directive shall be construed as references to this Directive and shall be read in accordance with the correlation table set out in Annex V.

Article 48

Transposition

1. Member States shall adopt and publish, by [OP: please insert date - 24 months from the date the Directive is adopted] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions. They shall apply those measures from [OP: please insert date - six months from the transposition deadline].

However, as regards relations, within the scope of this Directive, between consumers and creditors or credit intermediaries or providers of crowdfunding credit services who qualify as micro, small and medium undertakings as referred to in Article 3 of Directive 2013/34/EU, Member States shall apply those measures from [OP: please insert date - 18 months from the transposition deadline].

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 49

Entry into force

This Directive shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

Article 50

Addressees

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

Compromise 13 on Annex 1

1. Identity and contact details of the creditor, credit intermediary or of the provider of crowdfunding credit services

Where applicable	
Creditor	[Identity]
Address Telephone number Email address Fax number (*) Web address (*)	[Geographical address to be used by the consumer]
Where applicable	
Credit intermediary	[Identity]
Address Telephone number Email address Fax number (*) Web address (*)	[Geographical address to be used by the consumer]
Where applicable	
Provider of crowdfunding credit services	[Identity]
Address Telephone number Email address Fax number (*) Web address	[Geographical address to be used by the consumer]
(*) This information is optional.	

Wherever ‘where applicable’ is indicated, the creditor or the provider of crowdfunding credit services must fill in the box if the information is relevant to the credit, or delete the information or the entire row where the information is not relevant for the type of credit concerned.

Indications between square brackets provide explanations for the creditor or the provider of crowdfunding credit services and must be replaced with the corresponding information.

2. Description of the main features of the credit product

The type of credit	
<p>The total amount of credit</p> <p><i>This means the ceiling or the total sums made available in accordance with the credit agreement or with the agreement for the provision of crowdfunding credit services.</i></p>	
<p>The conditions governing the drawdown</p> <p><i>This means how and when you will obtain the money.</i></p>	
<p>The duration of the credit agreement or of the agreement for the provision of crowdfunding credit services</p>	
<p>Instalments and, where appropriate, the order in which instalments will be allocated</p>	<p>You will have to pay the following:</p> <p>[The amount, number and frequency of payments to be made by the consumer]</p> <p>Interest and/or charges will be payable in the following manner:</p>
<p>The total amount you will have to pay</p> <p><i>This means the amount of borrowed capital plus interest and possible costs related to your credit.</i></p>	<p>[Sum of total amount of credit and total cost of credit]</p>
<p>Where applicable</p> <p>The credit is granted in the form of a deferred payment for a good or service or is linked to the supply of specific goods or the provision of a service</p> <p>Name of good/service</p> <p>Cash price</p>	
<p>Where applicable</p> <p>Sureties required</p> <p><i>This is a description of the security to be provided by you in relation to the credit agreement.</i></p>	<p>[Kind of sureties]</p>
Where applicable	

Repayments do not give rise to immediate amortisation of the capital.	
Where applicable The price was personalised on the basis of automated decision-making.	

3. Costs of the credit

The borrowing rate or, where applicable, different borrowing rates that apply to the credit agreement or to the agreement for the provision of crowdfunding credit services.	[% — fixed, or — variable (with the index or reference rate applicable to the initial borrowing rate), — periods]
Annual percentage rate of charge (APR) <i>This is the total cost expressed as an annual percentage of the total amount of credit.</i> <i>The APR is there to help you compare different offers.</i>	[% A representative example mentioning all the assumptions used for calculating the annual percentage rate of charge to be set out here]
Is it compulsory, in order to obtain the credit or to obtain it on the terms and conditions marketed, to take out — an insurance policy securing the credit, or — another ancillary service contract? <i>If the costs of these services are not known by the creditor, the credit intermediary or the provider of crowdfunding credit services they are not included in the APR.</i>	Yes/no [if yes, specify the kind of insurance] Yes/no [if yes, specify the kind of ancillary service]
Related costs	
Where applicable Maintaining one or more accounts is required for recording both payment transactions and drawdowns	
Where applicable Amount of costs for using a specific means of payment (e.g. a credit card)	
Where applicable Any other costs deriving from the credit agreement or from the agreement for the provision of crowdfunding credit services	

Where applicable Conditions under which the abovementioned costs related to the credit agreement or to the agreement for the provision of crowdfunding credit services can be changed	
Where applicable Obligation to pay notarial fees	
Costs of late payments Missing payments could have severe consequences for you (e.g. forced sale) and make it more difficult for you to get credit in the future.	You will be charged [... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late payments.

