



**MANDATORY CIRCULAR 1/2019 OF 24 MAY CONCERNING LAW 5/2019, OF
15 MARCH, REGULATING REAL ESTATE LOAN AGREEMENTS
(HEREINAFTER LCCI)**

APPENDIX I

**CONTENTS OF THE TEST REFERRED TO IN ART. 15.2 C) OF THE
LCCI**

A) TEST FOR THE BORROWER

1. HANDOVER OF PRE-CONTRACTUAL DOCUMENTATION

1.1. Do you confirm having received the following documentation on the day specified?

a) ESIS YES/NO b) SWS YES/NO c) copy of the draft agreement YES/NO d) document containing expenditure information YES/NO e) document containing the conditions of the insurance guarantees required YES/NO f) document containing the warning to the borrower of the obligation to receive advice from a notary public YES/NO

g) (Only in the event of loans with variable interest) Document with reference to instalments in different interest rate evolution scenarios YES/NO

1.2. Has the bank explained to you the content of the documents specified and answered your questions?

YES/NO

2. SELECTION OF NOTARY PUBLIC

2.1. Did the bank inform you that it was you who had the right to choose a notary?

YES/NO

2.2. Do you confirm that I am the chosen notary public?

YES/NO

3. CHARACTERISTICS AND REPAYMENT OF THE LOAN

3.1 Do you understand the capital and term of the loan, and the amount and frequency of its repayments?

YES/NO



3.2. Are you aware that each instalment comprises one part of loan principal and another part of interest?

YES/NO

4. INTEREST RATE

4.1. The interest rate you have been offered is fixed throughout the life of the loan or is expected to change at some point.

FIXED/VARIABLE

4.2. Does the offer made to you include interest rate reductions in the event that you contract certain products with the lender or entities indicated by the lender?

YES/NO

4.3. In the event of a fixed interest loan, are you aware that you will not benefit from a future drop in market reference rates?

YES/NO

4.3. In the event of a variable interest loan,

a) Are you aware that future interest is calculated by adding a spread to the agreed reference interest rate?

YES/NO

b) Do you understand that reference interest rates vary over time and that this variation could lead to an increase in the instalment?

YES/NO

5. LENDER SUBROGATION

5.1 Are you aware that you can change your lender through a procedure called subrogation that involves the full early repayment of your loan and has tax and duty rebates?

YES/NO

6. EARLY REPAYMENT OF THE LOAN

6.1. In the offer made to you by the lender, is there a fee for early repayment?

- In the case of full repayment: YES/NO
- In the case of partial repayment YES/NO
- In the case of change of lender (subrogation of creditor): YES/NO

6.2. Understand that this fee, if any, can only be charged if the early repayment produces a loss for the lender that must be justified.

YES/NO



7. FEES

7.1. Is your loan subject to:

- an arrangement fee YES/NO
- a fee for modification of conditions (novation): YES/NO
- a fee for claiming unpaid instalments: YES/NO

8. NON-COMPLIANCE

8.1. Have you understood that in the event of non-payment you will be charged the legally established interest on the amount you have failed to pay?

YES/NO

8.2. Have you understood that if the non-payment reaches a certain amount, the bank is entitled to declare the loan matured in advance and claim the total amount owed from each of the borrowers?

YES/NO

9. MORTGAGE FORECLOSURE

9.1. Do you understand that the non-payment of the loan can lead to the loss of the mortgaged property and its sale in a public auction?

YES/NO

9.2. Do you answer for this debt with all your assets, present or future, or only with the mortgaged asset?

WITH ALL ASSETS/ONLY WITH THE MORTGAGED ASSET

9.3. Do you understand that if you respond with all your assets and the value obtained in the auction of the mortgaged property is less than what is owed, you will continue to owe the difference to the lender?

