

## **Truth and Transparency in Lending**

### **Enhanced Implementation of the Truth in Lending Act (Republic Act 3765)**

The State protects its citizen from a lack of awareness of the true cost of credit to the customer by assuring a full disclosure of such cost and other terms and conditions with a view of preventing the uninformed use of credit.

As such, a disclosure statement is a required attachment to the loan contract. It shall include, at a minimum, the following information:

1. Total amount to be financed
2. Finance Charges and all other charges incident to the loan
3. Net proceeds of the loan
4. Schedule of Payments
5. The percentage that the finance charge bears to the total amount to be financed expressed as an Effective Interest Rate (EIR)

**Important Notice:** The borrower has a right to demand a copy of the disclosure statement.