



The Patronage's NBFIC credit Code of Best Practice

Preamble

This Code of Best Practice (hereinafter referred to as the Code) related to consumer credit, aims to describe the standard model of good practice for the Patronage's NBFIC credit members (hereinafter referred to as PNBFIC). The Code is a document generated by PNBFIC's members and will constitute as a practical model that responds to legislative requirements for the creditor's practice, but also responds to the consumer financial services and legislative compliances in the field.

The code is published by **PNBFIC, a NGO patronage organization** established under the Social Dialogue Law no. 62/2011 on June 22, 2016, registered in the Special Register of the 2nd District Law Court Registry under number 1 / 07.11.2016.

The membership status of the PNBFIC and the principles of this Code are states born strictly on a voluntary basis, thus the principles of this Code must not be understood as a replacement of the legislative obligations, but as a model that PNBFIC recommend its members and makes public towards the final financial services consumer financial.

The adherence to the Code is an intention to PNBFIC to ensure that its members deliver lending financial services at distance, at high standards and in full respect of consumer's protection legislation and on the lending legislation from Romania and the European Union. The members that signed the Code voluntarily shall choose to display the logo as a symbol indicating PNBFIC joining and assuming this Code.

Discipline in practice is an important factor for all PNBFIC's members, whose violation can generate sanctions in accordance with the PNBFIC's Statute that becomes a guarantor of observance of the principles of this Code both for its members and for consumers of lending services financial on distance.

Article no 1. The profile market

The main product that is the Code is addressed to is the **Consumer's Credit on distance**, meaning that category of credit tendered by remote solutions (telephone, online, web, etc.) on short term, which the consumer understands to reimburse based on a contractual relationship with the lender on the principal and interest on which they mutually agreed.

Article no 2. Principles in relation to the client consumer

2.1 The client consumer should be informed that although the Code is published by PNBFC, **each creditor - signatory member - has his own role and own responsibility in its implementation.**

Therefore, it goes without saying that PNBFC members will comply with the Client Consumer relationship following principles:

- A. Bidding in full transparency;
- B. Pre-contractual and contractual disclosure in terms accessible to consumers;
- C. Correct and unambiguous disclosure;
- D. Provision of services in their fullness;
- E. Availability for consumer counselling at his request starting with the pre-contractual phase (tender);
- F. Contracts in accordance with the relevant legislation in force from contract;
- G. Transparent, correct and complete presentation of the credit costs;
- H. Responsible lending, including submission made by the Client.

2.2 For the purpose of Article no 2, **consumer / client** is "a natural person acting for purposes which are outside his trade, business or profession", while customer is the consumer who decided to sign a credit agreement.

2.3 The **loan contract** means "an agreement whereby a creditor grants, promises or provides for the possibility of granting a consumer credit in the form of deferred payment, loan or other similar financial accommodation, except for agreements for the provision of services continuously or supply of goods of the same kind, where the consumer pays for such services or goods in instalments over the duration of their provision. "

2.4 The **total cost of consumer credit** means "all costs, including interest, commissions, taxes and any other costs that the consumer must pay in connection with the credit agreement and which are known to the creditor, excluding notary taxes; costs of ancillary services related to the credit agreement, in particular insurance premiums, are included if the conclusion of the service contract is compulsory to obtain the credit or to obtain it himself in accordance with the terms and conditions set '.

2.5 The term **lender** means that "legal person, including branches of credit institutions and foreign bank financial institutions that operate in Romania, which grants or undertakes to grant credit during his trade or profession".

The members that signed this Code are creditors of the type that carry non-banking financial institutions in Romania.

