



**To the members of the  
European Federation of Building Societies**

Brussels, 30 January 2012  
WM/AG

**Proposal for a Directive on Credit Agreements relating to Residential Property:  
Parliamentarian Evening of the EFBS/ Vote in the Parliamentarian Committee on  
Internal Market and Consumer Protection (IMCO)**

Dear Member,

The EFBS organised a Parliamentarian Evening on credit agreements relating to residential property on 24 January 2012. The large attendance of all rapporteurs of the responsible committees and of the shadow-rapporteurs as well as the participation of representatives of the European Council and the European Commission underlined the extraordinary interest in the exchange with regard to the content and was a possibility to present and discuss concerns and doubts of the Bausparkassen.

On the following day, the 25 January 2012, the IMCO vote took place and was dominated by a large support of the rapporteur's intention, which also considers the EFBS' amendments. Therefore, regarding the Commission's proposal, improvements were achieved.

Results of the vote:

The committee voted against a prohibition of product tying.

The rules on conduct of business obligations in Art. 5 paragraphs 1 and 2 to act with the best interest of the consumer proposed by the Commission were mitigated. The creditor has to act honestly, fairly and professionally. The addition „with the best interest of the consumer“ was deleted.

The provisions on the reflection period in Art. 9 paragraph 2 was modified according to the proposals of the Bausparkassen. Henceforth the creditor shall provide the consumer in good time before the consumer is bound by a credit agreement or offer with the ESIS, same as in the Consumer Credit Directive.

The rules concerning the early repayment (Art. 18) were not tightened compared to the Commission's proposal. But the creditor shall inform about the method of calculation of the prepayment penalty in the contract.

Within the creditworthiness assessment (Art. 14) the creditor is not any more obliged to refuse the credit, if the assessment results in a negative prospect.

The general information requirements in Art. 8 paragraphs 1 and 2 as well as the adequate explanations (Art. 11) are adapted to the Consumer Credit Directive.

The proposal on Art. 14 paragraph 4, whereupon creditors and credit intermediaries shall obtain the information regarding the consumer's personal and financial situation, his preferences and objectives and consider a sufficiently large number of credit agreements from their product range, is deleted.

Incidentally the extensive authorizations of the European Commission to adopt delegated acts were refused by the Parliamentarians.

Due to the enhanced cooperation procedure between the Committee on Economic and Monetary Affairs (ECON) and the IMCO the vote is equally significant for the drafting of compromise amendments in the ECON. This may influence in particular some Parliamentarians' proposals regarding transparency and flexibility in Art. 18.

The vote on the draft report and the amendments in the ECON is currently scheduled for the end of February 2012.

For any further request, please do not hesitate to contact the European office.

Yours sincerely,



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