



*European Association of Co-operative Banks
Groupement Européen des Banques Coopératives
Europäische Vereinigung der Genossenschaftsbanken*



EACB Comments on the amendments tabled in the ECON Committee
of the European Parliament
to the European Commission Proposal
for a Directive on credit agreements relating to residential property (CARRP)

Brussels, 12 January 2012

The EACB is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 28 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With 4.200 locally operating banks and 63.000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 160 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 50 million members and 750.000 employees and have a total average market share of about 20%.

For further details, please visit <http://www.eurocoopbanks.coop/>

The voice of 4.200 local and retail banks, 50 million members, 160 million customers

EACB AISBL – Secretariat • Rue de l'Industrie 26-38 • B-1040 Brussels

Tel: (+32 2) 230 11 24 • Fax (+32 2) 230 06 49 • Enterprise 0896.081.149 • lobbying register 4172526951-19

www.eurocoopbanks.coop • e-mail : secretariat@eurocoopbanks.coop

Recital/ Article	Original text of COM proposal	Proposed ECON amendment	EACB mark	EACB Comment
BLOCK I: Scope & applicability				
Article 1 paragra ph 1	Amendment 277 The purpose of this Directive is to lay down a framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning credit agreements relating to residential immovable property for consumers and concerning certain aspects of the prudential and supervisory requirements for credit intermediaries and creditors.	The purpose of this Directive is to lay down a framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning credit agreements concluded with consumers relating to residential immovable property for consumers and concerning certain aspects of the prudential and supervisory requirements for credit intermediaries and creditors.	+	It should be clear that the proposed Directive applies only to mortgage credit agreements concluded with consumers.
Article 2 paragra ph 2 point b b / 2a (new)	Amendments 305-306	<i>This Directive shall not apply to:</i> <i>(bb) credit agreements where the credit is granted free of interest and without any other charges.</i> <i>2a. Credit agreements where the credit is granted free of interest and without any other charges except those that recover costs for activities related to the securing of the loan.</i>	+	Either of the two amendments would be satisfactory for the EACB as they provide for an alignment with the Directive 2008/48/EC on consumer credit (CCD), which in Art 2(2)(l) also excludes such loans from the scope, in recognition that such specific loans should be regulated separately.
Article 3 par 1 pt ra (new) Article 14 a (new)	Amendments 342-344, 609, 711-712	<i>(ra) Definition of 'Appraisal' [...]</i> <i>(rb) Definition of 'Valuer' [...]</i> <i>(rb) Definition of 'Appraiser' [...]</i> <i>1. The creditor is obliged to carry out a valuation of the property which will be mortgaged for the loan. It is the creditors liability for carrying out the valuation to his best knowledge and belief.</i> <i>2. Creditors may mandate an appraiser to meet this obligation. [...]</i> <i>3. Member States shall ensure that a public</i>	-	The EACB does not consider that the issue of property valuation should be covered by the scope of this directive. Provisions concerning property valuations are unrelated to the objectives of this directive dedicated to the relationship between the consumer and creditor/credit intermediary. While some EU markets are heavily mortgage-based, in others guaranteed home loans not secured by a mortgage prevail. Those differences should be taken into account.

<p>Article 18 (d) (new)</p> <p>Article 18 e (new)</p>		<p><i>register is established and regularly updated of appraisers who are deemed professionally competent.</i></p> <p><i>4. Member States shall ensure that appraisers who carry out valuations used by a creditor to value the collateral are sufficiently independent of the creditor, the borrower and, where applicable, the credit intermediary, to provide an objective and impartial valuation.</i></p> <p><i>5. Estimated appreciations in value of the property shall not be part of the valuation.</i></p> <p><i>6. [...] EBA shall [...] develop guidelines to define common European standards of valuation techniques and minimum qualifications of appraisers.</i></p> <p><i>7. National responsible authorities shall set national binding standards of valuation methods and minimum qualifications [...].</i></p> <p><i>8. Member States may specify further criteria [...].</i></p> <hr/> <p><i>Member States may ensure that valuers carrying out valuations of residential immovable property which are used to value the collateral in credit agreements are carried out according to the international valuation standards regarding independence and minimum professional standards for valuers.</i></p> <hr/> <p><i>Member States may promote the use of indices of residential immovable property prices at national and regional level in order to provide an improved basis for the monitoring of trends in valuation of residential immovable property.</i></p>		
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Article 18 a (new)	Amendments 697-698		
		<p>Reverse agreements</p> <p>1. Member States may ensure that, in order to cover risks of aging or retirement, the parties to a credit agreement may agree to convert the credit agreement into a reverse mortgage or other credit agreement under which a sum of money is advanced or paid periodically to the consumer to allow access to equity in the residential immovable property and which will eventually be repaid from the sale of the residential immovable property.</p> <p>2. Member States shall provide that the creditor should be entitled to obtain fair and justified compensation for potential costs directly or indirectly linked to the exercise of the right.</p>	<p style="text-align: center;">-</p> <p>We would recommend against including reverse agreements in the scope of this Directive due to their specific nature. In fact, under Article 2, Paragraph 2, subparagraph (a), 'credit agreements which will eventually be repaid from the sale proceeds of an immovable property' are already excluded from the scope of this Directive. Finally, we advise against introducing an obligation for banks to offer "reverse mortgage" contracts.</p>
Article 31 paragraph 2 point g	Amendments 770-772		
	<p>(g) an assessment of the need to extend its scope to small companies.</p>	<p>Deleted</p>	<p style="text-align: center;">+</p> <p>It should be clear that the proposed Directive applies only to mortgage credit agreements concluded with consumers. This underlying principle concerning scope should not be subject to review by the Commission (and possible amendments at EU level) in the future.</p>
BLOCK II : Alignment with the Directive 2008/48/EC on consumer credit (CCD)			
Article	Amendment 515		

