

## DISCLOSURE REQUIREMENTS FOR STATE-BACKED HOME LOANS

*From January 1<sup>st</sup>, 2025, credit institutions involved in State-backed home loans must comply with a set of information duties.*

*Notice no. 6/2024 of the Bank of Portugal establishes the information to be provided to the general public and banking customers throughout the term of the credit agreement.*

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*This information is provided for general purposes only and does not constitute professional advice.*

The Bank of Portugal ("BoP") has approved [Notice no. 6/2024](#) ("**Notice**"), which outlines the disclosure requirements that credit institutions must follow for State-backed home loans offered to young individuals aged 35 or under.

The State-backed home loans framework was approved by [Decree-Law n.º 44/2024](#), which defines the conditions under which the Portuguese State may provide personal guarantees to credit institutions to support financing for young individuals purchasing primary and permanent housing priced at up to €450,000.

This framework was further regulated by [Ordinance No. 236-A/2024/I](#), which approved the form of a protocol to be signed between the Directorate-General of Treasury and Finance ("**DGTF**") and the credit institutions that express interest in participating.

Under this framework, the State guarantee, issued by the DGTF, is valid for up to 10 years from the contract's signing date and is limited to a maximum of 15% of the loan amount.

The newly approved Notice differentiates between:

- Information intended for the general public; and
- Information intended for the loan applicants throughout the duration of the credit agreement.

With regards to information for the general public, credit institutions must:

- Identify the covered credit agreements;
- Outline the eligibility criteria;
- Clearly indicate that meeting the criteria does not override the institution's discretion in granting credit; and
- Provide details on the key features of the State guarantee.

This information should be accessible on credit institution's websites, online banking platforms, and mobile applications of credit institutions, as well as provided in durable format to clients who request it at branches or through remote communication channels. Credit institutions are encouraged to use the template provided in the annex to the Notice for this purpose.

During the term of the credit agreement, clients must be informed about the enforcement of the State guarantee by the credit institution, their liability for repayment to the State and the expiration of the guarantee.

The Notice came into effect on January 1<sup>st</sup>, 2025, and applies to all credit institutions that enter into a protocol with the DGTF.

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