



Reports of Cases

JUDGMENT OF THE COURT (Sixth Chamber)

16 July 2020*

(Reference for a preliminary ruling – Consumer protection – Credit agreements for consumers – Directive 2008/48/EC – Concept of ‘total cost of the credit to the consumer’ – Costs for extending the credit)

In Case C-686/19,

REQUEST for a preliminary ruling under Article 267 TFEU from the Augstākā tiesa (Senāts) (Supreme Court, Latvia), made by decision of 12 September 2019, received at the Court on 18 September 2019, in the proceedings

SIA ‘Soho Group’

v

Patērētāju tiesību aizsardzības centrs,

THE COURT (Sixth Chamber),

composed of M. Safjan, President of the Chamber, L. Bay Larsen and C. Toader (Rapporteur), Judges,

Advocate General: J. Richard de la Tour,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

- SIA ‘Soho Group’, by I. Šimulīte,
- the Latvian Government, by V. Kalniņa and V. Soņeca, acting as Agents,
- the Italian Government, by G. Palmieri, acting as Agent, and by G. Rocchitta, avvocato dello Stato,
- the European Commission, by I. Rubene and G. Goddin, acting as Agents,

* Language of the case: Latvian.

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,
gives the following

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Article 3(g) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ 2008 L 133, p. 66).
- 2 The request has been made in proceedings between SIA ‘Soho Group’ and the Patērētāju tiesību aizsardzības centrs (Consumer Rights Protection Centre, Latvia) (‘the CRPC’) concerning the request for annulment of the CRPC’s decision imposing a fine on Soho Group for infringement of the collective interests of consumers.

Legal context

EU law

- 3 Recitals 19, 20, 26, 28 and 43 of Directive 2008/48 read as follows:

‘(19) In order to enable consumers to make their decisions in full knowledge of the facts, they should receive adequate information, which the consumer may take away and consider, prior to the conclusion of the credit agreement, on the conditions and cost of the credit and on their obligations. To ensure the fullest possible transparency and comparability of offers, such information should, in particular, include the annual percentage rate of charge [‘APRC’] applicable to the credit, determined in the same way throughout the [European Union]. ...

(20) The total cost of the credit to the consumer should comprise all the costs, including interest, commissions, taxes, fees for credit intermediaries and any other fees which the consumer has to pay in connection with the credit agreement, except for notarial costs. ...

...

(26) Member States should take appropriate measures to promote responsible practices during all phases of the credit relationship, taking into account the specific features of their credit market. Those measures may include, for instance, the provision of information to, and the education of, consumers, including warnings about the risks attaching to default on payment and to over-indebtedness. In the expanding credit market, in particular, it is important that creditors should not engage in irresponsible lending or give out credit without prior assessment of creditworthiness, and the Member States should carry out the necessary supervision to avoid such behaviour and should determine the necessary means to sanction creditors in the event of their doing so. Without prejudice to the credit risk provisions of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions [(OJ 2006 L 177, p. 1)], creditors should bear the responsibility of checking individually the creditworthiness of the consumer. ...’

...

- (28) To assess the credit status of a consumer, the creditor should also consult relevant databases; the legal and actual circumstances may require that such consultations vary in scope. ...

...

- (43) In order to promote the establishment and functioning of the internal market and to ensure a high degree of protection for consumers throughout the [Union], it is necessary to ensure the comparability of information relating to [the APRC] throughout the [Union]. ... This Directive should therefore clearly and comprehensively define the total cost of a credit to the consumer.'

4 According to Article 1 thereof, the purpose of Directive 2008/48 is to harmonise certain aspects of the Member States' rules concerning agreements covering credit for consumers.

5 Article 2(6) of that directive provides that Member States may decide that only certain provisions of the directive are to apply to credit agreements which provide for arrangements to be agreed by the creditor and the consumer in respect of deferred payment or repayment methods where the latter is already in default on the initial credit agreement.

6 Under Article 3 of that directive:

'For the purposes of this directive, the following terms shall bear the following meanings:

...

