FACTSHEET

Variable-rate mortgage

High degree of flexibility with your mortgage model

CIC

For marketing purposes

Brief description

The variable-rate mortgage is used to finance real estate (residential and commercial properties) without contractually agreeing a fixed interest rate and term. The interest rate for the variable-rate mortgage is determined by current conditions on the money and capital markets. Clients with a variable-rate mortgage can therefore take full advantage of falling interest rates, but they also bear the risk that interest rates may change. This risk can be minimised by combining different products.

Suitability

A variable-rate mortgage is suitable for private individuals and companies who do not want a fixed term and require maximum flexibility. Such mortgages are attractive during times of falling interest rates.

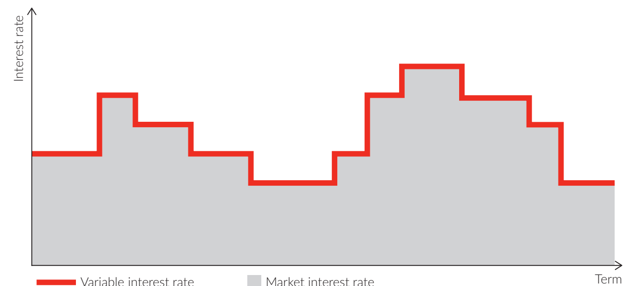
Your benefits

- **Falling capital market interest rates:** You benefit from falling market interest rates.
- **Greatest possible flexibility in the choice of mortgage model:** You can flexibly change to another mortgage model at any time by adhering to the notice period and/or choose a combination of several mortgage models.
- **Flexible repayment:** You can make repayments at any time and repay part or all of your mortgage.
- **Indirect* repayment with tax advantages:** If you used the mortgage to finance owner-occupied residential property, you can repay the mortgage through our 3a retirement account and save tax.

* 3a retirement account of Bank CIC is required

** The client is advised by the bank in writing of interest rate changes for existing mortgages three months before the change takes effect

How it works



Risks

- **Interest risk:** As interest rates can fluctuate on the capital market, it is difficult to calculate the medium-term interest burden. The interest burden also increases if interest rates rise on the capital market. It is a good idea to combine different mortgage models (e.g. fixed-rate mortgage) to minimise the risk of interest rate changes.
- **Affordability risk:** Unexpected private or professional changes could mean that you can no longer finance the mortgage payments.
- **Loss of property value:** If the financed property should lose in value, the bank is entitled to reduce the credit limit or request new collateral.

Credit term
Unlimited

Collateral for credit
Assignment of collateral/registration of mortgage note(s)

Notice of termination
At any time by giving 6 months' notice

Repayment
Direct or indirect*

Interest rate
Variable according to the development of market interest rates**

Interest payment
Quarterly at the end of every quarter

Credit commission
None

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