11 paragraph 1	Member States shall ensure that creditors and, where applicable, credit intermediaries provide adequate explanations to the consumer on the proposed credit agreement(s) and any ancillary service(s) , in order to place the consumer in a position enabling him to assess whether the proposed credit agreements are adapted to his needs and financial situation. An adequate explanation shall include the provision of personalised information on the characteristics of the credits on offer, without however formulating any recommendation. Creditors and, where applicable, credit intermediaries shall accurately assess the level of knowledge and experience with credit of the consumer by any means necessary so as to enable the creditor or the intermediary to determine the level of explanations to be given to the consumer and adjust such explanations accordingly.	Member States shall ensure that creditors and, where applicable, credit intermediaries provide adequate explanations to the consumer, in order to place the consumer in a position enabling him to assess whether the proposed credit agreement is adapted to his needs and financial situation, where appropriate by explaining the pre-contractual information to be provided in accordance with Articles 9 and 10 , the essential characteristics of the products proposed and the specific effects they may have on the consumer, including the consequences of default in payment by the consumer. Member States may adapt the manner by which and the extent to which such assistance is given, as well as by whom it is given, to the particular circumstances of the situation in which the credit agreement is offered, the person to whom it is offered and the type of credit offered.	+	The EACB supports aligning of the wording of Art 11(1) with the wording of Art 5(6) CCD. The Commission's wording seems to be driven by the requirement of Art 19 of Directive 2004/39/EC (MiFID) to assess client's knowledge and experience in investment field when providing investment advice. However, while in the investment field it is the client (investor) who bares the risk and it is in his own interest to provide all the relevant information, this is not the case with regards to borrowers. Therefore, the MiFID approach is not suitable in case of mortgage and home loans.
Article 16 paragraph 1	Amendment 619 1. Each Member State shall ensure non-discriminatory access for all creditors to databases used in that Member State for assessing the creditworthiness of consumers and for monitoring consumers' compliance with the credit obligations over the life of the credit agreement. Such databases comprise databases operated by private credit bureaux or credit reference agencies and public credit registers.	1. Each Member State shall in the case of cross-border credit ensure access for creditors from other Member States to databases used in that Member State for assessing the creditworthiness of consumers. The conditions for access shall be non-discriminatory	+	Alignment with Article 9(1) of the Directive 2008/48/EC on consumer credit (CCD)
BLOCK III: Definitions				
Article 3 paragraph 1 point f	Amendments 319 - 320 (f) 'Tied credit intermediary' means any credit intermediary who acts on behalf of and under the full responsibility of only one creditor or one group.	(f) 'Tied credit intermediary' means any credit intermediary who acts on behalf of and under the full responsibility of one creditor or one group [...] or on behalf of and under the full responsibility of several creditors or several	+	Any of those two amendments would meet the EACB's expectations. It is frequently the case for co-operative banks that a credit intermediary may be tied to one bank and act under full responsibility of that bank, and yet,

		<p><i>groups.</i></p> <p>_____</p> <p>[...] <i>or of more creditors and more groups.</i></p>		offer credit provided by a different bank. This could be possible because those banks belong to the same co-operative banking group which, however, does not constitute a 'group' in the meaning of Art 3(g), because a co-operative group is not required to produce 'consolidated accounts'. Such co-operative bank would then act on behalf of several creditors.
BLOCK IV: Conduct of business				
Article 5 paragraph 1	Amendments 353 - 355			
	<p>1. Member States shall require that, when granting, intermediating or advising on credit and, where appropriate, ancillary services to consumers, the creditor or the credit intermediary acts honestly, fairly and professionally in accordance with the best interests of the consumer.</p>	<p>1. Member States shall require that, when granting, intermediating or advising on credit and, where appropriate, ancillary services to consumers, the creditor or the credit intermediary [...] acts honestly, fairly and professionally and takes into account the rights and interests of the consumer.</p> <p>[...] acts honestly, fairly and professionally taking into account the interests of the consumer.</p> <p>[...] acts honestly, fairly, professionally and transparently.</p>	+	<p>This amendment is supported because of the deletion of "<i>the best interest of the consumer.</i>" This requirement would impose unlimited and incalculable liability for creditors. In addition, it should be made clear that co-operative banks with their specific business model based on the ownership of their members, always act for the benefit of all their members/clients. The interest of one client should not be put before the interest of other clients, as is already reflected in Article 19 of the Directive 2004/39/EC (MiFID), which states that "when providing investment services and/or, where appropriate, ancillary services to clients, an investment firm act honestly, fairly and professionally in accordance with the best interests of its clients". Also at the Council the reference to the "best" interest has been deleted.</p>
	Amendments: 357, 359, 360			
	<p>2. Member States shall ensure that the manner in which creditors remunerate their staff and the relevant credit intermediaries and the manner in which credit intermediaries remunerate their staff do not impede compliance with the obligation to act in accordance with the best interests of the consumer, as referred to in paragraph 1.</p>	<p>2. Member States shall ensure that the manner in which creditors remunerate their staff and the relevant credit intermediaries and the manner in which credit intermediaries remunerate their staff do not impede compliance with</p> <p>[...] the obligation referred to in paragraph 1.</p> <p>[...] the obligation to act taking into account</p>	+	<p>Supported in case of the deletion in paragraph 1 of the reference to "<i>the best interest of the consumer.</i>" This remains in line with the Council position in which the reference to the term "<i>best</i>" has also been deleted.</p>

Article 5 paragraph 2		the interests of the consumer, as referred to in paragraph 1. [...] the obligations , as referred to in paragraph 1.		
Amendment 358				
	2. Member States shall ensure that the manner in which creditors remunerate their staff and the relevant credit intermediaries and the manner in which credit intermediaries remunerate their staff do not impede compliance with the obligation to act in accordance with the best interests of the consumer, as referred to in paragraph 1.	2. Member States shall ensure that the manner in which creditors remunerate their staff and the relevant credit intermediaries and the manner in which credit intermediaries remunerate their staff do not impede compliance with [...] the obligation to act in accordance with the best interests of the consumer, as referred to in paragraph 1. To act in the best interest of the consumer in this context means offering a loan only if the borrower's ability to repay can be assumed after a thorough analysis of parameters, such as the financial situation, the consumers income, savings, proprietary rights to assets, debts and other financial commitments.	—	Objected to because of the maintenance of <i>"the best interest of the consumer."</i> It should also be carefully considered that the cancellation of the credit agreement may lead to adverse results for the consumer, who would be obliged to return the borrowed amount.
Amendment 356				
Article 5 paragraph 1 a (new)		1a. Member States shall adopt appropriate provisions to ensure that, if the above requirements are not met, consumers who are affected will be able to adjust or cancel the loan agreement free of charge.	—	This would lead to a great risk of unjustifiable litigation, e.g. in case if the consumer can no longer meet his debt obligations for reasons unrelated to the bank's conduct.
Amendment 324				
Article 3 paragraph 1 point j	(j) 'Staff' means any employees of the creditor or credit intermediary having contacts with consumers and who are engaged in the activities covered by this Directive.	(j) 'Staff' means any employees of the creditor or credit intermediary who are engaged in the activities covered by this Directive.	—	The focus should be on lenders' staff in direct contact with consumers because these are the employees who could potentially propose inappropriate products. Potentially, the concept of <i>"working or acting on behalf of"</i> could capture any number of individuals outside of the staff of creditors or credit intermediaries, such as valuers or notaries/conveyancers, and should therefore be deleted.

