

Conditions of ABN AMRO Mortgage Types – **Home Mortgage**

Consisting of:

- » ABN AMRO Mortgage Types Conditions Home Mortgages, 1 January 2012
- » General Mortgage Conditions 1 January 2012
- » General Conditions of ABN AMRO Bank N.V.

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GENERAL MORTGAGE CONDITIONS

1 January 2012

General Conditions of ABN AMRO Bank N.V.

November 2009

List of terms and definitions

Term	Definition
Bridging loan	A bridging loan enables you to use the equity in your present home for the purchase of a new home. After your present home has been sold, you repay the bridging loan to the bank. A bridging loan is granted for a term not exceeding 24 months.
Buildings insurance	Buildings insurance Under a comprehensive buildings insurance policy, your home is insured against damage as a consequence of perils such as fire, storms and burglary. This insurance is compulsory. Another name for buildings insurance is household insurance.
Capital accumulation	Under certain mortgage types, you do not make any monthly repayments for your loan. Instead you save or invest money in order to accumulate a given amount of capital. This can also be achieved by means of an insurance policy. At the end of the mortgage term, you repay the loan using the capital that has been accumulated.
Claim form	Using a claim form, you can withdraw money from your home construction account.
Collateral	The bank requires collateral for the loan. This is almost always the home (and everything that belongs with it) which you buy. You give the bank the right of mortgage on the collateral. The mortgage deed contains a precise description of the collateral.
Construction instalments	If you build a new home, you agree with the person who is to build your home what amounts must be paid for what work. These payments are known as construction instalments.
Credit policy	The credit policy sets out ABN AMRO Bank's own rules on offering loans.
Current interest rate	The current interest rate is the interest that is currently charged for a similar new mortgage. A similar new loan part is a loan part whose characteristics most closely resemble the characteristics of your loan part.
Effective interest rate	The effective interest rate is the interest rate that you pay, including the arrangement fee, and taking account of whether the interest is paid in advance or in arrears.
Fixed interest period	A period during which your interest rate remains unchanged.
Fixed interest rate	A fixed interest rate means that the interest rate does not change during an agreed period. This agreed period is known as the fixed interest period. However, the fixed interest rate may change if: the relationship between the forced sale value of your home and the loan changes, and as a result, your loan comes under a different loan-to-value class.
Foreclosure sale	If you can no longer make the payments under the loan, we first attempt to find a solution in consultation with you. If this is not successful, we may ultimately have to sell your home compulsorily. This is a right under the mortgage and is also known as a foreclosure sale.
Forced sale	If you can no longer make the payments under the loan, we first attempt to find a solution in consultation with you. If this is not successful, we may ultimately have to foreclose. This means that your home is sold by means of a forced sale.
Forced sale value	A circumstance where a seller is under compulsion to sell and/or a proper marketing period is not available. The price obtainable under these circumstances will not meet the definition of Market Value. Rather the price obtainable will depend on the nature of the pressure on the seller or the reasons why proper marketing cannot be undertaken. The price may also reflect the consequences for the seller of failing to sell within a specified period. The price obtainable in a forced sales typically cannot be predicted, but will reflect the particular circumstances of the forced sale rather than a hypothetical exchange where the seller is acting without compulsion and/or the transaction occurs after a proper marketing period.

