

# Loans

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Loan is a monetary amount granted to a loan user for a specific period of time at a certain price. When considering to take out a loan, one has to take into account all the requirements and costs associated with the granting of loans.

Some types of loans, depending on the amount of loan that is applied for, often require additional instruments of collateral so when considering a decision on taking out a loan, it is important to take into account all the requirements and costs associated with the granting of a loan, such as for instance, loan application fee, valuation of the movable or immovable property given as instruments of collateral, insurance policies, costs of the notary public, etc. Therefore, before deciding on taking out a loan, it is necessary to collect and study all the information related to the relevant type of loan, inquire with as many credit institutions as possible about the terms and conditions they offer and based on the information collected, estimate which offer is the most favourable for you, bearing in mind your own expectations and possibilities.

The tradition of loans and borrowing goes far back in the history of human civilisation. However, life on debt has never been more present in the history of life than today. Different social arrangements created economic conditions under which access to borrowing was much more difficult and loans were as a result approached with much more caution. During credit expansion, when whole economies function owing to borrowing, everything can be purchased on credit, while advancements in the financial system provide consumers with easy access to cash at all times. In such circumstances where a high level of consumption is encouraged, one has to exercise a high degree of self-control to distinguish basic living costs from additional values which are not necessary but make life more pleasant.

## **Who to turn to when considering the possibility of taking out a loan**

Loans may be negotiated in one of the [credit institutions](#) (banks, savings banks and housing savings banks) or [credit unions](#) provided you are a member. To be able to grant loans, such institutions require prior authorisation, issued in the Republic of Croatia by the Croatian National Bank.

Credit intermediaries must also have authorisation issued by the Croatian National Bank. Credit intermediaries present or offer agreements on consumer mortgage loans to consumers and assist them in administrative tasks in the preparation of agreements and other types of tasks prior to the conclusion of agreements, and can conclude agreements on consumer mortgage loans with consumers on behalf and for the account of creditors. The information on the specific services and credit institutions for which a credit intermediary is authorised is available in the [Register of credit intermediaries](#).

Loans may also be negotiated with the creditors having an authorisation of the Ministry of Finance which also publishes the list of creditors holding an authorisation to grant consumer loans.

In addition, Croatia's accession to the EU has opened new possibilities for negotiating a loan so it is now possible to negotiate a loan with institutions authorised in another Member State showing interest for direct or indirect provision of services in the territory of the Republic of Croatia. Such institutions do not require a special authorisation since they are already authorised in the countries in which they have a registered office, but they are obligated to announce their intention to provide services in the territory of the Republic of Croatia.

Where a loan is negotiated with entities not belonging to either of the previously mentioned categories, it is necessary to bear in mind that such entities are not regulated or supervised and that in regard to credit price and terms and conditions they are less favourable than those offered by regulated institutions.



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