



buying a house in the Netherlands

What does it
involve?





"We had already started looking for a home. It was only then that we realised how many things we had to handle. There's quite a lot involved in buying a new home, especially when it's your first one. We wanted to be clear about the financial implications in advance, so that we knew how much we could borrow and how high we could bid. It was very useful to work with a step-by-step plan, because it meant we wouldn't forget anything in our search for a new home. We've now found our home. Just what we wanted. Next, we have to sort out the mortgage... and figure out the best place to put our new sofa."

what does it involve?



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» Sort out a few things first; then start looking.

looking for a home

From renting to buying

A number of things are involved when you buy a home. Quite a lot will change, especially if you are currently renting. For one thing, your expenses will be different for an owner-occupied home:

- ▶ You will need homeowner's insurance.
- ▶ You will have to pay property tax.
- ▶ Water boards charge different rates for homeowners.
- ▶ You will have to pay maintenance costs for the home.

Renting

Are you currently renting? Then you may be receiving rent allowance (huurtoeslag). And if you want to move, all you have to do is give notice. If house prices fall, you are not affected. Although of course the landlord may raise your rent every year.

Buying

If house prices rise, as a homeowner you will benefit. This may be a way for you to accumulate capital. But house prices can also fall. That is a risk. When you buy a home, you are likely to take out a loan; a mortgage. That may give you a tax break. Of course you decide which type of mortgage to apply for.

Many things to decide

Finding a suitable home is quite a task. What kind of home do you want? Where do you want to live? How many rooms do you need? Are you happy to renovate, or should the home be move-in ready? Do you want a garden or a balcony? We cannot make these choices for you, but we can help you make the right financial decisions.

Step-by-step plan for your home search

Step 1: your wishes

Looking for a home starts with working out what you want. Everyone has a different wish list. Just some pointers to help you on your way:

- ▶ Newbuild or existing property.
- ▶ A finished home or a renovation/conversion project.
- ▶ An apartment, a terraced house, an end unit, a semi-detached or a detached house.
- ▶ How many rooms.
- ▶ Where? In the city centre or in the suburbs.
- ▶ Garden.
- ▶ Garage and/or study.
- ▶ Future plans? Moving in with your partner? Planning to have children?



Do you want to know how much you can borrow? Visit abnamro.nl/en. In the tab 'contact us' you can find our telephone numbers and e-mail addresses.

Step 2: your options

Once you find that home of your dreams, there will be a price tag. Can you afford this home? How much will you be able to borrow? Do you have money set aside for a deposit? It helps to know roughly how much you can borrow before you start looking for a home so you can look in a much more focused way.

Step 3: the search

Once you know what your wishes and options are, you can start looking for a home. You can do this on your own or with the help of an estate agent. If you are looking yourself, the internet is the ideal tool. You can also check adverts in national and local newspapers. Many estate agents publish online newsletters or magazines you can subscribe to. If you prefer to look with an estate agent, you will have to pay for this service. How much depends on the estate agent and what he or she does for you. The usual fee is between 0.5-2% of the purchase price.

An estate agent can do the following:

- ▶ conduct searches
- ▶ arrange viewings
- ▶ conduct negotiations
- ▶ handle the arrangements
- ▶ advise on purchase price
- ▶ advise on conditions which buyers can set
- ▶ advise on taxation



funda.nl is a useful website for house hunting. Also, eigenhuis.nl provides useful information about buying a home (in Dutch).

Step 4: viewing properties

You will probably look at several properties. Once you think you have found your new home, you can commission a survey or an appraisal. You will be charged for these services. Ask your bank in advance what these reports should cover so you can use them later on for your mortgage application.

>> Renovation/conversion, or newly built?

newbuild or existing property?

The costs and other differences

There is a big difference between a newbuild property and an existing property. In terms of maintenance and costs, for instance. But there are other differences as well.

Existing property

An existing property is usually sold on a 'costs for the buyer's account' (kosten koper) basis. This means that, on top of the agreed purchase price, you will have to pay additional costs. These include the notarial charges, transfer tax (overdrachtsbelasting) and the administrative fees for taking out the mortgage. You will also need an appraisal report in order to apply for a mortgage. And you may incur further costs after the purchase for a conversion, extension or a new kitchen or floor, for instance.

An existing property is very likely to need some repairs and maintenance work. How much depends on how old the property is and how well everything has been maintained. You can negotiate about the closing date (the date you get the key), which you will decide together with the seller.

