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Title : Prohibitory Provisions of Standard Form Contract for Auto Loan and Home  
Loan **Ch**

Date : 2010.11.30

Legislative : 1.Promulgated on November 24, 2000  
2.Amended on November 30, 2010

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Content :

1. The contract may not contain any agreement on relinquishing the right to a contract review period.
2. The contract may not contain any clause that violates the mandatory and prohibitory provisions in Civil Code on guaranty under the chapter of Debt.
3. The contract may not contain any clause that requires the borrower to furnish a promissory note without the amount stated.
4. The contract may not contain any clause that authorizes the financial institution (lender) to inquire the tax data of borrower or guarantor.
5. The contract may not contain any clause that authorizes the lender to use or disclose the basic data provided by the borrower for purposes other than contract performance.
6. The contract may not contain any agreement that when the lender exercises right to offset, the offset would take effect based on the unilateral action of the lender posting the offset on the account.
7. The contract may not contain any agreement on higher than 20% annual interest rate.
8. The contract may not contain any clause that allows the lender to adjust the interest rate of borrower based on the Lending Interest Reference Rate Standards at its own discretion during the term of the contract.
9. The contract may not contain any clause that requires the borrower to acquire insurance from specific insurer, or restricts or limits the borrower's right to choose insurer at his or her own discretion.
10. The contract may not contain other clauses that violate the mandatory or prohibitory provisions of law, or agreements that are against the principle of good faith or apparently unfair.
11. The contract may not contain any clause that requires guarantor(s) in extending self-use residence loans or consumer loans if the lender has obtained sufficient collateral.

Under the circumstances of the preceding paragraph, if a guarantor is required by the lender in connection with a credit extension, the lender shall first pursue the borrower in seeking recovery in case the principal debtor does not fulfill the obligation. The contract may not contain any clause that requires guarantor(s) to waive the right to plea for preference claims.

The contract may not contain any clause that asserts the right specified in the preceding two paragraphs in any of the following cases:

- (1) Require co-borrower(s) or joint-debtor(s);
- (2) Require the guarantor(s) to submit the Line of Credit Guarantee contract;
- (3) Other unjust circumstances.

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System