Article 5 paragraph 2 a (new)	Amendments 361, 363, 365			-	We recommend maintaining the original wording of the European Commission, which refers to the requirement for the remuneration of the staff not to impede the obligation to act in accordance with the requirements of Article 5 paragraph 1 (in the wording as proposed in amendments 353 – 355). The solution as proposed in the amendment would be an excessive intervention into the business strategy of the creditor. The rules which may be useful in the investment area do not always fit within the banking sphere. The remuneration structure should remain in the sphere of the creditor.
		<i>(a) Member States shall ensure that the remuneration of creditors' staff and credit intermediaries responsible for the assessment of the creditworthiness or for the provision of advice [...] is not linked to individual product results or sales targets. [...] is in accordance with the provisions of Directive 2010/76/EU of the European Parliament and of the Council of 24 November 2010. [...] is not linked to targets for the value or volume of lending or for the sale or profitability of individual products.</i>			
BLOCK V: Delegated powers					
Article 6 paragraph 4	Amendments 389-394			+	Those issues should remain in the gesture of the Member States. The EACB agrees that the numerous delegated powers are highly problematic. The powers are very open without explicitly defining the objectives and the content of the delegation of power and they concern essential elements of the proposal. The EACB agrees that they are likely to lead over time to more and more diverging rules relating to, on one hand, traditional consumer credits and, on the other hand, home loans and mortgages. The EACB also agrees that there is no need this degree of details within this Directive, and where necessary, would recommend instead procedures where proper and full consultation of all relevant stakeholders and full impact assessment of the proposed changes could be ensured. For example:
		<i>4. Powers are delegated to the Commission in accordance with Article 26 and subject to the conditions of Articles 27 and 28, to specify the requirements provided in paragraph 1 and 2 of this Article, and in particular, the necessary requirements for appropriate knowledge and competence.</i>	<i>Deleted</i>		
Article 9 paragraph 3	Amendments 480-483			+	- the issue of education and qualification remains in the domain of the Member
		<i>3. Powers are delegated to the Commission in accordance with Article 26 and subject to the conditions of Articles 27 and 28, to amend the standard information items laid down in paragraph 1 of this Article and the content and format of the ESIS set out in Annex II. In particular, such delegated acts shall, where necessary: (a) amend the list of the standard information items laid down in paragraph 1 of this Article; (b) delete any of the information items laid</i>	<i>Deleted</i>		

	<p>down Annex II; (c) make additions to the list of information items laid down in Annex II; (d) amend the presentation of the contents of the ESIS as laid down in Annex II; (e) elaborate on the instructions for the completion of the ESIS as laid down in Annex II.</p>			<p>States and should not be regulated by delegated acts. Also, the division of competences between the Member States under Paragraphs 2 and 3, and the Commission under the paragraph 4 of Article 6 is problematic.</p>
	Amendments 503-507			
Article 10 paragraph 3	<p>3. Powers are delegated to the Commission in accordance with Article 26 and subject to the conditions of Articles 27 and 28, to update the list of information items on credit intermediaries to be provided to the consumer, as laid down in paragraph 1 of this Article. In particular, the Commission, when adopting such delegated acts shall amend, where necessary, the information items laid down in paragraph 1 of this Article.</p>	<i>Deleted</i>		+
	Amendments 602-608			
Article 14 paragraph 5	<p>5. Powers are delegated to the Commission in accordance with Article 26 and subject to the conditions of Articles 27 and 28, to specify and amend the criteria to be considered in the conduct of a creditworthiness assessment as laid down in paragraph 1 of this Article and in ensuring that credit products are not unsuitable for the consumer as laid down in paragraph 4 of this Article.</p>	<i>Deleted</i>		+
	Amendments 623-627			
Article 16 paragraph 2	<p>2. Powers are delegated to the Commission in accordance with Article 26 and subject to the conditions of Articles 27 and 28, to define uniform credit registration criteria and data processing conditions to be applied to the databases referred to in paragraph 1</p>	<i>Deleted</i>		+
				<p>- Concerning ESIS, it must be remembered that constant changes to it carry significant costs for banks, and uncertainty for consumers who should be able to use ESIS as a solid comparison tool. Any changes to ESIS which are deemed necessary in the future would be better introduced under the review clause in Article 31.</p> <p>- Prescriptive list of criteria to be considered in the conduct of a creditworthiness assessment and in ensuring that credit products are not unsuitable for the consumer concern the very fundamentals of this legislative act and as such should not be subject to regulation by delegated acts. Finally, under Article 14, Paragraph 1, it is the Member States that must ensure that creditors establish appropriate processes to assess the creditworthiness of the consumer. Specifying or amending such criteria by the Commission at EU level, as and when the Commission finds fit, would be superfluous.</p>

	<p><i>of this Article.</i> <i>In particular, such delegated acts shall define the registration thresholds to be applied to such databases and shall provide for agreed definitions for key terms used by such databases.</i></p>			
Article 26 paragraphs 1, 2, 3	<p>Amendments 739, 744 & 476</p> <p><i>1. The powers to adopt delegated acts referred to in Articles 6(4), 8(4), 9(3), 10(3), 14(5) and 16(2) shall be conferred on the Commission for an indeterminate period of time following the entry into force of this Directive.</i></p> <p><i>2. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</i></p> <p><i>3. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in Articles 27 and 28.</i></p>	Deleted		+
Article 27 paragraphs 1, 2, 3	<p>Amendments 751, 755, 756</p> <p><i>1. The delegation of powers referred to in Articles 6(4), 8(4), 9(3), 10(3), 14(5) and 16(2) may be revoked at any time by the European Parliament or by the Council.</i></p> <p><i>2. The institution which has commenced an internal procedure for deciding whether to revoke the delegation of powers shall inform the other legislator and the Commission at the latest one month before the final decision is taken, stating the delegated powers which could be subject to revocation and the reasons for any revocation.</i></p> <p><i>3. The decision of revocation shall terminate the delegation of the powers specified in that decision. It shall take effect immediately or at a later date specified therein. It shall not affect the validity of the</i></p>	Deleted		+

