

WHAT IS A LOAN?

A loan is a financing product.

This means that the bank gives you a sum of money.

You then have to pay that money back little by little, usually every month.

What do you pay each month?

Each month you will pay:

- The amount of money you have agreed in the contract (the instalment).
- Interest on the loan.

Sometimes other expenses can also be paid.

It is therefore very important that, before taking out a loan, be well informed about all the conditions.

Where can I take out a loan?

As a general rule, you can take out a loan with a financial institution, such as a bank.

And you can use that money for whatever you want.

But you can also ask for a loan in the shop where you are going to make a purchase.

For example, when you buy an appliance or a piece of furniture and they offer you payment by instalments.

And how does the shop loan work?

If you borrow from the shop,
they take care of everything themselves.

They check your financial situation
and offer you several payment options.

You decide how long you want to take to return it
and how much you will pay each month.

It is important to choose the right loan conditions

When you take out a loan, it is important to make a good decision:

- how much you will pay each month,
- and for how long you are going to pay it back.

Before signing, they must give you all the information
about the costs, interest
and conditions of the loan.

This way you can make your calculations
and choose the best instalment for you.

How is a loan repaid?

To repay the loan you can:

PAY A MONTHLY INSTALMENT

If the instalment is higher,
you will pay back the loan in less time.
You will pay less interest.

REPAY PART IN ADVANCE

To return a part in advance,
that amount has to be
greater than the sum of 2 instalments.

In other words, if you pay €500 a month
and you want to pay part of it early,
the amount must be greater than €1,000.

You must first notify the bank in writing.

REPAY ALL THE MONEY AT ONCE

Repaying the entire loan in one go
may incur extra costs.

That is why it is important to be well informed
before taking out a loan.

This way you can make the best decision.