4. Other important legal aspects

Right of withdrawal You have the right to withdraw from the credit agreement or from the agreement for the provision of crowdfunding credit services within a period of 14 calendar days.	
Early repayment You have the right to repay the credit early at any time fully or partially.	
Where applicable The creditor is entitled to compensation in the case of early repayment	[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 29 of Directive ...]
Consultation of a database <i>The creditor, the credit intermediary or the provider of crowdfunding credit services must inform you immediately and without charge of the result of consulting a database, if a credit application is rejected on the basis of such a consultation. This does not apply if the provision of such information is prohibited by Union law or contrary to public policy or public security objectives.</i>	
Right to a draft credit agreement or draft agreement for the provision of crowdfunding credit services	

<p><i>You have the right, upon request, to obtain a copy of the draft credit agreement or draft agreement for the provision of crowdfunding credit services free of charge. This provision does not apply if the creditor or the provider of crowdfunding credit services is, at the time of your request, unwilling to proceed to the conclusion of the credit agreement or of an agreement for the provision of crowdfunding services with you.</i></p>	
<p>Where applicable</p> <p>The period of time during which the creditor or the provider of crowdfunding credit services is bound by the pre-contractual information</p>	<p>This information is valid from ... until ...</p>
<p>Concerning redress</p> <p><i>You have the right to access an out-of-court complaint and redress mechanism</i></p>	<p>[The out-of-court complaint and redress mechanism for the consumer and how to access it]</p>

Where applicable

5. Additional information in the case of the distance marketing of financial services

<p>(a) Concerning the creditor or provider of crowdfunding credit services</p>	
<p>Where applicable</p> <p>Representative of the creditor or of the provider of crowdfunding credit services in your Member State of residence</p> <p>Address</p> <p>Telephone number Email address</p> <p>Fax number ()</p> <p>Web address ()</p>	<p>[Identity]</p> <p>[Geographical address to be used by the consumer]</p>
<p>Where applicable</p> <p>Registration</p>	<p>[The trade register in which the creditor or the provider of crowdfunding credit services is entered and their registration number or an equivalent means of identification in that register]</p>
<p>Where applicable</p> <p>The supervisory authority</p>	

(b) Concerning the credit agreement or the agreement for the provision of crowdfunding credit services	
Where applicable Exercise of the right of withdrawal	[Practical instructions for exercising the right of withdrawal indicating, <i>inter alia</i> , the period for exercising the right, the address to which notification of exercise of the right of withdrawal should be sent and the consequences of not exercising the right of withdrawal]
Where applicable The law taken by the creditor or by the provider of crowdfunding credit services as a basis for the establishment of relations with you before the conclusion of the credit contract	
Where applicable Clause stipulating the governing law applicable to the credit agreement or to the crowdfunding credit services and/or the competent court	[Relevant clause to be set out here]
Where applicable Language regime	Information and contractual terms will be supplied in [specific language]. With your consent, we intend to communicate in [specific language/languages] for the duration of the credit agreement or of the crowdfunding credit services.
(c) Concerning redress	
Access to an out-of-court complaint and redress mechanism	[The out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and how to access it]
(*) This information is optional for the creditor or the provider of crowdfunding credit services.	