	<i>delegated acts already in force. It shall be published in the Official Journal of the European Union.</i>			
Article 28 paragraphs 1, 2	Amendments 758-759 1. The European Parliament and the Council may object to a delegated act within a period of two months from the date of notification. At the initiative of the European Parliament or the Council that period shall be extended by one month. 2. Where, on expiry of the period referred to in paragraph 1, neither the European Parliament nor the Council has objected to the delegated act, it shall be published in the Official Journal of the European Union and shall enter into force on the date stated therein. The delegated act may be published in the Official Journal of the European Union and enter into force before the expiry of that period where the European Parliament and the Council have both informed the Commission of their intention not to raise objections.	Deleted		+

BLOCK VI : Product tying					
Article 3 paragraph 1 point d a (new)	Amendment 315		<i>(da) 'Tying practice' means the selling of an ancillary service with the credit agreement in a package where the credit agreement is not made available to the consumer separately.</i>	—	Tying should not be defined or in any other way specifically addressed in this Directive. The Directive 2005/29/EC on unfair business-to-consumer commercial practices suitably addressed those types of practices.
Article 8 a (new)	Amendment 426		<i>Unfair commercial practise 1. The consumer shall always have the right to purchase ancillary products from alternative providers. [...]</i>	—	This could endanger the business model of building societies and their products (e.g. building loans contracts)
Article 9 a (new)	Amendment 490		<i>Tying practices 1. Member States shall prohibit tying practice. 2. Member States may however provide that creditors can request the opening of a payment account or an insurance policy, the aim of which is to guarantee repayment of the credit or insure the value of the collateral, to be purchased by the consumer with the credit. In such circumstances, Member States may provide that creditors may refuse to grant the credit to the consumer in case the insurance provided by the consumer does not have similar characteristics as the one offered by the provider suggested by the creditor.</i>	—	General ban on tying is unjustified, as it can bring a number of benefits and remains within the core business model of some institutions.
Article 9 a (new)	Amendment 491		<i>Member states shall not prohibit creditors or credit intermediaries from tying or bundling of products or services when proposing a credit offer to the consumer. When tying or bundling products or services the creditor or credit intermediary need to inform the consumer, in a reasonable time before concluding the contract and in a transparent</i>	+	The existing EU legislation sufficiently addresses the issue of cross-selling and conditional-selling in the form for example of the Directive 2005/29/EC on unfair business-to-consumer commercial practices. In fact, following recent thorough analysis and rounds of consultations and studies, the European Commission did not decide to propose specific

		<i>and coherent way, on the costs, content and terms of conditions of the ancillary products or services.</i>		EU legislation prohibiting tying and other cross-selling practices.
BLOCK VII: Information to consumers				
Article 9 paragraph 2 subparagraph 2	Amendments 473 & 474	Member States shall ensure that when <i>an offer binding on the creditor</i> is provided to the consumer, it shall be accompanied by an ESIS. <i>In such circumstances, Member States shall ensure</i> that the credit agreement cannot be concluded until the consumer has <i>had</i> sufficient <i>time</i> to compare <i>the</i> offers, assess <i>their</i> implications and take an informed decision on whether to accept <i>an</i> offer, regardless of the means of conclusion of the contract.	[...] the credit agreement cannot be concluded until the consumer has <i>been provided in a durable medium with an offer binding on the creditor and has a sufficient period of reflection which is no less than 14 working days</i> to compare <i>it with other</i> offers, <i>obtain third party advice if necessary and</i> assess <i>its</i> implications and take an informed decision on whether to accept <i>the</i> offer, regardless of the means of conclusion of the contract. <i>Where a Member State allows the credit agreement to be concluded before the end of the reflection period it shall provide for a right of withdrawal from the credit agreement for at least the remainder of the reflection period.</i>	— It is undisputable that the complete pre-contractual information must always be provided to the consumer before he can make a decision as to whether or not to accept the offer of the bank. The requirement to allow the consumer 'sufficient time' between receiving ESIS form and concluding the contract is however ambiguous and not necessarily beneficial for consumers, in particular if the 'sufficient time' was to be defined by reference to a specific number of days (14 days). Taking out a mortgage credit is a long-term commitment and it is not a result of snap decision on the side of consumers. Once the decision to take out mortgage credit has been taken, consumers may need quick access to funds in order to secure the purchase of a chosen property at an agreed price, without incurring any losses related to late payment or a higher interest rate on the loan. In addition, in some Member States, particularly where the application of the provisions of the Directive 2008/48/EC of 23 April 2008 on credit agreements for consumers (CCD) was extended to mortgage credit, consumers are granted a right of withdrawal from the mortgage agreement. To combine the 'sufficient time' before the conclusion of the contract, with the right of withdrawal after the conclusion of the contract would be highly impractical. The proposal to include the reflection period within the withdrawal period, where available,
		[...] <i>The period of reflection after the offer shall be no less than 14 working days and includes the time during which a right of withdrawal is granted where Member States allow the contract to be concluded before expiry of the reflection period. The consumer may voluntarily waive this reflection period in order to complete the contract more quickly.</i>		

				would be a confusing solution for consumers, who may not realize that the longer their 'reflection period' is, the shorter their 'withdrawal period' may be.
Article 9 paragraph 2 subparagraph 2 b (new)	Amendment 477			
		<i>The creditor and, where applicable, the credit intermediary shall only be obligated to provide ESIS to the borrower on one occasion. However, if the interest rate changes information from the creditor intermediary must be updated.</i>	+	This would help avoid additional red tape.
Article 14 paragraph 2 point b	Amendment 577			
	<i>b) Where the credit application is rejected, the creditor informs the consumer immediately and without charge of the reasons for rejection.</i>	<i>Deleted</i>	+	The obligation for the creditor to inform the consumer of the reasons for rejection in case the loan is not granted creates a potential risk of consumers exploiting such information and tailor-making their consequent applications. This could lead to an irresponsible borrowing behaviour where consumers receive loans under false pretences. In addition, such a requirement would remain in conflict with the freedom to contract and suggest <i>a contrario</i> a right to credit. In addition, rejection may be based on elements, such as e.g. Anti Money Laundering provisions, which banks are prohibited from communicating to consumers.
Article	Amendments 585-587			