In principle, the property does not come with a guarantee. But you can have this included in the purchase contract. The seller is, however, obliged to inform you of any problems with the property. As the buyer you must also investigate whether there are any issues with the home. You can commission a detailed structural survey,

for instance. If the property is not very old, then the original newbuild guarantee may still apply. In that case the seller has to transfer this guarantee to you.

Newbuild

A newbuild property is usually sold on an 'additional costs for the seller's account' (vrij op naam) basis. This means that many costs are already included in the purchase price. For instance:

- ▶ land costs and construction costs
- ▶ architect's fees and contractor's fees
- ▶ the costs for surveying the land for inclusion in the Land Registry (Kadaster)
- ▶ estate agent's fee and notarial charges
- ▶ value added tax (VAT)

You will have to pay the expenses associated with arranging the mortgage and the notarial charges for the mortgage deed. You do not have to pay transfer tax (overdrachtsbelasting) for a newbuild property. Nor do you generally need an appraisal report. You can make changes to your home to meet your requirements as it is being built. Perhaps you want to put a dormer window in the attic or fit a different kitchen. In the early years, you will have virtually no maintenance costs. And these days newbuild properties are often constructed to very high energy efficiency standards. Even so, it is prudent to set aside funds for future maintenance.



You do not pay for a newbuild property in one go. Instead you pay for each phase of the construction. You do this through the building fund (bouwdepot) of your mortgage agreement. The purchase contract usually consists of two parts: one for the land and one for the construction of your home.

You will be given an estimated closing date. This is the completion date. During the construction work this estimated date will become increasingly specific. So you will not know in advance the exact date when you can get the key. You will have to be patient.

Most properties are built with a completion guarantee and a quality guarantee. This means you can be certain that your home will be completed at the cost you agreed with the contractor (even if the contractor goes bankrupt). And that you have a guarantee of the quality of the property.

Apartments and flats

Apartments and flats constitute a separate category in the housing market.

Apartment ownership

If you are buying an apartment, then you are buying part of a building. You are the sole owner of the apartment. And together with the other residents, you have a share in the ownership of the building as a whole. The terms and conditions are laid down in the property division regulations (splittingsreglement). This document is included with the transfer deed (transportakte). The transfer deed is the document drawn up by the notary setting out the purchase.

Owners' Association

The owners in an apartment building are all members of the Owners' Association (Vereniging van Eigenaren [VvE]). The VvE is responsible for the maintenance of the apartment's exterior and for financial and administrative matters relating to the building as a whole for which you pay a monthly amount. Hence, each apartment owner is a member of the VvE. Before buying an apartment, check whether the VvE has sufficient funds. Enquire about the association's organisation and request a copy of the annual accounts. This way, you avoid a situation in which you take on debts or are confronted with a bankrupt VvE which is no longer able to arrange or pay for repairs and maintenance to the building. Further details are available at eigenhuis.nl, the website of the Homeowners' Association (Vereniging Eigen Huis [VEH]).



Looking for a newbuild property? Most municipalities have a separate office dealing with newbuild properties. At nieuwbouw.com you can find a summary of newbuild projects and plots available for construction (in Dutch).

>> Agreed on the purchase? Then the transfer process can start.

buying a home, step by step

Step 1: taking an option and negotiations

Once you have found a suitable property, the negotiations can start. Often the seller will agree to negotiate with only one party at a time. That means if you are the first to make an offer, then others cannot make one. If you are not ready to make an offer but are interested, you can ask to take an option or have first refusal on the property. You will then have the right, for several days, to buy the home but will not yet have committed yourself to anything. During this time the seller may not sell the property to anyone else. You can use this window to find out how much you can borrow or to commission a building survey. Unfortunately, sellers are not always willing to grant options or first refusals.

If you make an offer on a property, you are not obliged to offer the asking price. You can negotiate first. You submit the offer to the seller directly or via the estate agent. The seller can make a counteroffer. He or she can also reject your offer. If you receive a counteroffer, you can accept it or raise your initial offer.

The negotiations will not only concern the price, but also other aspects. For instance the closing date or the conditions which you or the seller have to meet. Or indeed the price you will pay for any movable goods in the property you are willing to buy, such as carpets or curtains.