List of terms and definitions

Term	Definition
Home construction account	A home construction account is an account into which the bank pays all or part of your loan. You use the money in this account to pay the invoices for the construction or improvement of your home.
Home improvement plan	If you intend to use the loan for the improvement of your home, we ask you to provide us with a home improvement plan. This sets out what changes you will be making and how much you need for this.
Home Ownership Guarantee Fund	The Home Ownership Guarantee Fund guarantees the loan if you have taken out the loan under the National Mortgage Guarantee scheme. The terms and conditions can be found at www.nhg.nl .
Interest rate (effective)	The effective interest rate is the interest rate you pay, including the arrangement fee, and taking account of whether the interest is paid in advance or in arrears.
Interest rate (fixed)	If you have a fixed interest rate, this means that you pay the same interest rate for at least one year.
Interest rate (nominal)	The nominal interest rate is the rate of interest you pay.
Interest rate (variable)	If you have a variable interest rate, this means that the interest rate you pay may vary from month to month depending on market conditions.
Interest rebate	You may possibly receive a rebate on your interest rate. The quotation will indicate what rebate you will obtain for each loan part and how long the rebate will last.
Interest reconsideration period	Where there is an interest reconsideration period, this means that, during the last two years of your fixed interest period, you can switch to a different fixed interest period. Certain fixed interest periods provide for an interest reconsideration period.
Interest review	If your fixed interest period expires, you can choose a new fixed interest period. This is known as an interest review.
Interest type	You can choose between a fixed and a variable interest rate. These are interest types.
Loan-to-value class	The relationship between your loan and the forced sale value of your home (the collateral) determines in what loan-to-value class your loan falls. If your home appreciates or depreciates, your loan may come into a different loan-to-value class.
Monthly amount	Each month you pay an amount for your mortgage. This amount always includes interest. It may also include an amount for the repayment to the bank (redemption), contribution, saving and/or premium. The total is called your monthly amount. In addition to the monthly amount, you may be required to pay other amounts for your loan. Examples are amounts payable for your insurance or an account at another bank.
Mortgage	A mortgage consists of the loan, the interest, the repayments and the bank's claim on the property.
Mortgage characteristics	Your mortgage may consist of various loan parts. Each loan part has its own characteristics. The characteristics of a loan part are the mortgage type(s), interest type(s), term(s) and fixed interest period(s) that you have agreed with the bank.
Mortgage deed	You sign the mortgage deed at the office of a civil law notary. This deed is the legal agreement between you and the bank that sets out the obligations of the mortgage as agreed to in the offer as well as the mortgage right.
Mortgage Financing Code of Conduct	Mortgage lenders in the Netherlands have made agreements among themselves about mortgage conditions, for example the maximum amount of the mortgages they will offer. These agreements are set out in the Mortgage Financing Code of Conduct.

List of terms and definitions

Term	Definition
Mortgage register	We always enter the mortgage on a home in the land and mortgage register. This is also known as 'the Cadastre'.
Mortgage right	The bank requires collateral for the loan. This is almost always the home you buy. As a result of the mortgage, the bank has first claim on your property and, should you default on the repayment of the loan and payment of the interest, has the right to sell it and use the proceeds to repay the loan.
Mortgage term	The term of the mortgage is the period over which your loan runs. At the end of the period, you must have repaid the loan in full.
Mortgage type	The type of mortgage determines how you make the repayments.
National Mortgage Guarantee	The National Mortgage Guarantee serves as extra collateral for the bank. In exchange, you pay a lower rate of interest. For the terms and conditions, see www.nhg.nl .
Nominal interest rate	The nominal interest rate is the rate of interest you pay.
Pledge	The bank wishes to have the certainty that you will repay your loan. This is why it may want a pledge. Examples of things you can pledge are insurance policies, bank or other savings accounts or other accounts. This means that, if you do not pay the interest or do not repay your loan, the bank may use the insurance or the bank or other savings account to repay your loan.
Portable mortgage scheme	The portable mortgage scheme means that you may transfer the interest rate that applies to the fixed interest part of your old loan to your new loan. You can read more about this in the terms and conditions or consult your adviser about this.
Repayment	You ask the bank for a loan to buy your home. You must repay this loan to the bank at the end of the mortgage term. Repayment is sometimes also referred to as redemption.
Right of mortgage	To provide certainty that you will repay the loan, you give the bank a right of mortgage on collateral (your home). The right of mortgage means that the bank may sell your home if you fail to perform your obligations.
Start date	The date on which your mortgage starts is the date on which the bank transfers the loan funds.
Taxes	Taking out a mortgage can affect the amount of tax you pay. It is important to take account of such consequences when taking out a mortgage. You should consult your tax adviser about this.
Loan parts	Your mortgage may consist of various parts. These are known as loan parts.
Valuation report	A valuation report is a report describing the value and the condition of the upkeep of the collateral. Only a recognised valuer may prepare such a report.
Variable interest rate	A variable interest rate means that your interest rate may change each month. The variable interest rate changes as a result of factors such as conditions in the money and capital markets.
WOZ valuation	The municipality periodically determines the value of your home for tax purposes. You are notified of this value in a WOZ report. The Dutch acronym WOZ stands for Valuation of Immovable Property.

