



New Legal Regime of Credit Agreements for Consumers Relating to Residential Immovable Property as Result of Directive 2014/17/EU

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Abstract

The Decree-Law n.º 74-A / 2017, of June 23th, partially transposed the Directive 2014/17/ EU to portuguese national legislation.

This Directive is about credit agreements for consumers relating to residential immovable property and has already been amended by Regulation (EU) n.º 2016/1011, of the Parliament and Council of 8th June 2016. With this directive, the European Union has developed a genuine initiative to regulate and harmonize the rules on the real estate market. In its preamble, the Directive states: “The development of a more transparent and efficient credit market within that area is vital in promoting the development of cross-border activity and creating an internal market for credit agreements relating to residential immovable property” and “the objective of this Directive is to ensure that consumers entering into credit agreements relating to immovable property benefit from a high level of protection”.The credit agreement for consumers relating to residential immovable property is one of the most important types of credit and represents a financial commitment of extreme importance, sometimes the most representative and important in family budgets. This type of credit tends to be an agreement with a long duration, with substantial values and can cause severe consequences in case of default. This initiative has also been used to promote the financial stability of the banking system, ensuring that there should be harmonized rules. There are matters that are obligatorily and imperatively subject to harmonization, in particular the rules concerning the provision of pre-contractual information, which will be given in a harmonized way, both as to the way of providing and as the content of the information.

In this study, we propose to list all the new rules that have been implemented by that Directive, analyzing the merit of its teleology, as well as if its implementation will substantiate an effective improvement and protection of the rights of consumers.

Keywords: European Union, Credit Agreements, Consumers, Residential Immovable Property.