



Autoriteit Financiële Markten

“Borrowing wisely”

Do you have questions?

If you do have questions or a complaint concerning your bank, insurance company or intermediary, contact us by mail or telephone. You can ask questions via mail in Dutch or English at: BES@afm.nl

You can also call to make an appointment: On Bonaire (+599) 715 8333, on Saba (+599) 416 3934 and on Sint Eustatius (+599 318 3370/3371/3372) You can ask your questions in Dutch, Papiamentu or English.

Do you need a new television or another car? Or are you just short on cash? A loan could be the solution. But how do you know if you will be able to continue paying off the loan? And, how will you know if you are not paying too much for your loan?

Since July 1st, 2012 lenders must verify how much you are able to borrow. They will ask for example what your income and expenditures are. They also want to know if you have other current loans. The Authority for the Financial Markets (Autoriteit Financiële Markten - www.afm.nl) inspects if banks, insurance companies and intermediaries comply with the rules.

Which questions can you ask yourself when you want a loan?

- Which amount of money will I be able to miss out on every month to pay the loan costs (interest + paying back, the so-called amortization)?
- Which types of loans can I choose from?
- Do I know the conditions of the loan that I am choosing?
- What are the costs (including interest) over the total maturity of the loan that I choose?
- May I repay the loan earlier (advanced) and will I have to pay costs for that?
- Does the lenders or intermediary have a permit for offering loans? You can check this on www.afm.nl/professionals/bes-ondernemingen

Being in overdraft on your current account

Being in overdraft means that you can use more money from your current account than you actually have. You agree with the bank what your maximum overdraft amount may be. Mostly you pay a high interest rate when you are in overdraft.

Car not in front of the door anymore

Make sure that the maturity of the loans is not longer than the lifetime of the product. For example you borrow money to buy a car. You take a loan for twenty years, but the car only lasts for ten years. You will then be paying amortization and interest for another ten years for a car you do not have anymore. Remember that you can also save for goods or to go on a vacation.

Do you have a complaint?

In case you have a complaint concerning the bank or intermediary where you have closed a loan, then start by sending a letter. Describe shortly what your complaint is about. Do not forget to ask if they also want to give you a written answer.

Tips

1. Before you are going to borrow, make an overview of all your income and expenditures. So you will know what amount remains to pay a new loan with.
2. Take enough time before you choose a loan. Never close a loan right after you have received the proposition (offer). Do not let them pressure you.
3. Do you already have other loans? Consider if it is wise to borrow more.
4. Saving is more favorable than borrowing, because you receive interest instead of paying it. Choose for saving if it is possible. Especially if you want to buy something from which you derive short-term pleasure.
5. Ask for several offers in order to make a good comparison.