To decide what is a good offer, you can have the property valued. Our advisers are happy to tell you what an appraisal report should cover, so that you can use it for your mortgage application in due course. If you prefer to assess the value of the property yourself, you can ask the Land Registry (Kadaster) for house prices in the area at kadaster.nl or on 0900 - 202 02 01 (€ 0.80 per minute). You might also want to check the location, the asking prices of similar properties and the property's state of repair. When you make an offer, you should bear in mind the additional costs you will have to pay (see page 14). The price of a newbuild property is usually not negotiable.



You can work out the value of the property at eigenhuis.nl/huiswaarde, the website of the Homeowners' Association (Vereniging Eigen Huis [VEH]). You pay a small charge for this service (in Dutch).



"We saw a lovely house. But could we afford it? Fortunately our mortgage adviser was able to explain everything."

Step 2: the purchase contract with contingencies

Once you and the seller have agreed the purchase/sale price and the conditions of the transaction, you lay these down in a preliminary purchase contract with contingencies (voorlopige koopovereenkomst met ontbindende voorwaarden). This will state the purchase/sale price, the date of the transfer of ownership to you, the movable goods which you are buying from the seller (such as curtains, lights or appliances), and any contingencies.

Do not be misled by the word 'preliminary' (voorlopige). Normally speaking, this contract means you are committed to the purchase. You will only be able to withdraw from the transaction if certain contingencies have been included in the contract. For instance, if the contract includes a financing condition and you cannot raise the necessary mortgage, the contract will be dissolved.

If the contract does not include contingencies but you still want to withdraw from the purchase, then you will usually have to pay 10% of the purchase price. Often a preliminary purchase contract requires you to transfer 10% of the purchase price to the seller's notary as a deposit (waarborgsom). This is a security for the seller. If you decide not to buy without a valid reason, this deposit will be transferred to the seller.



If you decide not to buy within three days of signing the purchase contract, you do not need to pay anything. This three-day 'cooling-off' period is provided by law.

Contingencies

Financing clause

A financing clause (financieringsbeding) will ensure that you can withdraw from a purchase if you cannot raise the required mortgage. The transaction will then not proceed. You will, however, have to demonstrate that you made sufficient effort to obtain a loan.

Structural survey

If you want to be sure you will not run into any problems after buying the property, a structural survey is a good idea. An independent expert will then examine the property, assess its state of repair, and identify any problems. If there are any faults or defects, you will be given an estimate of the repair costs. You will therefore know exactly what costs you will incur when you buy the property. If you are not happy with the structural survey's findings and you included a structural survey contingency in the preliminary purchase contract, you will not have to buy the property. Alternatively, you could negotiate a lower purchase price.

National Mortgage Guarantee

You can include a condition to the effect that you will obtain a National Mortgage Guarantee (NHG). If it turns out that you are not eligible for such a guarantee, you can dissolve the contract. The transaction will then not go ahead.

Residence permit

Sometimes you need a residence permit (woonvergunning) from the municipality before you are allowed to live in your new home. This is often the case for less expensive properties. To obtain a residence permit, you usually have to demonstrate that you have a connection with the locality. It may be that you work there or were born there. In this way the municipality ensures that it has sufficient housing stock for people who cannot afford expensive accommodation. For further details, you can contact the municipality in question.



The seller's estate agent usually supplies the draft purchase contract. If you want to arrange this yourself, you can download a model contract from [eigenhuis.nl](https://www.eigenhuis.nl) (in Dutch).

Other conditions

You can include several other conditions in the contract. For instance, you can ask for a clean soil declaration (schoongrondverklaring). This will exempt you from any future charges for cleaning up contaminated land if it is part of your property.

Step 3: appraisal, surveys and mortgage

If you are buying an existing property, you will need an appraisal report (taxatierapport) to obtain a mortgage. Such an appraisal is carried out by a valuer (taxateur). You will have to pay for this. Our adviser can tell you what an appraisal report needs to cover, so that you can also use it for a mortgage application with ABN AMRO. Have you included a structural survey as a contingency in the contract? Or do you want a structural survey for the property in any case? Then arrange to have a surveyor look at the property.

During this phase you should apply for a mortgage. An ABN AMRO adviser can prepare a mortgage quote for you on the basis of your wishes. As soon as the mortgage has been agreed, ABN AMRO can arrange the deposit.