Article no 3. The members' responsibility

Each member that signed the Code shall:

- A. Respect the provisions of this Code;

- B. Respect legislation on lending as it is presented in Law 93/2009 regarding non-banking financial institutions, although secondary rules implementing the Government Emergency Ordinance 50/2010 on credit agreements for consumers, and in any legislative regulations or regulatory authority, primary or secondary, on lending became effective after adoption of the Code;
- C. Coordinate daily activity on the sound principles of corporate governance;
- D. Ensure adequate professional training specialized personnel and in accordance with the principles of this Code;
- E. Reports to the PNBFC any situations arising in NBF practice that, in relation to the client consumer fails to comply with the Code;
- F. Reports to PNBFC any inappropriate behaviour of other creditors, members or not, to prevent and manage reputational risk of PNBFC accordingly;
- G. Provide full cooperation to PNBFC on any issues related to compliance and implementation of the Code and relevant legislation;
- H. Provides a free copy of this Code (physical or electronic format), for information, for the client's consumers;
- I. Display the Code on his personal website.

Article no 4. The on-distance loan

4.1. Product advertising

Each member of the PNBFC which signed this code per his own will freely and uncorrupted, shall observe the following recommendations in the sale and advertising policies to remote credit:

- A. Publicity transparent product will transmit real offer will be reasonable comply with statutory provisions and formulated in clear, accessible and consistent with reality;
- B. The advertisement must not contain terms and expressions which could create confusion for the consumer, regardless of its dissemination by consumers (written, audio and / or video);
- C. Advertising and tendering policies comply with applicable legislation and provide the Client with information and educational sources about the product itself.

4.2. Selling headquarters IFN

Members can offer and contract consumer credit and / or workstations registered legal, compliance with this Code.

4.3. Customer visits at home

These visits will take place only with the Client and Consumer basis of national rules that Member's done. Internal Rules will include the need to obtain prior agreement for access to residence Consumer Client obligation to legitimate representative creditor and presentation of a delegation of representation.

4.4. Non-approved loan applications

4.4.1 The members that signed the Code must provide a transparent attitude, cordial, respectful and open relationship with consumers whose credit requests won't be approved.

4.4.2 The signatory members must involve a responsible employee in relation to the customer, a well-trained professional who can explain in an objective way the reason for refusing the loan request. In case the refusal is based on information provided by agencies such as the credit bureau, the consumer shall be informed accordingly.

4.4.3 In these situations, the name of the agency that supplied the information should be conveyed to the consumer, if he requests information. Discrimination on any grounds (gender, religion, ethnicity, race, etc.) is prohibited.

4.5. Responsible lending. Client solvency and adequate communication for its determination

4.5.1 The NBF creditor is obliged, in assessing the solvency of potential customers to go through an analysis proportionate and in accordance with the regulations so that the credit supply will be adapted to the real financial situation of consumers. In the request for information to assess the potential customer creditworthiness, the NBF lender will ensure that simplified the terminology used is one that can be understood by him unequivocally.

4.5.2 The consumer is entitled to be informed, upon request, of the reasons underlying the request for information to analyse its solvency, with the purpose of providing an appropriate loan repayment term of its ability.

4.6. Lending documentation; contractual terms and conditions

4.6.1 The Code's signatory declare that all pre-contractual and contractual terms and conditions shall be maintained in accordance with the legislation in force (non-exhaustive enumeration of GEO 50/2010, Consumer Credit Directive etc.).

4.6.2 The signatory members will pay special attention to informing about as transparent as possible, the Consumer about the on-distance credit product, to advise him on demand offering free copy documents but also resolve consumer demand on the state contract in reasonable time.

4.6.3 The same principles will be respected if consumer demands to receive information about their credit agreement and the possibility of extension or restructuring of the loan.

4.6.4 The signatories of this code will aid in the event of applications for rescheduling or restructuring of the loan and provide complete and clear information about the risks assumed by rescheduling or restructuring of the loan and related costs.

4.6.5 Customer shall be informed simple and clear on the creditor's procedures where it recorded loan payments in arrears and will provide it for information, presentation debt recovery solutions to the creditor may apply in such situations.

4.6.6 By their own will, freely expressed and uncorrupted, the signatory members will promote by example and to a reasonable limitation of all borrowing costs, per the customer's repayment ability and economic reality of the contract lending.

Article no 5. Confidentiality

Non-bank financial institutions that signed the Code assume:

- A. To kept in strict confidence any information about the client consumer, unless the law permits or require the NBFi reporting such information to the institutions authorized by law;
- B. To provide the necessary security measures for processing and archiving of personal information of consumers in full
- C. To ensure consumers' personal information communication only to the institutions empowered by law and not allow without prior consent of the Client sending them to marketing agencies, brokers and any other institutions, other than those described in paragraph A above.