Conditions of ABN AMRO Mortgage types – Home Mortgage

1. General information

1.1 What does a mortgage consist of?

1. A mortgage always consists of four elements:
 1. you borrow an amount from the bank (the loan);
 2. you must pay interest on this amount;
 3. you must repay your loan;
 4. to provide certainty that you will repay the sum you have borrowed, you give the bank a **mortgage right** on the home, which serves as collateral; the home that you buy is almost always the collateral.
2. The whole – in other words, all four elements together – are known as the mortgage.
3. Where we refer in these conditions to the fourth element (the collateral) we use the words ‘the mortgage right’. Please also read article 1.2.

Please note

You pay interest because we lend you a sum of money. You must also repay the loan in full to us. This means that the amount you pay to the bank exceeds the amount you borrow.

Important term

Where we refer to the **home** in these conditions we mean your home and everything that belongs with it. This means that we take it to include, for example, your garden, garden house, shed or outbuilding. Later changes or additions also form part of ‘your home’. Your home is the collateral. A precise description of the collateral is given in the mortgage deed.

1.2. What does the mortgage right entail?

1. The mortgage right means, among other things, that if you:
 - do not pay the interest, or
 - do not repay your loan, or
 - fail to perform your other agreements with the bank, the bank can and may sell your home (the collateral).
2. Your loan is repaid from the proceeds of the sale of your home. If the proceeds are less than the amount of your

loan, you must repay the remaining sum to the bank in some other way.

3. The mortgage right is entered in the mortgage register. This register lists all mortgages on homes in the Netherlands and the amount of these mortgages.

1.3 Your mortgage must be in keeping with your financial situation and your wishes

You must always repay your mortgage to the bank at an agreed point in time. There are various ways of doing this. The manner in which repayment is made to the bank determines the **mortgage type**. The bank has various mortgage types for various ways of making repayment. You can choose a mortgage type that suits your financial situation and your wishes. To advise you, your adviser must therefore know what your financial situation and wishes are. This is therefore something you should discuss with your adviser. Please note that not every mortgage type is suitable for you.

1.4 Loan parts

1. Your loan can be divided into various parts. These are known as loan parts. The amount of all the loan parts together is the entire loan. The characteristics of all your loan parts are shown in the quotation.
2. Where we refer in these conditions to your loan part and you have two or more loan parts, we are referring to each separate loan part. The article therefore applies to each loan part and therefore ultimately to your entire loan. However, this is not the case if it is clear from the text of the conditions that the article applies to a particular loan part.
3. The characteristics of a loan part are the mortgage type, the interest type and the fixed- interest period which you have agreed with the bank. Your mortgage can therefore consist of various interest types, mortgage types, terms or fixed interest periods.
4. Different conditions may apply to each loan part. The quotation sets out what conditions apply to each loan part.

Please also read article:

- 1.3 for an explanation of the term **mortgage type**
- 1.4 for an explanation of the term **loan part**
- 4. (**'Please read this first'**) for an explanation of the term **mortgage term**
- 5.5 for an explanation of the term **interest type**
- 5.8 for an explanation of the term **fixed-interest period**

1.5 Why are examples provided in these conditions?

1. The bank has tried to make the articles clearer by including examples in these conditions. The sole purpose of these examples is to clarify an article. An example is not intended to be exhaustive and several situations can arise in the case of each article. These situations are not always included in the example.
2. You cannot derive any rights from the examples. If, for instance, interest rates have been mentioned, they are simply examples. They can differ from the actual situation. The examples given for each mortgage type provide a simplified picture of the actual situation.

1.6 How should I read these conditions?

1. The bank has tried to make these conditions as easy to understand as possible. It has drafted these conditions based on questions which you, as reader of the conditions, may have. If your question is not dealt with, try to formulate your question differently, or otherwise contact your adviser.
2. Important terms are explained as much as possible. The boxes headed **'Please read this first'** contain information that is important for you. Please read this information before you read the article.
3. The boxes headed **'Please note'** contain information that may also be important to you.