- (g) "total cost of the credit to the consumer" means all the costs, including interest, commissions, taxes and any other kind of fees which the consumer is required to pay in connection with the credit agreement and which are known to the creditor, except for notarial costs; costs in respect of ancillary services relating to the credit agreement, in particular insurance premiums, are also included if, in addition, the conclusion of a service contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed;

- (h) "total amount payable by the consumer" means the sum of the total amount of the credit and the total cost of the credit to the consumer;

- (i) "[APRC]" means the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit, where applicable including the costs referred to in Article 19(2);

...

- (l) "total amount of credit" means the ceiling or the total sums made available under a credit agreement;

...'

- 7 Article 5 of Directive 2008/48, entitled ‘Pre-contractual information’, lists, in paragraph 1(c), (g) and (i) thereof, the information to be provided to the consumer before he or she is bound by any credit agreement or offer, which is, respectively, ‘the total amount of credit and the conditions governing the drawdown’, the ‘[APRC] and the total amount payable by the consumer’ and, where applicable, ‘any other charges deriving from the credit agreement and the conditions under which those charges may be changed’.
- 8 Article 8 of Directive 2008/48, entitled ‘Obligation to assess the creditworthiness of the consumer’, provides in paragraph 1:
- ‘Member States shall ensure that, before the conclusion of the credit agreement, the creditor assesses the consumer’s creditworthiness on the basis of sufficient information, where appropriate obtained from the consumer and, where necessary, on the basis of a consultation of the relevant database. Member States whose legislation requires creditors to assess the creditworthiness of consumers on the basis of a consultation of the relevant database may retain this requirement.’
- 9 Article 10 of that directive, entitled ‘Information to be included in credit agreements’, provides, in paragraph 2, the information to be specified ‘in a clear and concise manner’. That information includes, respectively, points (d), (g), (k) and (u), ‘the total amount of credit and the conditions governing the drawdown’, ‘the [APRC] and the total amount payable by the consumer, calculated at the time the credit agreement is concluded; all the assumptions used in order to calculate that rate shall be mentioned’ and, where appropriate, ‘any other charges deriving from the credit agreement and the conditions under which those charges may be changed’, as well as ‘other contractual terms and conditions’.
- 10 Article 19 of Directive 2008/48 entitled ‘Calculation of the [APRC]’ provides in paragraph 2 that, for the purpose of calculating the APRC, ‘the total cost of the credit to the consumer shall be determined, with the exception of any charges payable by the consumer for non-compliance with any of his commitments laid down in the credit agreement and charges other than the purchase price which, for purchases of goods or services, he is obliged to pay whether the transaction is effected in cash or on credit’.

Latvian law

- 11 The concept of ‘total cost of the credit to the consumer’, arising from Directive 2008/48, was incorporated in the Ministru kabineta noteikumi Nr. 1219 ‘Noteikumi par patērētāja kredītēšanu’ (Decree of the Council of Ministers No 1219, ‘Provisions on consumer credit’) of 28 December 2010 (*Latvijas Vēstnesis*, 2011, No 2) governing the calculation of the APRC.
- 12 The Patērētāju tiesību aizsardzības likums (Law on Consumer Rights Protection), in the version applicable to the dispute in the main proceedings (‘the CRP Law’), reproduces, in Article 1(9) thereof, the definition of the ‘total cost of the credit to the consumer’ as it is worded in Directive 2008/48.
- 13 Article 8 of that law, entitled ‘Consumer credit’, provides:
- ‘...

(2²) The costs of the consumer credit agreement shall be proportionate and shall comply with fair commercial practice. The total cost of the credit to the consumer shall be calculated in accordance with the procedures laid down in the legal provisions governing consumer credit.

(2³) The following shall be deemed to be requirements incompatible with subparagraph 2²: any total costs to the consumer exceeding 0.55% per day of the amount of the credit from the first to the seventh day (inclusive) of use of the credit; 0.25% per day of the amount of the credit from the eighth to the fourteenth day (inclusive) of use of the credit; and 0.2% per day of the amount of the credit from the fifteenth day of use of the credit. In agreements under which the credit is repaid following a demand or in which the period for using the credit is more than 30 days, any total costs of the credit to the consumer exceeding 0.25% per day of the amount of the credit shall not be deemed to be compatible requirements under subparagraph 2². The limitations on the total cost of the credit to the consumer shall not apply to consumer credit agreements in which, as a condition of their conclusion, an item is deposited with the creditor as security and under which the consumer's liability is limited exclusively to the item pledged.