1a (new) MAIN INFORMATION TO BE PROVIDED AT THE BEGINNING OF THE SECCI FORM

<p><i>The total amount of credit</i> <i>This means the ceiling or the total sums made available in accordance with the credit agreement or with the agreement for the provision of crowdfunding credit services</i></p>	
<p><i>the duration of the credit agreement or of the agreement for the provision of crowdfunding credit services</i></p>	
<p><i>the borrowing rate, or all borrowing rates if different borrowing rates apply in different circumstances; in the case of credits with a variable borrowing rate, a simulation of the impact on the cost of the credit of reasonable upward changes in the borrowing rate</i></p>	<p><i>[%</i> <i>— fixed, or</i> <i>— variable (with the index or reference rate applicable to the initial borrowing rate),</i> <i>— periods]</i></p>
<p><i>Annual percentage rate of charge (APR)</i> <i>This is the total cost expressed as an annual percentage of the total amount of credit. The APR is there to help you compare different offers.</i></p>	<p><i>[% A representative example mentioning all the assumptions used for calculating the annual percentage rate of charge to be set out here]</i></p>
<p><i>Where applicable</i></p> <p><i>the credit is granted in the form of a deferred payment for a good or service or is linked to the supply of specific goods or the provision of a service</i></p> <p><i>Name of good/service</i></p> <p><i>Cash price</i></p>	
<p><i>Costs of late payments</i></p> <p><i>Missing payments could have severe consequences for you (e.g. forced sale) and make it more difficult for you to get credit in the future.</i></p>	<p><i>You will be charged [...(applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late payments.</i></p>
<p><i>Right of withdrawal</i></p> <p><i>You have the right to withdraw from the credit agreement or from the agreement for the provision of crowdfunding credit services within a period of 14 calendar days.</i></p>	

<p><i>Early repayment</i></p> <p><i>You have the right to repay the credit early at any time fully or partially.</i></p> <p><i>Where applicable, You have the right to compensation.</i></p>	<p><i>[Example of the way in which that compensation will be determined]</i></p>
--	--

Wherever ‘where applicable’ is indicated, the creditor or the provider of crowdfunding credit services must fill in the box if the information is relevant to the credit product, or delete the information or the entire row where the information is not relevant for the type of credit concerned.

Indications between square brackets provide explanations for the creditor or the provider of crowdfunding credit services and must be replaced with the corresponding information.

This form must be displayed in the beginning of the Standard European Consumer Credit Information form, be clearly legible and be adapted to take into account the technical constraints of media on which it is displayed.

ANNEX II

~~STANDARD EUROPEAN CONSUMER CREDIT OVERVIEW~~

<p>The total amount of credit</p> <p><i>This means the ceiling or the total sums made available in accordance with the credit agreement or with the agreement for the provision of crowdfunding credit services.</i></p>	-
<p>The duration of the credit agreement or of the crowdfunding credit services</p>	-
<p>The borrowing rate or, where applicable, different borrowing rates which apply to the credit agreement or to the crowdfunding credit services</p>	<p>[%</p> <p>— fixed, or</p> <p>— variable (with the index or reference rate applicable to the initial borrowing rate);</p> <p>— periods]</p>
<p>Annual percentage rate of charge (APR)</p> <p><i>This is the total cost expressed as an annual percentage of the total amount of credit.</i></p> <p><i>The APR is there to help you compare different offers.</i></p>	<p>[% A representative example mentioning all the assumptions used for calculating the annual percentage rate of charge to be set out here]</p>
<p>Where applicable</p> <p>The credit is granted in the form of a deferred payment for a good or service or is linked to the supply of specific goods or the provision of a service</p> <p>Name of good/service</p> <p>Cash price</p>	-
<p>Costs of late payments</p> <p><i>Missing payments could have severe consequences for you (e.g. forced sale) and make it more difficult for you to get credit in the future.</i></p>	<p>You will be charged [... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late payments.</p>

Wherever ‘where applicable’ is indicated, the creditor or the provider of crowdfunding credit services must fill in the box if the information is relevant to the credit product, or delete the

~~information or the entire row where the information is not relevant for the type of credit concerned.~~

~~Indications between square brackets provide explanations for the creditor or the provider of crowdfunding credit services and must be replaced with the corresponding information.~~

~~The Standard European Consumer Credit Overview must be displayed on one page on top of the Standard European Consumer Credit Information form, be clearly legible and be adapted to take into account the technical constraints of media on which it is displayed.~~