This is usually done in the form of a bank guarantee (waarborgsom), under which we guarantee 10% of the purchase price. If you do not fulfil the terms of the contract, we will pay this amount to the seller. We will then request the amount from you. You will have to pay for a bank guarantee, whether or not the purchase goes ahead. The costs depend on the amount of the guarantee.

Step 4: completion and transfer

On the closing date, you should first have a close look at the home. This is usually done together with the seller's estate agent. You can also ask your estate agent to accompany you. You should check whether the home has been left by the seller as agreed. The seller and you will then sign the deeds at the notary. First you will sign the transfer deed. You are now the owner of the home. If you have taken out a mortgage, you will also sign the mortgage deed at the notary. This sets out, among other things, that you offer the home as collateral to the bank as security for the mortgage loan.

» Buying a home involves a lot of paperwork. Your mortgage adviser, estate agent and notary will help.

what does the notary do?

The transfer deed

On the day you become the owner of your new home, you will visit a civil-law notary. He or she will arrange payment for the home and will prepare the transfer deed and the mortgage deed. The transfer deed sets out the terms and conditions of the purchase. These include any movable goods you are acquiring, or a declaration that the soil is not contaminated. Before you sign the transfer deed, the notary will investigate whether:

- ▶ the property can indeed be sold by the seller
- ▶ the registration with the Land Registry is in order
- ▶ the legal requirements have been fulfilled
- ▶ the property is subject to an attachment order

Creditors may place an attachment order on the property. If this is the case, the seller may not sell the property without the creditor's permission.

The mortgage deed

If you are taking out a mortgage, the notary will discuss the mortgage deed with you. The mortgage deed sets out the terms and conditions of the mortgage. The notary also arranges for your name to be entered in the Land Registry (Kadaster) as the owner of the property. The Land Registry lists all property ownerships, such as residential homes. The notary will also update the mortgage register to show that the property is encumbered with a mortgage.

Payment transfers

The notary also acts in the seller's interest. He or she checks whether your bank has transferred the purchase amount. The funds are always first transferred to the notary's account. Once the purchase has gone through and you have been given the key, the notary transfers the amount to the seller.

Study the documents before signing?

The notary will read out the deeds. If you prefer to read through the documents in detail, you should ask the notary for the draft deeds in advance.

You will usually receive a discount from the notary if you sign the transfer deed and the mortgage deed at the same time. If you want to handle additional matters at the same time, such as writing a will, you can usually also expect a discount. You should discuss this with your notary.

Increase the mortgage?

If you are planning a major renovation in the future and want to borrow money for that purpose, you can apply for a higher mortgage than you need to pay for the property. If you do, you will not have to visit the notary again to increase the mortgage. The costs you will have to pay for a higher mortgage will be lower than the costs of having to visit the notary a second time. Whether you can borrow the money depends on your present situation.



Notarial charges

You choose your own notary. At notaristarieven.nl you can compare charges and choose a notary. At notaris.nl you can find out more about what the notary does (in Dutch).

Cohabitation agreement and/or will?

Buying a home is a big step. One that you often make together with other steps. Such as moving in with your partner. But even if you are buying the home on your own, you will probably want to put your affairs in order. What arrangements will you make with your partner and family? What happens in the event of your death? If you are already visiting the notary to sign the papers for your new home, you might as well sort out everything else. If you are moving in with your partner, a cohabitation agreement (samenlevingscontract) is a good idea.

The law regulates many aspects relating to married couples, and slightly fewer for registered partners. But cohabittees have appreciably less protection. You must therefore arrange the main issues yourself, through a cohabitation agreement. This sets down what belongs to each of you individually and both of you jointly. You can make agreements about personal financial contributions (for instance towards the purchase of your home), or the division of outlays for running the household and

maintaining the home. And – perhaps an uncomfortable point – the consequences of splitting up: who will be entitled to the home, for instance?

Drawing up a will

Besides signing a cohabitation agreement, it is also prudent to draw up a will. This enables you to specify, for instance, that your partner is your heir. If you do not do this and you do not (yet) have any children, then on your death all your assets and your part of the home will automatically pass to your parents and your partner will receive nothing. A will is also useful if you do not have a partner but you do have special wishes. You can stipulate these in a will.



Costs of a cohabitation agreement and a will

The costs for drawing up a cohabitation agreement and a will differ depending on the notary. On average you should expect to pay somewhere between € 300-600 for a cohabitation agreement and between € 300-750 for a will. If you sign the cohabitation agreement and/or will together with the transfer deed and mortgage deed, you will usually receive a discount from the notary.