...'

The dispute in the main proceedings and the questions referred for a preliminary ruling

- 14 Soho Group is a credit institution specialising in the online granting of small loans for short periods of time. The commercial practice of that undertaking is to provide credit services to consumers in the form of loans of between EUR 70 and EUR 425, for a period, which, as is apparent from the order for reference, can range from 30 days to 12 months.
- 15 During an inspection of the company's website, the CRPC found that Soho Group was offering credit agreements containing a clause entitled 'Extension of the duration of the loan'. Under that clause, the borrower could request an extension of the duration of the loan by paying an extension fee into the creditor's current account that depends on the amount and duration of the loan. On receipt of the payment, the creditor would send a notice confirming the extension of the duration indicated in the special conditions of the credit agreement or in the payment timetable, or would refuse to grant such an extension, without being required to give reasons for doing so.
- 16 At the end of that inspection, the CRPC concluded that, as regards the extension of the duration of the credit, Soho Group offered consumers credit agreements the total daily cost of which did not comply with Article 8(2) of the CRP Law. The CRPC therefore took the view that the costs under Soho Group's consumer credit agreement were disproportionate and not consistent with fair commercial practice, in accordance with Article 8(2²) of that law. To that end, it considered that the total cost of the credit included the costs of extending the credit on the ground that the conditions for extending the credit were part of the terms and conditions agreed between the creditor and the borrower in the credit agreement.
- 17 By decision of 21 February 2017, the CRPC imposed a fine of EUR 25 000 on Soho Group.
- 18 Following the dismissal by the administratīvā rajona tiesa (District Administrative Court, Latvia) of the action brought by Soho Group seeking the annulment of that decision, Soho Group brought an appeal before the Administratīvā apgabaltiesa (Regional Administrative Court, Latvia), which, by judgment of 4 December 2018, upheld the decision of the administratīvā rajona tiesa (District Administrative Court).

- 19 By that judgment, the Administratīvā apgabaltiesa (Regional Administrative Court) held that, when the duration of the credit agreement at issue in the main proceedings was extended, the costs associated with the use of the credit during the extension period became known and constituted costs of credit to which the limitations set out in the CRP Law were applicable.
- 20 Soho Group brought an appeal before the referring court, claiming that payment of the extension fees is not compulsory in order to obtain or use the loan. Moreover, extension of the credit agreement is only one of three possible options when the loan becomes due. The other two options are to repay the loan with no extra payments or not to repay the loan, which would trigger the calculation of default interest. According to Soho Group, since the extension of the credit was not known at the time when the agreement was concluded, that is to say, at the time of determining the total cost of the credit and calculating the APRC, the costs of that extension cannot be included in the total cost of the credit.
- 21 The referring court states that it must be established whether the ‘total cost of the credit to the consumer’ includes the costs of extending the credit, in so far as the conditions for its possible extension form part of the terms and conditions agreed between the creditor and the borrower in the credit agreement.
- 22 In that regard, the referring court states, first, that the case-law of the Court confirms the broad definition of the concept of ‘total cost of the credit to the consumer’ within the meaning of Directive 2008/48 and, second, that that case-law recognises that the creditor is entitled to levy other types of charges not referred to in that directive.
- 23 However, the referring court has doubts as to whether such costs are covered by that concept.
- 24 The referring court also states that a number of specific clauses of the credit agreement at issue in the main proceedings show that the creditor considers the extension of the credit agreement to be an acceptable option for the purpose of avoiding default. That is apparent both from the detailed nature of those clauses and from the large number of credit agreements which have been extended in practice.
- 25 Accordingly, the Augstākā tiesa (Senāts) (Supreme Court, Latvia) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:
 - ‘(1) Is the concept “total cost of the credit to the consumer”, defined in Article 3(g) of Directive [2008/48] an autonomous concept of EU law?
 - (2) Are the costs of extending the credit included in the concept “total cost of the credit to the consumer”, defined in [that provision], in circumstances such as those of [the main proceedings], if the clauses on extending the credit form part of the terms and conditions of the credit agreement agreed by the borrower and the lender?’