YES/NO



B) TEST FOR THE GUARANTOR*

***In the event of a credit, references to loan, lender and borrower are to be understood as references to credit, creditor and mortgagor**

1. HANNOVER OF PRE-CONTRACTUAL DOCUMENTATION

1.1. Do you confirm having received the following documentation on the day specified?

- a) ESIS YES/NO
- b) SWS YES/NO
- c) copy of the draft agreement YES/NO
- d) document containing expenditure information YES/NO
- e) document containing the conditions of the insurance guarantees required YES/NO
- f) document containing the warning to the borrower of the obligation to receive advice from a notary public YES/NO
- g) (Only in the event of loans with variable interest) Document with reference to instalments in different interest rate evolution scenarios YES/NO

1.2. Has the bank explained to you the content of the documents specified and answered your questions?

YES/NO

2. CHARACTERISTICS OF THE LOAN

2.1. Do you understand the capital, the duration of the loan and the amount and frequency of the instalments?

YES/NO

2.2. Have you understood that if the non-payment reaches a certain amount, the bank can declare the loan matured early and claim all that is owed?

YES/NO

3. GUARANTOR LIABILITY

3.1. Are you aware that if the borrower fails to make a payment, the lender can claim the entire unpaid amount from you?

YES/NO

3.2. And do you understand that in this event the lender will be entitled to seek seizure of your property without being obliged to seek the sale of the mortgaged property at auction or to previously take action against other assets of the borrower?

YES/NO



3.3. If there are several guarantors, is each one of you responsible for the entirety of the debt and can the lender claim it?

YES/NO

3.4. If you are obliged to pay any amount of the debt, are you aware that you can claim reimbursement from the borrower of the amount paid to the lender?

YES/NO

3.5. Are you aware that the obligations you assume as guarantor will pass to your heirs in the event of death.

YES/NO

C) TEST FOR NON-BORROWER MORTGAGOR*

***In the event of a credit, references to loan, lender and borrower are to be understood as references to credit, creditor and mortgagor**

1. HANOVER OF PRE-CONTRACTUAL DOCUMENTATION

1.1. Do you confirm having received the following documentation on the day specified?

a) ESIS YES/NO b) SWS YES/NO c) copy of the draft agreement YES/NO d) document containing expenditure information YES/NO e) document containing the conditions of the insurance guarantees required YES/NO f) document containing the warning to the borrower of the obligation to receive advice from a notary public YES/NO

g) (Only in the event of loans with variable interest) Document with reference to instalments in different interest rate evolution scenarios YES/NO

1.2. Has the bank explained to you the content of the documents specified and answered your questions?

YES/NO

2. CHARACTERISTICS OF THE LOAN

2.1. Do you understand the capital, the term of the loan and the amount and frequency of the instalments?

YES/NO

2.2. Have you understood that if the non-payment reaches a certain amount, the bank can declare the loan matured early and claim all that is owed?

YES/NO



3. LIABILITY OF THE NON-DEBTOR MORTGAGOR

3.1. Have you understood that in the event of non-payment of the loan, the lender may request the public auction sale of your mortgaged property as security for the debt?

YES/NO

3.2. Are you aware that in this event the lender will be entitled to take action to seize your property without first having to try to collect unpaid amounts through sale at auction of the property mortgaged by the borrower (if any) or charged to other assets of the borrower?

YES/NO

3.3. Are you aware that with the amount obtained in the auction, you first pay what is due to the bank for all items (including judicial and out-of-court expenses incurred by the entity) and only if there is something left over would the surplus be given to you?

YES/NO

3.4. If you lose your property in the event of foreclosure, are you aware that you can then claim back from the borrower what has been paid to the lender?

YES/NO

D) QUESTIONS TO BE ADDED IN THE BORROWER'S TEST ONLY IN THE EVENT OF A MULTI-CURRENCY LOAN

1. Are you aware that, irrespective of any variation in the interest rate, the amount of your instalments will change substantially depending on how the exchange rate of the currency in which the capital is pegged evolves with regard to the Euro?