>> The home of your dreams, but can you afford it?
You can find out quickly.

your home and the costs involved

Two types of costs

During and after the purchase of your home, you will incur two types of costs:

- ▶ Purchase costs: one-off costs which you must pay immediately when you buy the home.
- ▶ Overhead costs and maintenance costs: costs which you must pay every month or regularly after the purchase.

Purchase costs

You will have to take account of the following purchase costs:

- ▶ costs for the actual purchase
- ▶ costs for the mortgage
- ▶ costs for the home

You will be able to deduct some of these costs from your income for tax purposes. If you want to renovate your new home immediately, then these costs will of course have to be added. If you want to borrow more money for this, you should discuss it with your adviser.

Overhead costs and maintenance costs

Once you have bought your home, you will have to make a monthly payment to cover your mortgage. You will also need insurance policies to cover the risk of fire and storm damage, for instance. And you will have to pay property tax (onroerendezaakbelasting) to your municipality. In addition, there are monthly outlays for utilities such as gas, water and electricity.

Of course you want to be comfortable in your home. And you want your home to retain its value. But that will require regular maintenance. How much you will have to spend on maintenance depends on the age of the property and how well it has been maintained in the past. If you have purchased an apartment, maintenance costs are sometimes already included in the monthly payment you must make to the Homeowners' Association (VVE).

Costs for the purchase	Costs for the mortgage	Costs for the home
Transfer tax	Arrangement fee	Renovation costs
Notarial charges for transfer deed	Notarial charges for mortgage deed	Maintenance costs
Bank guarantee	Appraisal costs	Moving and decorating costs
Estate agent costs (1-2%)	Possibly: costs for National Mortgage Guarantee (NHG) application	Insurance premiums, property tax and municipal taxes
Structural survey	If necessary: structural survey	Utility and telephone connection costs



How much tax?

At belastingdienst.nl you can find further details about the taxes associated with owning a home (in Dutch).

How much will you pay in future?

The amount of your monthly mortgage cost depends on the following:

- ▶ the size of the loan
- ▶ the way in which you repay the loan
- ▶ the interest structure
- ▶ your insurance policies

How much you can borrow depends on your situation. Your adviser can make a calculation for you. He or she will take into account your income, the value of the property you want to buy, the costs you will incur, and your wishes for the future. Your insurance policies and the way you want to repay the loan also come into play. For taking out the mortgage you will pay a one-off arrangement fee.

National Mortgage Guarantee

The National Mortgage Guarantee (NHG) enables you to borrow money for a home safely and economically. You will pay less interest and be protected in certain situations, for example, if you can no longer pay the mortgage and your home needs to be sold. Under the NHG, the remaining debt can be forgiven.

You will pay a certain amount for the NHG when you take out your mortgage and there are some restrictions, such as a cap on the loan amount.

Your home and tax

As a homeowner you enjoy a tax advantage. If you use the mortgage for the purchase, improvement or maintenance of your own home, then you can deduct certain expenses from your income for tax purposes. The following expenses can be deducted: appraisal costs, costs for the National Mortgage Guarantee (NHG) and the arrangement fee.

Tax relief for up to 30 years

The interest you pay on your mortgage can be deducted from your income for tax purposes. This deduction applies for a maximum of 30 years. After that time you can no longer deduct interest, so you will pay more tax.

Keeping your monthly payments as low as possible

You can sort out the tax relief in advance, which means the rebate will be spread over the months of the current tax year. If you want this arrangement, you need to apply for a payroll tax reduction notification (loonbelastingbeschikking) from the Tax and Customs Administration.

Your home is also a capital asset

That is why you pay tax for owning a home. To determine the value of the property according to the Tax and Customs Administration, the municipality assesses its value under the Value of Immovable Property Act (WOZ). You must add a percentage of this WOZ value, called the 'notional rental value for owner-occupiers' (eigenwoningforfait) to your income.

» Before you buy a home, you should know a few things about mortgages.

a mortgage is a loan for your home

Borrowing money for your new home

Most people need a loan in order to buy or renovate a home. A mortgage is such a loan. You pay interest on this loan and usually repay it over 30 years. This period is called the mortgage term. Of course the mortgage term can be shorter than 30 years.