Consideration of the questions referred

- 26 By its questions, which it is appropriate to examine together, the referring court asks, in essence, whether the concept of ‘the total cost of the credit to the consumer’ in Article 3(g) of Directive 2008/48 must be interpreted as meaning that that concept includes costs of extending the credit, where the conditions for its possible extension form part of the terms and conditions of the credit agreement agreed by the creditor and the borrower.
- 27 As a preliminary point, it should be noted that, in accordance with Article 1 thereof, Directive 2008/48 is intended only to harmonise certain aspects of the rules relating to credit agreements for consumers and that it does not contain harmonising rules on deferral of the term of the credit. That directive refers only to cases of default in Article 2(6), which is not at issue in the main proceedings. Moreover, as all the parties to the main proceedings have argued, the question of the maximum admissible cost of credit is not regulated by that directive, so that the Member States remain competent to determine such a cost (see, to that effect, judgment of 26 March 2020, *Mikrokasa and Revenue Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty*, C-779/18, EU:C:2020:236, paragraphs 40 and 48).
- 28 According to Article 3(g) of Directive 2008/48, the concept of ‘the total cost of the credit to the consumer’ includes ‘all the costs, including interest, commissions, taxes and any other kind of fees which the consumer is required to pay in connection with the credit agreement and which are known to the creditor, except for notarial costs’.
- 29 It is apparent from the wording of that provision that only ‘notarial costs’ are expressly excluded from that definition. Second, that definition does not specify whether the costs referred to therein are limited to those necessary to obtain the credit.
- 30 By contrast, it is apparent from that wording that the concept of ‘the total cost of the credit to the consumer’ covers ‘any other kind of fees which the consumer is required to pay in connection with the credit agreement and which are known to the creditor’, and that those costs also include ‘costs in respect of ancillary services relating to the credit agreement’. According to the Court’s case-law, that concept covers all the costs which he or she is required to pay in connection with the credit agreement and which are known to the creditor (judgments of 21 April 2016, *Radlinger and Radlingerová*, C-377/14, EU:C:2016:283, paragraph 84, and of 8 December 2016, *Verein für Konsumenteninformation*, C-127/15, EU:C:2016:934, paragraph 34), including the charges which the borrower is required to pay to the creditor (see, to that effect, judgment of 12 July 2012, *SC Volksbank România*, C-602/10, EU:C:2012:443, paragraph 65).
- 31 Thus, in order to guarantee extensive consumer protection, in Article 3(g) of Directive 2008/48 the EU legislature broadly defines the ‘total cost of the credit to the consumer’ (judgment of 26 March 2020, *Mikrokasa and Revenue Niestandaryzowany Sekurytyzacyjny Fundusz inwestycyjny Zamknięty*, C-779/18, EU:C:2020:236, paragraph 39 and the case-law cited).
- 32 In that connection, not only does the definition of the concept of ‘total cost of the credit to the consumer’ not contain any limitation as to the duration of the credit agreement, but, above all, the costs and their breakdown over the duration of the agreement fall within that concept (see, to that effect, judgment of 11 September 2019, *Lexitor*, C-383/18, EU:C:2019:702, paragraphs 23 and 31 to 33). That is, moreover, confirmed by recital 20 of Directive 2008/48, according to which the concept of ‘the total cost of the credit to the consumer’ is to be understood ‘in connection with the credit agreement’.

