

FINNIUS

Entry into force of implementation Act and Decree Mortgage Credit Directive

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 1 MINUTE

On 13 July 2016 the implementation Act ([link, in Dutch](#)) and Decree ([link, in Dutch](#)) of the Mortgage Credit Directive (2014/17/EU) have been published in the Bulletin of Acts and Decrees. The Act and Decree enter into force on 14 July 2016. As of that moment, mortgage credit providers and credit intermediaries need to comply with new rules that are introduced by the Mortgage Credit Directive. The new rules include, amongst others:

- providing a standardized information sheet (ESIS) with all the main features of the mortgage credit that is offered;
- rules regarding advertising on mortgage credit;
- calculation – according to specific prescribed formulas – of an annual percentage rate of charge (APR);
- mandatory withdrawal period of 14 days when making a binding offer (this also has consequences for the current proposal process that is customary practice in the Dutch market);
- continuous information obligations;
- rules on tied sales and combined sales;
- mandatory allowance of early (full) repayment of the credit;
- careful treatment of customers that are in arrears with payments;
- rules to be observed when executing the collateral;
- the possibility for intermediaries to benefit from a passport regime which allows them to provide cross border services in other EU Member States.

The rules are both of a civil law and financial regulatory law nature. Therefore, the Mortgage Credit Directive is implemented in the Dutch Civil Code (*Burgerlijke Wetboek*), the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the Market Conduct Supervision Financial Institutions Decree (*Besluit gedragstoezicht financiële ondernemingen Wft*).