Paying mortgage interest

Interest rates on mortgages move in line with economic developments. When you take out a mortgage, you do so at the rate of interest applicable at that time. You can fix this interest for a certain period. You will then know exactly how much you have to pay every month. This agreed period is called the fixed interest period (rentevastperiode).

You can also opt for a variable rate of interest. In that case the level of interest may change from month to month. This is welcome when interest rates are falling. But not when interest rates are rising. You will not have certainty about the amount which you will have to pay every month on your loan. If you want as much certainty as possible, you can agree a fixed rate of interest for the whole mortgage term.

Refixing period

If you opt for a fixed rate of interest, you can sometimes also opt for an interest rate refixing period (bedenktijd). This allows you to decide during the last two years of a fixed-rate period when the new fixed rate should take effect.

Repaying your loan

If you borrow money from a bank, you will have to repay it. You can do so in three ways:

- ▶ You repay part of your loan every month. This means your loan decreases gradually, until you have paid back everything at the end of term and you no longer have any debt.
- ▶ You transfer an amount to a special account every month. At the end of the term you repay the loan with the money you have saved.
- ▶ You only pay interest. This is called an interest-only (aflossingsvrij) loan. Please note that interest-only does not mean that you do not have to pay back the loan principal. At the end of the term you still have a debt, equivalent to the amount you borrowed in the first instance. You will have to pay back this amount at that time. You can do so, for instance, with money you have saved in a different way. Or by selling your home. You can borrow up to half the market value of your home on an interest-only basis.



Repayment problems?

If you receive a loan from the bank, the bank wants to be certain you will repay the money. That is why you give the bank a lien (pandrecht) on your home. This will only matter if you can no longer pay your mortgage. Perhaps because you have lost your job or are going to divorce.

Under these circumstances, we will look for a solution together. Only as a last resort will the property be sold off. With the proceeds from the sale you will then repay the loan. It is possible that the sale may not yield enough money to pay off the whole loan. In that case you will have to repay the outstanding amount in a different way.



Make your own calculation

Do you want to know how much you can borrow for your new home? Visit abnamro.nl/en. In the tab 'contact us' you can find our telephone numbers and e-mail addresses.

>> You can repay the mortgage in different ways.

ABN AMRO mortgages

A mortgage that suits you

You decide your ideal mortgage. Because ABN AMRO has an appropriate solution for each situation. You can also combine different mortgage types and interest structures. Your adviser can explain the options available to you.

Savings-Based Mortgage

With the Savings-Based Mortgage (Bankspaar Hypotheek) you transfer an amount to a special bank account every month. You will receive interest on the amount that you save. The rate of interest will be the same as the rate you pay on your loan. The advantage of this type of mortgage is that you can deduct the interest you pay from your income for tax purposes, while you do not have to pay tax on the saved amount. With the money you save, you repay the loan at the end of the term.

Certain conditions apply to the savings account linked to the Savings-Based Mortgage. You will have to comply with these conditions if you want to receive the tax relief:

- ▶ You have to save for a minimum of 15 years.
- ▶ The highest amount you save in any one year cannot be more than 10 times the lowest amount you save in any one year.
- ▶ You cannot withdraw funds from the savings account. You can only use this account to repay the loan for your home.



Please note

If you opt for a Savings-Based Mortgage, you must choose a fixed mortgage rate.



There is a financial information leaflet (financiële bijsluiter) for the Savings-Based Mortgage. This provides information on the risks, costs and other aspects. You can download the financial information leaflet from abnamro.nl/financielebijsluiter (in Dutch).



Interest-Only Mortgage

With the Interest-Only Mortgage (Aflossingsvrije Hypotheek) you only pay interest on your loan every month. So you do not repay any of the loan amount during the term, and your debt remains the same until the end of the term. At that time you repay the borrowed amount in one go using money you have saved in a different way, for instance, or by selling your home. You can borrow up to half the market value of your home on an interest-only basis.

Repayment Mortgage

With the Repayment Mortgage (Annuiteiten Hypotheek) you pay interest on your outstanding loan every month and you also repay part of the loan principal. The total amount you pay is the same every month. In the early period you repay a small amount of the loan and pay a higher amount of interest. This means that at this stage you can deduct a higher amount of interest from your income for tax purposes. At a later stage you will repay a larger share of your capital and a lower amount in interest.