14 paragraph 2 point e	(e) Without prejudice to the general right of access contained in Article 12 of the Directive 95/46/EC, where the application is rejected on the basis of an automated decision or a decision based on methods such as automated credit scoring, the creditor informs the consumer immediately and without charge and that the creditor explains the logic involved in the automated decision to the consumer.	Deleted	+	This provision is based on an incorrect assumption that a loan application could be rejected based purely on an automated decision. This in fact is not the practice of the co-operative banks, which take a more individualized approach to the lending decision. In addition, Article 15 of the Data Protection Directive (95/46/EC) already prohibits all automated decisions based solely on consultation of databases. Also, parameters involved in an automated decision are considered to be business secrets, and such internal decision processes should not have to be disclosed for competition reasons.
BLOCK VIII: Information to creditors				
Amendments 611 - 612				
Article 15 paragraph 1	1. Member States shall ensure that consumers provide creditors and, where applicable, credit intermediaries with complete and correct information on their financial situation and personal circumstances in the context of the credit application process. That information should be supported, when necessary, by documentary evidence from independently verifiable sources.	1. Member States shall ensure that creditors and, where applicable, credit intermediaries request [...] relevant , complete and correct information on their financial situation and personal circumstances in the course of the credit application process. That information should be supported, when necessary, by documentary evidence from independently verifiable sources. The request has to be clear and easily understandable for consumers. The creditor and where applicable the credit intermediary shall provide the consumer with a documentation of the request and the consumers reply on paper or another durable medium when handing over the ESIS referred to in Art 9. [...] from consumers all necessary information on their financial situation and personal circumstances in the course of the credit application process. That information should be	-	This amendment would lead to an erosion of the principle of responsible borrowing

		supported, when necessary, by documentary evidence from independently verifiable sources.		
BLOCK IX: Creditworthiness assessment				
Article 3 paragraph 1 point o	Amendments 332 - 333			
	(o) 'Creditworthiness assessment' means the evaluation of <i>a consumer's ability to meet his debt obligations</i> .	(o) 'Creditworthiness assessment' means the evaluation of <i>all relevant factors known to the creditor at the time of the application to determine whether or not the prospective borrower will be able to repay the credit</i> .	+	This wording is more precise and would reduce the risk of litigation. In particular, it is important that the lender may carry out an assessment only based on the factors known to the lender at the moment of application.
Article 14 paragraph 1 a (new)	Amendments 561 - 562			
		<i>1 a. Member States shall ensure that the assessment of creditworthiness shall be applied without discrimination to loans relating to residential immovable property located within their territory and shall include at least the following criteria: (a) the assessment shall not allow any reliance on an increase in the value of the property as a means of repaying the loan; (b) the assessment shall be made on the basis of the consumer's current net disposable income, taking account of social benefits, debts and other financial commitments as well as foreseeable changes due to retirement during the term of the loan; where the assessment relates to a credit agreement under which the consumer will not occupy the property and which allows the consumer to rent the property to a third party, Member States may allow creditors to take account of reasonable projected rental income in carrying out the creditworthiness assessment; (c) the assessment shall be based on a realistic assessment of the repayment amount which shall be sufficient to repay the debt by final maturity at the fully indexed rate assuming a fully amortising repayment</i>	-	The rules on the assessment of creditworthiness should be principle-based. The concept of an individualised approach to creditworthiness is at the very core of the co-operative banks' business model. The procedures developed and used by the co-operative banks have already proved themselves to be sound and proper. The EACB would not recommend introducing highly prescriptive rules at EU level.

		<i>schedule and of the repayment structure which shall include foreseeable changes arising from the structure of the product, an allowance for increases in adjustable rates where such increases are permitted under the credit agreement, and where applicable an allowance for the impact of negative amortization on subsequent payments.</i>		
Article 14 paragraph 2 point a	Amendments 563-568 <i>a) Where the assessment of the consumer's creditworthiness results in a negative prospect for his ability to repay the credit over the lifetime of the credit agreement, the creditor refuses credit.</i>	<i>Deleted</i>	+	Assessing creditworthiness is not an automated process but is carried out by co-operative banks on an individualised basis. In some circumstances a responsible lending decision can be made despite the creditworthiness assessment which at face value is negative. There are factors which can be taken into account by the lender which are not strictly speaking elements of creditworthiness assessment, such as third party surety or collateral. Another example of a situation where the granting of the loan could be looked favourably upon despite negative creditworthiness assessment could be granting a loan for the purpose of finishing the property which is used as collateral, in order to be able to sell that property. Art 14(2)(a) is an unjustified and unnecessary intervention into the private autonomy of the contracting parties. The consequences for the consumer who was granted the credit where – according to this provision – he should have been denied, should be carefully considered, as such a borrower may be required to return the borrowed amount when the credit agreement is deemed or pronounced void. Following the same logic, positive creditworthiness assessment should not constitute a right to credit.

Article 19a (new)	Amendment 713		
		<p>Loan-to-value Ratio (LTV) Member States shall ensure that the value of a loan shall not exceed a total of the value of the residential property, notary fees, administrative costs and taxes. Stricter ratios may be adopted by the relevant competent authorities temporarily or permanently. Member states shall adopt stricter LTVs in their markets for credit agreements which bear the risk of varying installments due to the development of exchange rates or interest rates. The loan shall in those cases not exceed a total of 90% of the value of the property, notary fees, administrative costs and taxes</p> <p>EBA on its own initiative or on request of the ESRB may, based on sound assessment of the residential property market developments in a Member State, issue warnings to the relevant competent authorities and call for the introduction of stricter LTVs in general or on specific credit agreements.</p> <p>In case of non action EBA shall publish those warnings.</p> <p>EBA on its own initiative or on request of the ESRB may also call on the council to take a decision in accordance with Article 18 Paragraph 2 of Regulation No. 1093/2010 of the European Parliament and of the Council. In this case EBA may take a decision in accordance to Art. 18 Paragraph 3 of Regulation No. 1093/2010 of the European Parliament and of the Council to implement stricter LTVs for the affected markets.</p>	<p>—</p> <p>The proposed directive already provides for an obligation to assess consumer's creditworthiness, and ratios such as LTV or LTI are already part of the credit granting decision. Within the framework of their risk policy, banks need to be given the freedom to handle these ratios in a flexible manner and to determine the respective thresholds on their own. Fixing these ratios to a certain level would mean interference with the lender's business strategy and risk management. Hence, particular in the field of mortgage loans, the EACB objects supervisory provisions with regard to these ratios for the lending business. Finally, there is a question of the loans already granted but still outstanding; if consumers with such credits wanted to switch their loans granted under conditions different from those stipulated in the guidance (e.g. with a higher LTV ratio) such consumers would not be able to switch and would be locked in their current loans. Furthermore, it should be stressed that LTV's cannot be used rigidly by lenders because there is no „one size fits all“ figure which could be appropriate for each and every borrower.</p>