- 33 It follows that the concept of ‘total cost of the credit for the consumer’ covers both the costs related to obtaining credit and those related to its use over time.
- 34 It should also be noted that, in order for the costs of any extension of the credit agreement, provided for in that agreement, to satisfy the conditions set out in paragraph 30 of the present judgment and therefore to be taken into account in the calculation of the ‘total cost of the credit to the consumer’, within the meaning of Article 3(g) of Directive 2008/48, first, the actual and precise conditions of any such extension must be specified in the agreement and, second, those costs must be known to the creditor, thus enabling the consumer to ascertain those costs on the basis of the contractual provisions, in particular according to the duration of the use of the credit.
- 35 As regards those conditions of extending the credit, it should be noted that, as is apparent from the findings of the referring court, those conditions form part of the terms and conditions agreed in the credit agreement concluded between the creditor and the borrower. Similarly, although the referring court states that the creditor may refuse to extend the contract without having to state the reasons for that refusal, it is common ground that such an extension may take place only following a request to that effect by the consumer, an acceptance by the creditor and payment by the consumer of the extension fee into the creditor’s current account.
- 36 It follows that, under credit agreements such as those at issue in the main proceedings, it is the consumer who is required to pay the costs for extension and that those costs are known to the creditor, that is to say, they have been identified or are identifiable.
- 37 Soho Group, the Italian Government and the European Commission, however, argue in their written observations that, by reason of the fact that the extension of the contract at issue in the main proceedings was not certain when that contract was concluded, the costs relating to that extension cannot fall within the concept of ‘total cost of the credit for the consumer’ within the meaning of Article 3(g) of Directive 2008/48.
- 38 It should first of all be noted that, as is apparent from the definitions set out in Article 3 of Directive 2008/48, the concept of ‘total cost of the credit to the consumer’ is linked to the definitions of ‘total amount of credit’ and ‘total amount payable by the consumer’ for the purpose of calculating the APRC.
- 39 Since Article 3 of Directive 2008/48 makes no reference to national law in respect of those concepts, each of them must be regarded as constituting an autonomous concept of EU law, to be interpreted in a uniform manner throughout the territory of the European Union (see, to that effect, judgment of 14 November 2019, *State Street Bank International*, C-255/18, EU:C:2019:967, paragraph 33).
- 40 Next, first, as regards the concept of ‘total amount of credit’, within the meaning of Directive 2008/48, it is defined in Article 3(l) thereof as the ceiling or the total of the sums made available under a credit agreement.
- 41 Second, by virtue of Article 3(i) of that directive, the APRC means the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit, where applicable including the costs referred to in Article 19(2) of that directive.

- 42 Since the concept of the ‘total amount payable by the consumer’ is defined in Article 3(h) of Directive 2008/48 as being ‘the sum of the total amount of the credit and the total cost of the credit to the consumer’, it follows that the concepts of ‘total amount of the credit’ and of ‘total cost of the credit to the consumer’ are mutually exclusive and that, accordingly, the total amount of the credit cannot include any of the sums included in the total cost of the credit to the consumer (judgment of 21 April 2016, *Radlinger and Radlingerová*, C-377/14, EU:C:2016:283, paragraph 85).
- 43 Thus, Directive 2008/48 contains a complete definition of the breakdown of amounts under consumer credit agreements.
- 44 In circumstances such as those at issue in the main proceedings, which do not concern non-compliance with contractual commitments within the meaning of Article 19(2) of Directive 2008/48, if the extension costs form part of the ‘total amount payable by the consumer’, they cannot come within the ‘total amount of credit’, with the result that they fall within the ‘total cost of the credit to the consumer’ within the meaning of Article 3(g) of that directive.
- 45 It should also be noted that the provisions of Directive 2008/48 relate not only to the conclusion of a credit agreement but also to the manner in which it is amended.
- 46 In that regard, first of all, although Article 10(2)(g) of Directive 2008/48 states that the APRC and the ‘total amount payable by the consumer’ included in the credit agreement are to be calculated ‘at the time the credit agreement is concluded’, that same provision nevertheless states that ‘all the assumptions used in order to calculate that rate shall be mentioned [therein]’.
- 47 For credit agreements, such as those offered by Soho Group, in respect of which it is not uncommon, as is apparent from the documents submitted to the Court, for them to include only one maturity date which coincides with the end of the agreement, it is permissible for the creditor to mention the assumption under which the credit agreement would be subject to one or more extensions.
- 48 Reference to the various assumptions used in order to calculate the APRC also makes it possible to implement the objective referred to in Article 5(1) of Directive 2008/48 relating to the information needed to compare different offers in order to enable the consumer to make an informed decision on whether to conclude a credit agreement, where that comparison must be made taking into account the APRC according to the different durations of the offers at his or her disposal.
- 49 In that regard, it must be borne in mind that Directive 2008/48 was adopted in order both to ensure that all consumers in the European Union enjoy a high and equivalent level of protection of their interests and to facilitate the emergence of a well-functioning internal market in consumer credit. It is clear from recital 19 of that directive that it seeks, inter alia, to ensure that consumers receive adequate information, prior to the conclusion of the credit agreement, in particular on the APRC throughout the European Union, to enable them to compare the rates applied (judgment of 19 December 2019, *Home Credit Slovakia*, C-290/19, EU:C:2019:1130, paragraph 28 and the case-law cited).
- 50 Second, it follows from the wording of both Article 5 of Directive 2008/48, concerning ‘Pre-contractual information’, in particular paragraph 1(i) thereof, and Article 10 of that directive, concerning ‘Information to be included in credit agreements’, in particular paragraph 2(k) thereof, that those provisions refer to ‘any other charges deriving from the credit