Linear Mortgage

With the Linear Mortgage (Lineaire Hypotheek) you repay a fixed amount of your loan every month, so that the outstanding loan decreases gradually. You pay interest on the loan. But because your loan is becoming ever smaller, the amount you pay in interest also becomes smaller. This means your monthly costs come down.



Please note

In the case of the Repayment Mortgage and the Linear Mortgage, your tax advantage gradually shrinks. You repay a part of the loan every month, so your loan decreases. As the interest you pay on the outstanding loan falls, the interest deduction from your income taxes steadily decreases.

>> Your personal situation determines the size of your loan. It's best to seek advice.

how much can and do you want to borrow?



A loan for now and for the future

You take out a mortgage for a long period so your expectations for the future are very important. Do you want to move in with your partner? Get married? How about children? Do you want to work less in the future? Will you be able to afford the monthly payments if interest rates rise? Your responses to these and other questions will determine how much you can borrow. The key point is ensuring you can afford to pay the monthly amount every month. Now and in the future, without having to make too many sacrifices.

Of course how much you can borrow depends on your income. If you have a higher income, you can borrow more. Your partner's income can also be taken into account. But be careful about this if you would like to start a family at some point in the future.

Because in that case your outgoings will increase, while one or both of you might work less. The rate of interest and the value of the property also play a role in deciding the maximum mortgage. As far as interest rates are concerned: the higher the rates, the less you will be able to borrow. This is simply because when interest rates are high, you will have less money left over from your income to pay for expenditures. And finally, other debt commitments also play a role. If you have a student loan, for instance, you will not be able to borrow as much for your home.

The mortgage offer

When is the right time to discuss the mortgage? That depends entirely on you. But whatever happens, the moment the negotiations have been concluded and a purchase price has been agreed is the moment to apply for a mortgage. The offer we make will apply for two weeks. Then it will be withdrawn.

Once you have decided to accept the mortgage offer and have signed the agreement, you need to collect all the documents. You should have the property appraised if you have not already done so. When everything is in order, you can make an appointment with the civil-law notary to sign the mortgage deed. This usually happens at the same time as the signing of the transfer deed. Once the transfer deed has been signed, you are the owner of your new home.

>> **Want to pay less interest?**
Consider the options.

the benefits of your mortgage

ABN AMRO Personal Package

If you have an ABN AMRO Personal Package (Privé Pakket) and your income is paid into an ABN AMRO payment account, you will receive a discount on the mortgage rate as long as your income is paid into this account.

Lower rate of interest?

In some cases we can reduce the rate of interest you have agreed with ABN AMRO. For instance if your home has increased in value or if you have paid back part of the loan. ABN AMRO will then ask you for a new appraisal of your home. ABN AMRO also offers special promotional rates for some newbuild projects. If you want to buy a newbuild property, you should ask your adviser whether a promotional rate is available for your project.

Transfer your mortgage when you move

When you buy another home, you can transfer your mortgage and the interest rate on your loan. If you want to borrow more, the rates and conditions applicable at that time will also apply to the additional funds.

Extra repayments without penalty

If you have money left over, you can repay up to an additional 10% of your mortgage every year without incurring a penalty. And you can repay the variable rate part of the mortgage at any time. Before you decide, ask your adviser whether additional repayments are sensible in your case.

No penalty when you sell

If you decide to sell your home and you repay the mortgage with the proceeds from the sale, we will not charge any penalty.

Bridging loan when in between homes

If you have bought a new home but have not yet sold the old one, you may need additional funds for a while. In this case, ABN AMRO can offer you the Bridging Loan (Overbruggingslening). You can opt for this when you take out a new mortgage with ABN AMRO.



Internet

Detailed information on our mortgages is available at abnamro.nl/expats.

>> Sort everything out at once.
Much easier.

insurance policies for your mortgage

Home Insurance

When you take out a mortgage with ABN AMRO, you need to insure your home. Home Insurance (Woonhuisverzekering) covers you against any loss or damage to your home as a result of fire, storm or burglary, for instance. If you do suffer loss or damage, you won't need to sort out a thing – we will – nor do you need to pay any money in advance.

Contents Insurance

Contents Insurance (Inboedelverzekering) covers your possessions against any loss or damage in case of fire or theft, for instance. If you do suffer loss or damage, you won't need to sort out a thing – we will – nor do you need to pay any money in advance. If you have a BORG Certificate or a 'Secure Home' ('Politiekeurmerk Veilig Wonen') issued by the police, you will be entitled to a 20% discount on the premium.