BLOCK X: Issue of implied 'right to credit'				
Article 14 paragraph 2 point f	Amendments 592 - 594 <i>(f) The consumer has the opportunity to request for the decision to be reviewed manually.</i>	<i>Deleted</i>	+	An obligation to review the negative decision raises concerns related to the issue of the implied right to credit, and would mean additional and unjustified red tape for banks. The added-value is unclear.
Article 16 paragraph 1 a (new)		<i>1 a. Member States shall ensure that adequate mechanisms to compensate consumers are in place if an adverse decision not to grant a loan was taken by a credit institution on the basis of an inaccurate credit report provided by a credit register.</i>	-	It should be reminded that no 'right to credit' should be introduced, and that creditors – who bare significant risks – should always maintain the freedom to choose with whom they wish to enter into a contractual agreement. In any case, it is unclear as to who would have to compensate. Credit institutions must not be held responsible for the content of credit registers and therefore should not be targeted by this provision.
BLOCK XII: Advice				
Article 17 paragraph 1	Amendments 631, 636, 637 <i>1. For the purposes of this Directive, 'advice' constitutes a separate service from the granting of a credit. Such a service can only be marketed as advice when the remuneration of the individual providing the service is transparent to the consumer.</i>	[...] <i>1. Member states may decide either : (a) that advice constitutes a separate service from the granting of a credit ; (b) that advice is included in the granting of a credit.</i> [...] <i>1. For the purposes of this Directive, 'advice' constitutes a separate service from the granting of a credit. Such a service may be provided: a. by Member States and the competent State authorities as 'advisory services' for citizens, taking into account their interests and their personal financial situation; b. by a private, natural or legal person, as advice, only where his or its independence vis-à-vis the creditors is ensured, specific standards are met and his or its remuneration is transparent and divulged to the consumer before the service is provided.</i>	-	Banks should be able to continue providing the services of 'advice' which should remain separate service. The consumer should be always informed whether the bank provides the separate service or not, however, it should always be an optional service, separate from the granting of the credit.

		[...] 1. For the purposes of this Directive, 'advice' constitutes a service which is separate from the granting of a credit and cannot be provided by bodies or individuals connected to any institution marketing credit agreements . Such a service can only be marketed as advice when the remuneration of the individual providing the service is transparent to the consumer.		
Amendment 633				
	1. For the purposes of this Directive , 'advice' constitutes a separate service from the granting of a credit. Such a service can only be marketed as advice when the remuneration of the individual providing the service is transparent to the consumer.	1. For the purposes of this Directive, 'advice' constitutes a separate service from the granting of a credit.	+	'Advice' is rightly classified as a separate service, different from the services provided by the lender or a tied credit intermediary to the borrower in the course of 'regular', non-advised process of granting a loan.
Article 17 paragraph 2 point a	Amendment 648 (a) consider a sufficiently large number of credit agreements available on the market so as to enable the recommendation of the most suitable credit agreements for the consumer's needs, financial situation and personal circumstances;	(a) consider a sufficiently large number of credit agreements available on the market, in the case of provision of advice by an untied credit intermediary, or from within the creditor's organisation, in the case of provision of advice by the creditor or a tied credit intermediary , so as to enable the recommendation of the most suitable credit agreements for the consumer's needs, financial situation and personal circumstances;	+	Separation between creditors and credit intermediaries from untied intermediaries is useful, as it would be unacceptable to expect creditors to recommend products of his competitors by considering products 'available on the market'
BLOCK XIII: Early repayment				
Article 18 paragraph 1	Amendment 656 1. Member States shall ensure that the consumer has a statutory or contractual right to discharge his obligations under a credit agreement prior to the expiry of that agreement. In such cases, he shall be entitled to a reduction in the total cost of the credit, such a reduction consisting of the interest and the costs for the remaining duration of the contract.	1. Member States shall ensure that the consumer (has) the right to discharge his obligations under a credit agreement prior to the expiry of that agreement. In the case of credit agreements with a fixed borrowing rate, Member States may make the exercise of that right subject to the existence of a legitimate interest on the part of the consumer (for example the sale of the item of immovable property), in which connection the wish to pay a lower	+	It must be ensured that the right of early repayment does not interfere with the product design of mortgages and does not impair their diversity. An unconditional right for the consumer to repay early poses a risk of limiting product design and in the end, consumer choice. In particular the type of the borrowing rate and specific funding structures of mortgages should be accounted for in the effort to preserve the product diversity (e.g.

		<i>borrowing rate shall not in itself be deemed to constitute a legitimate interest.</i>		unconditional early repayment without the right for the lender to fair and full compensation for all costs, interest rate losses and other losses, and foregone profits would lead to the significant increase of the prices of fixed rate mortgages, and even their complete elimination from the market). In any case, the consumer should have the option to waive the right of early repayment under the condition that he is well informed about the effects of that waiver and unconditionally declares in a written form that he accepts the consequences.
Amendments 674 - 676				
Article 18 – paragraph 2 – subparagraph 1	Member States may provide that the exercise of the right referred to in paragraph 1 is subject to certain conditions. Such conditions may include time limitations on the exercise of the right, different treatment depending on the type of the borrowing rate, or restrictions with regard to the circumstances under which the right may be exercised. Member States may also provide that the creditor should be entitled to fair and objectively justified compensation for potential costs directly linked to early repayment of the credit. In any event, if the early repayment falls within a period for which the borrowing rate is fixed, exercise of the right may be made subject to the existence of a special interest on the part of the consumer.	[...]Member States may provide that the exercise of the right referred to in paragraph 1 is subject to certain conditions. Such conditions may include time limitations, <i>defined by the supervisor</i> , on the exercise of the right <i>or</i> different treatment <i>determined exclusively by</i> the type of the borrowing rate. Member States may also provide that the creditor should be entitled to fair and objectively justified compensation for potential costs directly linked to early repayment of the credit, <i>although this shall not in any circumstances exceed 0.5% of the sum reimbursed.</i> In any event, if the early repayment falls within a period for which the borrowing rate is fixed, exercise of the right may be made subject to the existence of a special interest on the part of the consumer. [...]Member States may provide that the exercise of the right referred to in paragraph 1 is subject to certain conditions. Such conditions may include time limitations on the exercise of the right, different treatment depending on the type of the borrowing rate, or restrictions with regard to the	—	The creditor should be entitled to a fair and full compensation without caps. Limited compensation would oblige lenders to mutualise their risk, i.e. to divide potential losses amongst all mortgage borrowers.

