

Court postpones ruling on objection over law protecting consumers against excessive interest

The Constitutional Court of Romania (CCR) on Wednesday postponed until November 18 its ruling on a complaint filed over a law on consumer protection against excessive interest rates.

Filing the complaint were MPs of the National Liberal Party (PNL).

At a plenary session on May 6, the Chamber of Deputies voted for a bill on consumer protection against excessive interest rates, in order to maintain the contractual balance and ensure the integrity of the domestic finance and banking market.

The MPs passed an amendment initially rejected by the specialist committees according to which, "as an exception to Article 5, in the case of consumer loans in the maximum amount of 15,000 lei, the total amount to be repaid by the consumer shall not exceed twice the amount of the loan." Article 5 stipulates that "the actual annual interest rate on consumer loans may not exceed by more than 15 percentage points the reference interest rate charged by the National Bank of Romania."

Under another amendment, a financial creditor is a credit institution authorised by the National Bank of Romania, a Romanian branch of a foreign credit institution, a non-banking financial institution or an entity that carries out debt collection.

An article amended by the MPs says that "the actual annual interest rate on mortgage loans shall not exceed by more than two percentage points the reference interest rate charged by the National Bank of Romania (BNR) on the domestic finance and banking market; if the financial creditor is a non-banking financial institution, the actual annual interest rate on mortgage loans shall not exceed twice the reference interest rate charged by BNR on the domestic finance and banking market.