YES/NO

2. Do you understand that, as a result of such a development, after a period during which you have been paying your instalments on time, the capital due in euros may nevertheless be higher than what was due at the start of the loan?

YES/NO

3. Are you aware that, at any time, you can peg the loan back to the currency of the Member State in which you reside or in which you receive most of your income?

YES/NO



4. Do you understand that, to the extent that you receive your income in a currency other than the currency in which you have to repay the loan, this product represents a high financial risk for you?
YES/NO

5. Have you been offered a product to limit the exchange rate risk?
YES/NO

E) TEST FOR THE BORROWER

1. HANOVER OF PRE-CONTRACTUAL DOCUMENTATION

- 1.1. Do you confirm having received the following documentation on the day specified?
 - a) ESIS YES/NO
 - b) SWS YES/NO
 - c) copy of the draft agreement YES/NO
 - d) document containing expenditure information YES/NO
 - e) document containing the conditions of the insurance guarantees required YES/NO
 - f) document containing the warning to the borrower of the obligation to receive advice from a notary public YES/NO

 - g) (Only in the event of credit with variable interest) Document with reference to the instalments in different interest rate evolution scenarios YES/NO

- 1.2. Has the bank explained to you the content of the documents specified and answered your questions?
YES/NO

2. SELECTION OF NOTARY PUBLIC

2. Did the bank inform you that it was you who had the right to choose a notary?
YES/NO

- 2.2. Do you confirm that I am the chosen notary public?
YES/NO

3. CHARACTERISTICS AND REPAYMENT OF THE CREDIT

- 3.1. Do you understand the limit and term of the credit, and the frequency of interest payments?
YES/NO

- 3.2. Does your credit have agreed reductions in the limit prior to maturity?
YES/NO



4. INTEREST RATE

4.1. The interest rate offered is fixed throughout the life of the credit or is expected to change at some point.

FIXED/VARIABLE

4.2. Are there interest rate subsidies in your offer in the event that you contract certain products with the lender or other entities indicated by the former?

YES/NO

4.3. In the event of a fixed interest credit, are you aware that you will not benefit from a future fall in market reference rates?

YES/NO

4.3. In the event of variable interest credit,

a) Are you aware that future interest is calculated by adding a spread to the agreed reference interest rate?

YES/NO

b) Do you understand that reference interest rates vary over time and that this variation could lead to an increase in interest payable?

YES/NO

5. LENDER SUBROGATION

5.1 Are you aware that you can change your lender through a procedure called subrogation that involves the full early repayment of your credit and has tax and duty reductions?

YES/NO

6. EARLY REPAYMENT OF THE CREDIT

6.1. In the offer made to you by the lender, is there a fee for early repayment?

YES/NO

6.2. Understand that this fee, if any, can only be charged if the early repayment produces a loss for the lender that must justify it.

YES/NO

7. FEES

7.1. Is your loan subject to:

-an arrangement fee YES/NO

-a drawdown fee YES/NO

-a fee for modification of conditions (novation): YES/NO



- excess fee YES/NO
- fee for claiming unpaid instalments: YES/NO

8. NON-COMPLIANCE

8.1. Have you understood that in the event of non-payment you will be charged the legally established interest on the amount you have failed to pay?
YES/NO

8.2. Have you understood that when the loan matures you will have to repay the amount drawn down with the accrued and unpaid interest at that time?
YES/NO

9. MORTGAGE FORECLOSURE

9.1. Do you understand that the non-payment of the credit could lead to the loss of the mortgaged property and its sale in a public auction?
YES/NO

9.2. Do you answer for this debt with all your assets, present or future, or only with the mortgaged asset?
WITH ALL ASSETS/ONLY WITH THE MORTGAGED ASSET

9.3. Do you understand that if you answer with all your assets and the value obtained in the auction of the mortgaged property is less than what is owed, you will continue to owe the difference to the lender?
YES/NO