agreement and the conditions under which those charges may be changed'. Moreover, Article 10(2)(u) also states that the credit agreement is to specify, in a clear and concise manner, where applicable, the 'other contractual terms and conditions'. Those considerations thus make it possible to implement the objective, set out in recital 43 of that directive, that the directive should clearly and comprehensively define the total cost of the credit for the consumer, and to preserve the effectiveness of that directive.

- 51 Consequently, having regard, first, to the wording of Article 3(g) of Directive 2008/48 and to the broad definition of the concept of 'total cost of the credit to the consumer', second, to the fact that that concept refers both to the obtaining and the use of credit, third, to the interconnection of the concepts of 'total cost of the credit to the consumer', 'total amount of credit' and 'total amount payable by the consumer' and, fourth, to the purpose of that directive, as well as the need to preserve its effectiveness, where the term of a credit agreement is extended and its remuneration is altered by the payment of related charges, so as to affect the concept of the 'total amount payable by the consumer', the costs for the extension of that agreement, where such an option for extension is agreed between the parties and those costs are known to the creditor, fall within the concept of the 'total cost of the credit to the consumer' within the meaning of Article 3(g) of Directive 2008/48.
- 52 That finding cannot be called into question by the creditor's argument that the extension of the credit agreement is a preferable solution to potential non-performance of the contract. In that regard, it should be noted that, as the referring court points out, a very large number of credit agreements are subject to an extension of the period initially agreed. The creditor must not engage in irresponsible lending or grant credit without prior assessment of the creditworthiness of the consumer. The creditor is required, in accordance with Article 8(1) of Directive 2008/48, read in the light of recitals 26 and 28 thereof, prior to the conclusion of a credit agreement, to assess the consumer's creditworthiness. The purpose of that obligation, in accordance with recital 26 of that directive, is to make a creditor accountable and to prevent that creditor from granting credit to consumers who are not creditworthy (see, to that effect, judgment of 5 March 2020, *OPR-Finance*, C-679/18, EU:C:2020:167, paragraph 20).
- 53 In the light of all the foregoing considerations, the answer to the questions referred is that the concept of the 'total cost of the credit to the consumer', contained in Article 3(g) of Directive 2008/48, must be interpreted as meaning that that concept includes the costs for any extension of the credit, provided that, first, the actual and precise conditions for its possible extension, including the duration of that extension, form part of the terms and conditions agreed between the creditor and the borrower in the credit agreement and, second, those costs are known to the creditor.

Costs

- 54 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Sixth Chamber) hereby rules:

The concept of the 'total cost of the credit to the consumer', contained in Article 3(g) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on

credit agreements for consumers and repealing Council Directive 87/102/EEC, must be interpreted as meaning that that concept includes the costs for any extension of the credit, provided that, first, the actual and precise conditions for its possible extension, including the duration of that extension, form part of the terms and conditions agreed between the creditor and the borrower in the credit agreement and, second, those costs are known to the creditor.

[Signatures]