1.7 Your mortgage and the Tax Administration

1. Taking out a mortgage can affect the amount of tax you pay. It is important to take account of such consequences when taking out a mortgage. The bank does not give tax advice. If you wish to receive tax advice, you should consult a tax adviser.
2. The bank is not liable for the consequences of a change in the tax legislation and regulations. Nor is the bank liable if it transpires that you cannot take advantage of certain types of tax relief.
3. You must personally ensure that your tax return is correct. The bank is not liable for any loss that you may suffer as a result of your tax return.

1.8 A Home Mortgage

You have chosen a Home Mortgage. You can change the characteristics of your Home Mortgage. This means that you may change the interest type, fixed-interest period or mortgage type during the term of your mortgage. You cannot, however, change your mortgage into a Budget Mortgage or Basic Mortgage.

1.9 A Private Banking Home Mortgage

Do you have a Private Banking Home Mortgage? If so, the same conditions apply to a Private Banking Home Mortgage as to a Home Mortgage. Where reference is made in these conditions to Home Mortgage, you should therefore read this as including a Private Banking Home Mortgage. Your quotation states whether you have a Private Banking Home Mortgage.

1.10 An Extra Home Mortgage

Do you have an Extra Home Mortgage? The same conditions apply to an Extra Home Mortgage as to a Home Mortgage. Where reference is made in these conditions to Home Mortgage, you should therefore read this as including an Extra Home Mortgage.

1.11 A Private Banking Extra Home Mortgage

Have you chosen a Private Banking Extra Home Mortgage? The same conditions apply to a Private Banking Extra Home Mortgage as to a Home Mortgage. Where reference is made in these conditions to a Home Mortgage, you should therefore read this as including a Private Banking Extra Home Mortgage. Your quotation states whether you have a Private Banking Extra Home Mortgage.

2. What rules does the bank apply when granting loans?

1. The Bank applies various rules. A number of rules have been included in the Mortgage Financing Code of Conduct. You can obtain a copy of this code and explanatory notes from the Bank. The code contains, for example, rules on how much money the bank may lend you.
2. The bank also imposes its own requirements for the granting of loans. These rules are known as the bank's credit policy.

3. The conditions

3.1 To what do these conditions apply?

1. Articles 1-20 apply to all mortgage types.
2. Articles 21-25 are special articles. These articles apply only to the mortgage types specified in the heading of the article. Your quotation states what mortgage type(s) you have.

3.2 What documents contain the rules for my mortgage?

The following documents contain the rules that apply to your mortgage:

1. The ABN AMRO Mortgage Types Conditions

These conditions contain the rules that apply to your mortgage. You receive a copy of these conditions together with your quotation.

2. General Mortgage Conditions

These conditions set out what rights the bank has because it has lent you a sum of money. You receive copy of these conditions together with your quotation.

3. General Conditions of ABN AMRO Bank N.V.

These conditions apply to all products and services that you buy from the bank, therefore not only to your mortgage. You receive a copy of these conditions together with your quotation. The conditions govern the entire relationship between you and the bank.

4. Quotation

Your quotation sets out the agreements that you make with the bank about the specific characteristics of your mortgage. Your quotation specifies precisely what version of the documents referred to at points 1-3 of this article apply to your mortgage. If you sign the quotation, you confirm that you approve all the agreements and conditions and the content of the quotation. You will sign the quotation again at the office of the civil law notary. The quotation is then included as an annexe to the mortgage deed.

4. Mortgage term and end of term of loan part

Please read this first

The **term** of a loan part means how long the loan part will last.

4.1 When does the term of my loan part start?

1. The term of your loan part starts on the first day of the month that follows the month in which the bank makes the first payment for your loan part.

2. If you sign your mortgage deed at the office of the civil law notary before the bank makes the first payment, the term of your loan part will start on the first day of the month following the date on which you sign the mortgage deed.

4.2 When does the term of my loan start?

If you have two or more loan parts, the start date of the term of your loan is the same as the start date of the term of your first loan part or loan parts that you receive. Please read article 4.1 about the start date of the term of your loan part.