		<p>circumstances under which the right may be exercised. Member States may also provide that the creditor should be entitled to fair and objectively justified compensation which is reasonable and does not greatly exceed costs, for potential costs and losses directly linked to early repayment of the credit. In any event, if the early repayment falls within a period for which the borrowing rate is fixed, exercise of the right may be made subject to the existence of a special interest on the part of the consumer.</p> <p>[...]Member States may provide that the exercise of the right referred to in paragraph 1 is subject to certain conditions. Such conditions may include time limitations on the exercise of the right, different treatment depending on the type of the borrowing rate, or restrictions with regard to the circumstances under which the right may be exercised. Member States may also provide that the creditor should be entitled to fair and objectively justified compensation for potential costs directly linked to early repayment of the credit. A maximum fee shall be set both for full final repayment and for early repayment. In the event of early repayment, the borrower may make an early repayment once a year (e.g. on the anniversary of the credit agreement) without incurring any fee, in other words no fee for amendment of the contract shall be charged. In any event, if the early repayment falls within a period for which the borrowing rate is fixed, exercise of the right may be made subject to the existence of a special interest on the part of the consumer.</p>		
Amendments 679 - 680				
	Where a Member State lays down such conditions, these shall not make the	Member States shall ensure that the following provisions are complied with:		The banks should not be obliged to disclose to the consumer their funding conditions. This

<p>Article 18 paragra ph 2 subpara graph 2</p>	<p><i>exercise of the right referred to in paragraph 1 excessively difficult or onerous for the consumer.</i></p>	<p><i>(a) consumers shall be entitled to request at any time a full calculation of the indemnities they will have to face when they decide to repay the credit early.</i></p> <p><i>(b) where the credit agreement is funded by callable instruments negotiated in regulated markets, the consumer is entitled to repay the credit agreement at a value determined by market conditions for the callable instrument;</i></p> <p><i>(c) where the credit agreement relates to a loan with a fixed interest rate for part or all of the term of the agreement the consumer is entitled to repay the credit agreement:</i></p> <p><i>(i) after expiry of the fixed interest rate period; or</i></p> <p><i>(ii) before expiry of the fixed interest rate period, in cases where the consumer has a special interest, upon payment of compensation to the creditor for potential costs directly linked to early repayment of the credit;</i></p> <p><i>(d) in credit agreements not referred to in points (b) or (c), the consumer is entitled to repay the credit agreement within a period which is no longer than three months after giving notice to the creditor of his desire to do so.</i></p> <p><i>In the context of point (c)(ii), the existence of a consumer's special interest shall be recognised at least in situations involving involuntary loss of employment, need for mobility, serious illness or death.</i></p> <p><i>Indemnities have to be calculated in a fair manner on the basis of the real costs originated by the early repayment. Member States shall limit administrative fees creditors can charge from their customers in case of early repayment and for calculating</i></p>	<p>is a part of their business strategy. Overall, the proposed provision is too prescriptive to be introduced at EU level.</p>
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		<i>the indemnities. Member states shall develop standards for a simplified calculation of the damages which shall be based on the remaining contract period and the difference between the contractual interest rate and the market interest rate at the moment of the repayment. If the early repayment is remunerative for the creditor, benefits shall be offset against administrative fees.</i>		
Amendment 677				
	<i>Where a Member State lays down such conditions, these shall not make the exercise of the right referred to in paragraph 1 excessively difficult or onerous for the consumer.</i>	<i>Deleted</i>	+	The formulation "excessively difficult or onerous" opens a lot of room for interpretation and could lead to high risks of litigation, and as such we recommend deleting this provision.
Article 18 paragraph 2 subparagraph 2 a (new)	Amendments 684 - 685			
		<i>Requests the European Commission to undertake an impact assessment on the structural implications of early repayments and a possible cap on indemnity on the EU mortgage market. Furthermore with the intention of ensuring that any reductions in indemnity does not cause further costs and less flexibility for the consumer in the long term.</i> <i>The EBA shall develop guidelines for the calculation of indemnities in case of early repayment in accordance with Art. 16 of regulation No. 1093/2010 of the European Parliament and of the Council.</i>	-	The lender should be always entitled to receive fair and full compensation for potential costs, interest rate losses and other losses, and foregone profits, and outright caps should not be introduced, and particularly not at EU level, either by the Commission or EBA.
BLOCK XIV: Rights and obligations in post-contractual stage				
Article 9 a (new)	Amendment 488 - 489			
		<i>1. Member States shall adopt measures to protect consumers against defaulting when variable interest rates change significantly.</i>	-	The obligation to introduce a cap on variable interest rates or to extent the period of the loan without any increase in periodic

		<p><i>If Member States do not define general caps on variable interest rates, they shall ensure that all lenders specify a maximum cap. Creditworthiness shall be checked on the basis of this maximum cap.</i></p> <p><i>[...]</i></p> <p><i>3. When the interest rate increases, the consumer shall always have the possibility to opt to extend the repayment period, with a maximum of 5 years, without supplementary costs and without increase in the periodic instalments.</i></p> <hr/> <p><i>In order to ensure more effective protection of consumers from unfair commercial practices in the property market, appropriate provisions shall be adopted to ensure:</i></p> <p><i>[...]</i></p> <p><i>b. the establishment of maximum limits for mortgage rates, both fixed-rate and floating-rate.</i></p> <p><i>[...]</i></p>		<p>instalments are one-sided rules introducing disproportionate burden for banks. The same goes for the establishment of maximum limits for mortgage rates. In 2011 the European Commission launched a consultation on a Study on Interest Rate Restrictions (including e.g. caps and rules on the calculation of compound interest) developed by ZEW/IFF. Following a thorough assessment, and considering the considerable diversity of national systems which are deeply rooted in national regulatory frameworks, the European Commission has not decided to take further action at EU level in this area. Unfair commercial practices are already subject to Directive 2005/29/EC, currently under review (with focus on financial services and immovable property).</p>	
Article 31 paragraph 2 point f	Amendment 769	<p><i>(f) an examination of the necessity to introduce rights and obligations with regard to the post-contractual stage of credit agreements</i></p>	Deleted	+	<p>This issue should remain in the domain of the Member States and not the European Commission, and the post-contractual elements should not be regulated in this Directive</p>
Article 18 a (new)	Amendment 689	<p><i>1. Member States shall ensure that lenders allow borrowers to keep a credit agreement when moving house provided that the value of the new property is sufficient to serve as the collateral required by the credit agreement and when the conditions required to consider collaterals as equivalents referred to in paragraph 2 have been fulfilled.</i></p> <p><i>2. Member States shall adopt the measures</i></p>		-	<p>Such arrangements could be introduced only on a contractual basis. This cannot be a statutory right.</p>

