



SPECIALISED CONSUMER CREDIT PROVIDERS IN EUROPE

Roundtable on local initiatives

Eurofinas LPC Meeting

Brussels, 24 May 2012



➤ Initiative

- **One of the most important and debatable law provisions in Romania now is Regulation no. 24/2011 regarding the loans for natural persons issued by the National Bank of Romania (NBR), hereinafter called the "Regulation".**

Mainly I will draw attention on:

- i) the maximum duration of a credit contract for natural persons (5 years) and**
- ii) the living expenses that have to be considered when assessing the client's documents in order to grant a loan.**



- **Concerns/further information**
- **i) Regarding the duration of a credit, the main issue is that the 5 year maximum duration is also applicable to the revolving credit cards. Thus, in Romania, no credit card can be issued for a longer period. This provision is in contradiction with the European Regulations which define and accept revolving credit cards for an undetermined period of time.**

In our opinion, the revolving credit cards should be excepted from the Regulation.

- **ii) Regarding the "living expenses", we observe that it is mandatory according to the Regulation for the financial institutions to take into consideration the "living expenses" when assessing the client's credit documentation. The problem that we face is that these kind of expenses are not clearly defined in the our legislation. The financial institutions are free to define them according to their own internal rules.**

In our opinion some guideline principles should be developed in order to determine these expenses and to eliminate a potential unfair competition between the financial institutions.