

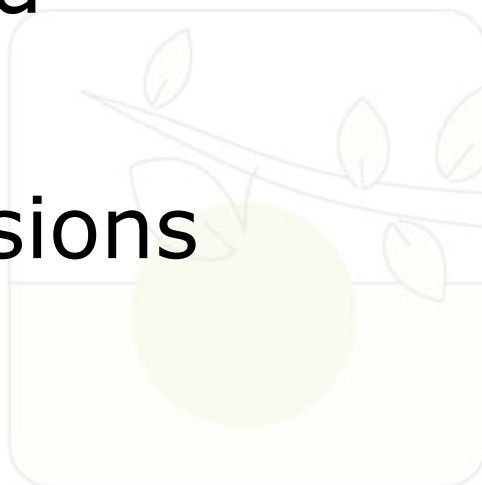
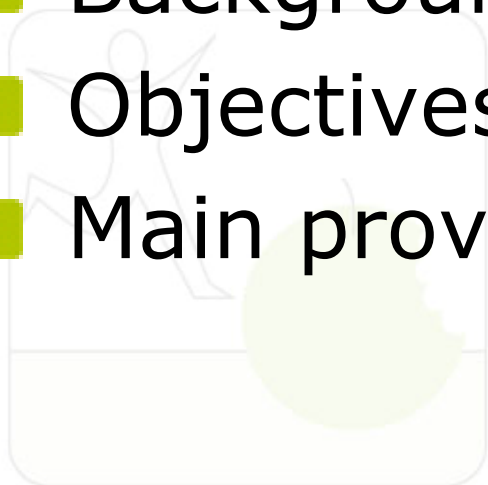


Directive 87/102/EEC on Consumer credit

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Directive 87/102/EEC

- Background
- Objectives
- Main provisions



Background

- Discussions started mid 70's
- Diverging legislations on this issue
- No rules at EU level
- Growing market

Objectives

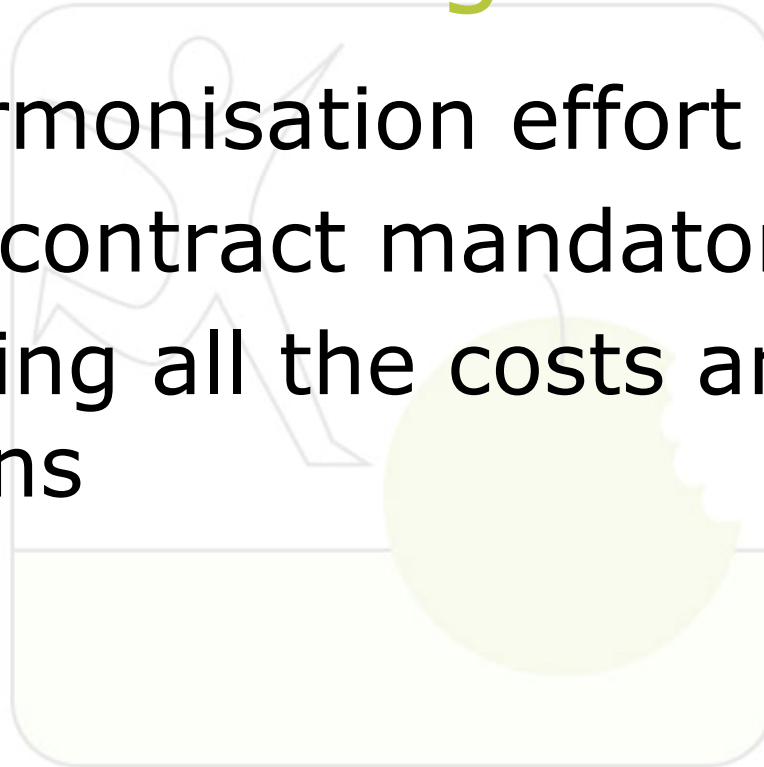
- **Market integration**
 - Better comparability of offers
 - Lowering barriers to cross-border lending
- **High level of consumer protection**
 - Minimum standards in all Member States on information and rights

Directive 87/102/EC

- Applies to B2C credit agreements
 - Excludes home loans, leasing, free credit, credits below 200ECU or above 20,000, short term credit
 - Overdrafts submitted to information obligations only