Examples

1. You take out a mortgage of EUR 200,000. You have two loan parts of EUR 100,000 each. On 28 March, the bank deposits a sum of EUR 200,000 in the account of the civil law notary. You sign the mortgage deed at your office of the civil law notary on 2 April. In such a case, the start date of the term of your loan parts is 1 April. The term of your loan then also starts on 1 April.
2. You take out a mortgage of EUR 200,000. You have two loan parts of EUR 100,000 each. You sign the mortgage deed at your office of the civil law notary on 26 March. On 3 April, the bank deposits a sum of EUR 200,000 in the account of the notary. In such a case, the start date of the term of your loan parts is 1 April. The term of your loan then also starts on 1 April.

4.3 When does my loan part end?

Your loan part ends when the term of that loan part has passed and you have repaid that loan part in full. The term of each loan part is specified in your quotation. If your mortgage consists of two or more loan parts, the terms may vary from loan part to loan part.

4.4 When does my loan end?

Your entire loan ends when the term of the longest loan part has passed and you have repaid the loan in full.

Please note

You must always repay the amount of your loan in full at the end of the term of your longest loan part.

5. Interest – General

5.1 What does the quotation say about the interest?

The information in the quotation about each loan part includes:

- the amount that you must pay each month in interest;
- the interest rate that you must pay;
- the amount and duration of any interest rebate;
- the interest type (fixed or variable interest);
- the effective and nominal interest rates;
- the fixed-interest period.

Important terms

- The **nominal interest rate** is the interest rate that you pay.
- The **effective interest rate** is the interest rate that you pay, including the arrangement fee, and taking account of whether the interest is paid in advance or in arrears.

Please also read article:

- 5.5 for an explanation of the term **interest type**
- 5.8 for an explanation of the term **fixed-interest period**

5.2 Over what period must I pay interest?

You must pay interest throughout the whole term of each loan part. You pay interest from the date on which the bank makes a first payment for your loan. You stop paying interest when the loan has been repaid in full to the bank.

5.3 When must I pay interest?

You must pay interest each month in arrears. Please also read article 5.4: 'How is the amount that I pay in interest calculated?'

Please note

In addition to the interest you must pay, you may also have to pay other amounts each month, such as for your bank savings account or an insurance policy. You may also have to repay part of your loan each month. How much you pay each month depends on, among other things, the mortgage type.

5.4 How is the amount of interest that I must pay calculated?

1. The amount that you must pay in interest is calculated on the amount of your loan. As your loan can consist of various loan parts, the amount that you must pay in interest is calculated for each loan part.

2. The interest rate that you must pay can differ from loan part to loan part. The amount of interest you must pay is calculated for each full month on the amount of your loan part at that time. This is the amount of your loan part as this was at the end of the previous month. For the purposes of calculating interest, a month is taken to have 30 days and a year to have 360 days.
3. The amounts of interest for the loan parts are then added up.
4. When you pay interest for the first time, the interest is calculated on the actual number of days from the first payment by the bank until the end of the first month.

An example

On 15 May, the bank deposits a sum in the notary's account (the first payment by the bank). On 18 May, you sign the mortgage deed at the office of the civil law notary. The interest is calculated from the point in time that the bank deposits a sum in the notary's account, i.e. from 15 May. The interest is therefore calculated over a period of 17 days (from 15 May to 31 May). Thereafter you pay a full month's interest (i.e. 30 days' interest) on each occasion.

5.5 What interest type do I have?

Your interest can be fixed or variable. This is known as the interest type. What interest type applies to each loan part is specified in your quotation.

Please note

Your loan may consist of two or more parts. Each of the different loan parts can have a different mortgage type, interest type and/or fixed-interest period. Each loan part may therefore have its own interest type.

5.6 What is variable interest?

A variable interest rate means that the interest rate can vary from month to month. The amount you pay in interest can therefore differ from month to month. The level of the variable interest depends on, among other things, interest rate changes in the money and capital markets. The variable interest rate also depends on how the bank finances your loan.

5.7 What is fixed interest?

1. A fixed interest rate is a rate that does not change during an agreed period. This agreed period is known as the fixed interest period. Please also read article 5.8.

2. The fixed interest rate may change during the fixed interest rate period. This may happen when:
- the relationship between the forced sale value of your home and the loan changes, and
 - as a result, your loan comes under a different loan-to-value class.
- Please also read article 6.3. 'What changes affect the fixed interest rate of my loan?'

