

REPRESENTATIVE EXAMPLE

What is a representative example?

It is an example, a simulation,
that allows you to see and understand
in a clear and practical way
how the credit you want to apply for works.

It is given to you by the bank or financial institution
from which you request the credit.

What information appears in the representative example?

- An amount of money you could ask for.
- The interest rate you will pay on this money,
i.e. the nominal interest rate (NIR).
- A period of time in which you could repay that money.
- The amount of money you will pay each month
based on the amount of credit shown in the example,
i.e. the instalments.
- Sometimes, it may show you other credit costs,
such as an arrangement fee.
- The annual percentage rate of charge (APR) of the credit,
which includes the annual cost of the credit,
i.e. interest on the credit plus the charges financed.

Why is the representative example important?

Because it helps you to understand
in a clear, practical and simple way
how the credit you want to apply for works.

With all this information, it will be much easier
to decide whether you are interested in taking out the credit or not.

If you have more than one representative example,
you can compare them
to decide which credit you are
most interested in taking out.