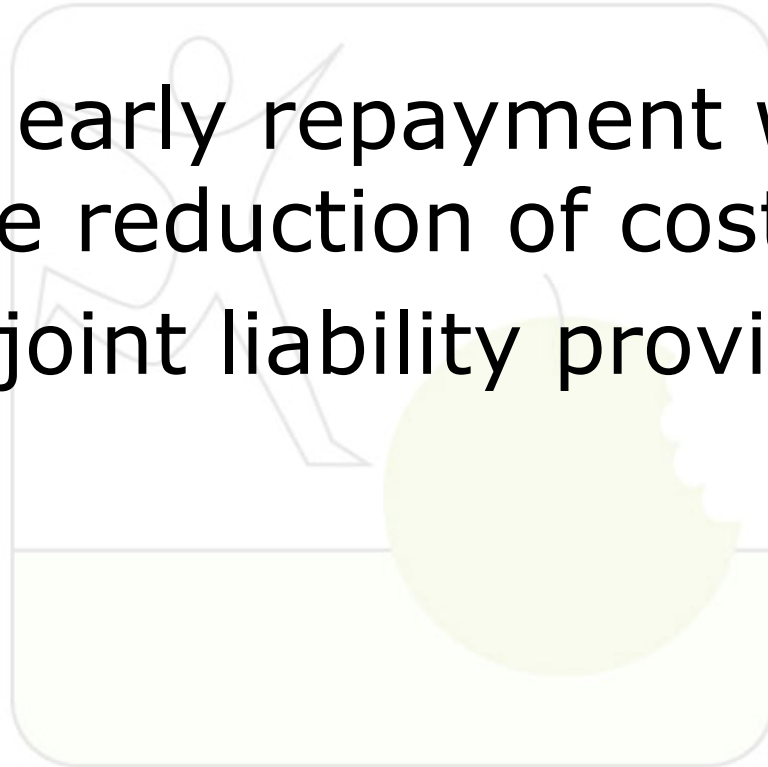
Information obligations

- First harmonisation effort on APR
- Written contract mandatory
- Mentioning all the costs and main conditions



Rights of the consumer

- Right of early repayment with equitable reduction of cost
- Limited joint liability provision

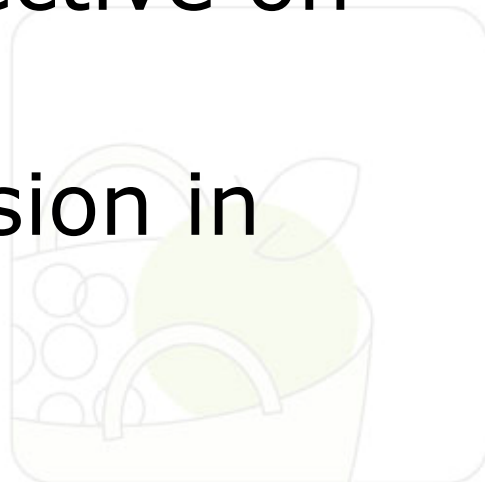
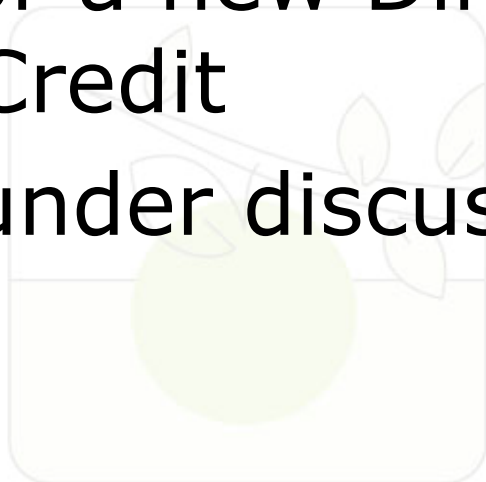
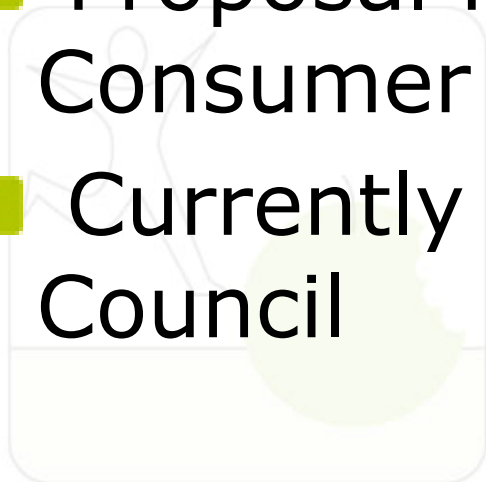


Minimum harmonisation

- Directive 87/102 contains a minimum harmonisation clause
 - MS can go beyond to protect consumers
 - They went beyond, but to a different extent
- Benefits for consumer protection, limited impact on internal market

Next steps

- Proposal for a new Directive on Consumer Credit
- Currently under discussion in Council



■ Thank you for your attention !