BORG Certificate

'BORG security' is a level of protection against burglary recognised by insurance companies. A BORG Certificate shows your insurer that your home has adequate protection against burglary. You will only receive a BORG Certificate if the security equipment is fitted by a certified installer. Many insurance companies will offer a discount if you can present this certificate.

Occupational disability insurance

If you are unable to work, you may not be able to pay your mortgage. Occupational disability Insurance (Arbeidsongeschiktheidsverzekering) covers you against this risk. You can deduct the premium from your income for tax purposes. However, you will have to pay income tax on any amounts paid out under the policy.

Life Insurance

If you die, your partner may not be able to pay the mortgage. With Life Insurance (Overlijdensrisicoverzekering) you prevent this situation from arising. This insurance is compulsory for some mortgage types.

Additional discounts

ABN AMRO's insurance policies have attractive terms and conditions and are affordable. When you take out several policies, you will be entitled to additional discounts.



If you take out your mortgage with ABN AMRO, you are entitled to a 20% additional discount on Home Insurance and Contents Insurance. Visit abnamro.nl/expats for more details.

» You can contact ABN AMRO in many ways,
24 hours a day, seven days a week.

information and advice

Advice

If you have any questions about our products and services, please visit one of our branches. Or call 0900 - 0024 (€ 0.10 per minute); the lines are open 24 hours a day, seven days a week.

Our International Clients department can help you manage all your expat requirements and needs:

- ▶ We speak English.
- ▶ You will have your own advisor, who is thoroughly familiar with all the regulations that apply in your situation.
- ▶ We are familiar with your background and take that into account.
- ▶ As the market leader, we have an extensive network that can offer you support.

International Clients in The Hague

Phone number in the Netherlands:
(070) 375 20 50, Monday to Friday, 9.00 - 17.00
From outside the Netherlands:
+31 (0)70 375 20 50, Monday to Friday, 9.00 - 17.00
E-mail: international.clients@nl.abnamro.com
Office address: Kneuterdijk 8, 2514 EN The Hague

International Clients in Amsterdam

Phone number in the Netherlands:
(020) 343 40 02, Monday to Friday, 8.30 - 17.30

From outside the Netherlands:

+31 (0)20 343 40 02, Monday to Friday, 8.30 - 17.30
E-mail: expat.clients@nl.abnamro.com
Office address: Evert van de Beekstraat 2, 1118 CL Schiphol

International Clients in Rotterdam

Phone number in the Netherlands:
(010) 402 58 88, Monday to Friday, 9.00 - 17.00
From outside the Netherlands:
+31 (0)10 402 58 88, Monday to Friday, 9.00 - 17.00
E-mail: international.clients@nl.abnamro.com
Office address: Coolsingel 119, 3012 AG Rotterdam

For more information about our products and groundbreaking services, please visit abnamro.nl/expats.

Service Level Agreement

The Service Level Agreement (Dienstverleningsdocument) sets out what you can expect from ABN AMRO when you take out a mortgage with us, as well as what we expect from you and how we are paid.

Code of conduct

The mortgage business is governed by rules. These are set out in the Mortgage Finance Code of Conduct (Gedragscode Hypothecaire Financiering [GHF]) and the Financial Supervision Act (WFT). Our advisers comply with these rules.



abnamro.nl/expats

About ABN AMRO

ABN AMRO Bank N.V. has its registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam (the Netherlands). Tel.: 0900 - 0024 (€ 0.10 per minute). Internet: abnamro.nl.

ABN AMRO Bank N.V. holds a banking licence from De Nederlandsche Bank N.V. (the Dutch central bank) and is included in the register of the Autoriteit Financiële Markten (AFM – Authority for the Financial Markets) under number 12020215.

ABN AMRO Bank N.V. may act as a provider of payment, savings and credit products, as an intermediary for payment, savings, credit and insurance products, and as an investment firm for all investment services and activities and related services.

You can find information on the complaints procedure of ABN AMRO Bank N.V. and the conciliation bodies that ABN AMRO Bank N.V. is a member of at abnamro.nl/allesnaarwens, or you can request it on telephone number 0800 - 024 07 12.

You can also send for the brochure 'Alles naar wens' (Are you satisfied with our services?), which describes how to share comments, suggestions or complaints.

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