Article 6. Customers in financial difficulty

Principles of interaction with customers in difficulty:

- A. NBFi signatories will encourage customers in financial statements that do not allow the repayment at maturity of the loan and its accessories, by all means inform about the reasons for delay in payment;
- B. NBFi signatories will provide specialist advice and provide solutions for customers in financial difficulty;
- C. NBFi signatories will inform customers of this category of legal solutions available to them, the possibility of triggering the insolvency proceedings of individuals and on the medium and long term consequences of this policy;
In the process of collecting the debt of Consumer customers, NBFi signatories will avoid any collection procedure that can be assimilated to Consumer mental harassment. In this regard, IFNs signatory shall ensure that the principles of this Code on customers in financial difficulty are transferred procedural obligation agencies the collection that outsourcing this service.

Article 7. Management of Customer complaints and petitions

7.1 Each Member shall ensure that the signer assumes adequate internal procedures and in accordance with the law and with the principles of this Code for managing customer complaints and petitions. To this end, Members shall provide the consumer with all the necessary information about the program contact details and call centre dedicated points of sale and any other locations that can be accessed online or physically by the Client.

7.2 Each Member Signatory will inform customers on the possibility of resolving complaints amicably and will inform their work procedure in this regard as well as information about their right to apply to the ANPC, CSALB (entity of alternative dispute resolution in the banking) or the courts.

7.2 The procedures of each signatory management IFN complaints and petitions will be made public, for science of the clients and for easy access. Through this Code signatories assume a maximum response to complaints and petitions of the Clients in 5 working days from the receipt thereof and provide consumers PCIFN intervention in solving complaints and sanctioning members who do not respect the principles of this Code and legislative provisions in the field.

7.3 By their own procedures, NBF's signatory undertakes continuous training of personnel involved in resolving complaints amicably and communication PCIFN on those cases that require intervention Employers.

Article 8. Compliance with the principles of the Code

8.1 Members signatories assume the obligation to make public their status as members of PCIFN and to provide PNBFC symbol Consumer's contact details.

8.2 The members of PNBFC obligation, undertaken by own will, free and uncorrupted, is to comply with this Code.

8.3 PNBFC will monitor the compliance of its members with this Code.

Article 9. Transitional Provisions

9.1 Each member PNBFC in within 6 months of the signing of this Code and / or becoming a member PNBFC (which carries lending By bidding product consumer credit distance), assume voluntarily the obligation **to implement / apply fully and correctly the provisions of the Code of Practice**. Refusal of signing and / or implementation / application of this Code, is a tacit expression of will, cessation of membership PNBFC.

9.2 For the application in full neutrality principles and purpose of Article 3 of this Code, members PNBFC propose the establishment, within 6 months from the signing of a College Advisory PNBFC.

9.3 PCIFN Advisory Board is a structure without permanent character, without legal personality, which issues recommendations and opinions non-mandatory about the objectives and conduct of PCIFN members in lending policy and in relation with consumer debtor.

9.4 The Advisory Board is informed in any way and / or can self-refer the violation by members' signatories to the principles of good practice undertaken by signing the Code, proceeding according to statutory provisions and procedure of functioning of the College.

9.5 Advisory Board formulates proposals for the application in full neutrality in respect of consumer legislation PNBFC of the Statute and the Code of Good Practice on Consumer Credit distance.

9.6 The Advisory Board consists of 3 members, preferably academics, relevant institutional and civil society, who are not involved in any manner - formal or informal - in lending.

9.7 Membership of the Advisory Board is exercised voluntarily and free of charge - no remuneration for their work.

9.8 Advisory Board members are nominated and approved by simple majority of the Board of PNBFC.

9.9 Members of the Advisory Board established operating procedure - freestanding - College and have full competence to a fine for improvement.

9.10 The mandate of members of the Advisory Board is 3 years and can be renewed without any limitation.