		<i>appropriate to ensure that where under national law a credit agreement related to a residential immovable property located in another Member State is considered as equivalent to a credit agreement related to a residential immovable property on its territory for the purposes of being pooled in financial instruments traded in secondary markets, they shall also be considered equivalent for the purpose of paragraph 1.</i>	
Article 18 a (new)	Amendments 690-691	<p><i>[...] 1. Member States shall ensure that where a credit agreement relates to a loan in a currency other than that in which the consumer holds the majority of assets or receives the majority of income from which the loan is to be repaid, the consumer shall have the right to convert the loan into the currency of the consumer's assets or income within a reasonable period.</i></p> <p><i>2. Member States shall provide that the creditor should be entitled to obtain fair and objectively justified compensation for potential costs directly linked to the exercise of the right but shall not allow creditors to impose a penalty arising from the exercise of the right.</i></p> <hr/> <p><i>[...]: 1. Member States shall ensure that where a credit agreement relates to a loan in a foreign currency, the consumer shall have the right to convert the loan into the currency of the Member State within a reasonable period.</i></p> <p><i>2. Member States shall provide that i) the creditor should be entitled to obtain fair and objectively justified compensation for potential costs directly linked to the exercise</i></p>	<p>— The above rule would lead to a one-sided transmission of the foreign currency risk to the bank. Such arrangements should remain a contractual possibility, not a statutory right. If the right of conversion of foreign currency loans is to be introduced, banks should have the possibility to charge the borrower with an appropriate compensation for their efforts related to the exercise of that right by the borrower. The right to a compensation for the lender should cover not only costs, but also losses.</p>

		<i>of the right but shall not allow creditors to impose a penalty arising from the exercise of the right, ii) conversion is effected at the market exchange rate applicable on the day of application for conversion, and iii) the interest rate and interest reference rate applicable to the credit agreement shall be adjusted accordingly.</i>		
Article 18 b (new)	Amendment 693			
		<i>In cases where creditors and consumers agree to make payments which exceed the amount required by the amortisation structure of the loan contained in the credit agreement, the lender is entitled to fair and objectively justified compensation which needs to be concluded in the mortgage credit contract.</i>	—	If the right of payment flexibility was to be introduced, it could indeed be done only on the contractual basis. However, to determine the total amount of the compensation in advance, at the time of the conclusion of the credit contract, and to indicate it in the contract itself, would be impossible. It must be sufficient if the total amount is determined at the time of the early repayment. What could be possible to indicate in the credit contract would be the general rules of the calculation of such compensation.
	Amendments 694-696			
		<i>Member States may (shall) ensure that creditors allow consumers to make payments which exceed the amount required by the amortisation structure of the loan contained in the credit agreement [...]</i>	—	This cannot be supported as this would be a statutory right
Article 18 (a) / (c)	Amendments 699-703			
		<i>Switching of creditor [...] Switching of borrower [...]</i>	—	These provisions are too long and complex to be introduced in an EU Directive. The EACB is opposed to the introduction of such arrangements as statutory rights. Switching of a creditor should be maintained as a contractual provision. If the right of switching of creditor is introduced in this Directive, it is imperative that the creditor is entitled to

				obtain fair and objectively justified compensation for potential costs, interest rate loss and other losses and foregone profits linked to the exercise of the right of switching, without outright limitations or caps.
Article 18 (c)/quinquies (new)	Amendments 704-705			
		Arrears and foreclosure [...]	—	Each co-operative bank tries to find solutions, together with the borrower, to avoid foreclosure proceedings, if it is possible. However, introducing strict requirements in relation to the process to be followed or the options which must be pursued prior to initiating foreclosure proceedings could potentially lead to unnecessary prolongation of the process and in the end to even higher costs for the borrower. In addition, foreclosure procedures have consequences in the context of prudential provisions (e.g. securitisation with equity capital). The EACB does not consider that prudential aspects for creditors should be covered in this directive.
BLOCK XV: Prudential issues				
Article 19 a / b (new)	Amendments 714-716			
		General prudential requirements [...] Prudential requirements [...] Special prudential requirements [...]	—	There should be no mix between specific prudential requirements and consumer protection in this proposed directive. Such a mix could cause mismatches between this directive (the main objective of which is consumer protection), and the provisions of other directives and regulations which focus on prudential matters, such as the CRD IV and CRR I.
Articles 18d / b / e / f (new)	Amendments 708-710			
		Registers of credit agreements related to residential immovable property / Register of financial products related to credit agreements related to residential immovable	—	The added value of the introduction of numerous registers is not clear. At the same time, the additional red tape resulting from the set up and maintenance of such registers,

		<i>property</i>		as well as the reporting obligations for banks, should be considered.
BLOCK XVI: Harmonisation				
Amendments 761-763				
Article 29 title & paragraph 1 a (new)	Imperative nature of this Directive	Harmonization and imperative nature of this Directive 1 a. Insofar as this directive contains harmonised provisions, Member States cannot maintain or introduce into their national law provisions diverging from those laid down in this directive.	+	The approach of targeted maximum harmonisation should be employed in the proposed Directive, as it is necessary to prevent national legislators from gold-plating and to guarantee a level playing field for all market participants. Targets of maximum harmonisation should be chosen according to the analysis of whether the non-application of the maximum harmonisation principle to a given provision would lead to diverging interpretations resulting in market distortions.
Other comments				
Article 5 paragraph 2 a (new)	Amendment 362	(a) In accordance with joint risk tolerance, costs arising from the credit shall be accounted for not in foreign currency but in the currency of the relevant country, and above a certain level the creditor and the borrower shall be jointly liable for the risks.	-	The EACB is opposed to the joined liability for the risk. The final decision to take a credit is in the sphere of the consumer. It is not acceptable to transfer the responsibility into the sphere of the creditor.