Please also read:

- 6 'Important terms' for an explanation of the term forced **sale value**.
- 6.3 for an explanation of the term **loan-to-value class**.

5.8 What is a fixed interest period?

1. A fixed interest period is a period in which your interest rate remains unchanged. During this period, the interest rate therefore does not change. The length of this period is something you agree with the bank. The fixed interest period agreed with the bank is specified in your quotation.
2. Please read article 5.7, point 2, about the circumstances in which the fixed interest rate does change during the fixed interest period.

Please note

Your loan may consist of two or more parts. Each of the different loan parts can have a different mortgage type, interest type and/or fixed interest period. Each loan part may therefore have its own fixed interest period.

5.9 When does the fixed interest period start?

The fixed interest period starts on the same day as the start date of the term of your loan part. Please read article 4.1 for more information about the start date of the term.

6. Change of interest rate

Please read this first

Articles 6.3-6.6 apply only to mortgages without a National Mortgage Guarantee. If you have a mortgage with such a guarantee, please read articles 6.1, 6.2 and 6.7.

Important terms

The **forced sale value** of your home is important in determining the level of interest you pay. The forced sale value is specified in the valuation report. The forced sale value is the value of the home if it has to be sold compulsorily.

In certain situations, the interest rate you pay is compared with the interest rate for new **identical loan parts**. An identical loan part is a loan part that has the same:

- interest type
- fixed interest period
- loan-to-value class, and
- mortgage type

as the loan part that you have.

The comparison is then made between the interest which you now pay and the interest which you would have to pay if you were to take out your present mortgage at the time of the change. If the bank has dropped your mortgage type, fixed interest period, loan-to-value class or interest type from its product range, it will apply the interest rate of a loan part that most closely resembles your present loan part.

Please also read article

- 1.3 or an explanation of the term **mortgage type**
- 1.4 for an explanation of the term **loan part**
- 5.5 for an explanation of the term **interest type**
- 5.8 for an explanation of the term **fixed interest period**
- 6.3 for an explanation of the term **loan-to-value class**

Before signature of the mortgage deed

6.1 Can my interest rate change before I have signed the mortgage deed?

1. In the case of variable interest

The level of the variable interest (the interest rate) is determined on the first day of each month. The level of interest you must pay (the interest rate) may be lower – but also higher – than the level specified in your quotation. After you have signed the mortgage deed at the office of the civil law notary, a confirmation of the following will be sent to your home:

- the level of the interest, and
- the amount of interest that you must pay.

2. In the case of fixed interest

The level of the fixed interest (the interest rate) is specified in your quotation. This interest rate applies for the first fixed interest period. It is possible that the interest rate you must pay for a loan part is lower than the interest rate shown in your quotation. This will be the case only if, on the day that you sign the mortgage deed at the office of the civil law notary, the interest rate for a new identical loan part is lower than the interest rate given in your quotation. You will then pay the lower interest rate for this loan part during the first fixed interest period. The interest for the first fixed interest period cannot exceed the interest specified in your quotation. After you have signed the mortgage deed at the office of the civil law notary, a confirmation of the interest rate and the amount of interest you must pay will be sent to your home.

An example

You have a quotation for a mortgage which includes a loan part at a fixed interest rate. Your quotation states that an interest rate of 5.7% is payable for this loan part. You signed this quotation on 1 May. You sign the mortgage deed on 15 July. If you were to request a quotation for that loan part at that point in time, you would pay an interest rate of 5.6%. From the start date of the term of your loan part, you therefore pay interest of 5.6%. This interest rate applies to the first fixed interest period.

After signature of the mortgage deed

6.2 When does the bank reset the interest rate for my loan part?

1. In the case of variable interest

The bank fixes the level of the variable interest on the first day of each month. If the interest rate changes, the bank informs you of this before the 15th day of the month. The new interest rate applies from the start of the month in which the bank has informed you of this. You pay this interest rate at the end of each month.

An example

On 14 April, you receive a letter informing you of the new interest rate. This means that you must pay the interest calculated on the basis of this interest rate for the month of April.

2 In the case of fixed interest

The interest rate is changed after the expiry of the fixed interest period. Eight (8) weeks before the end of the fixed interest period, the bank sends you a letter containing an offer of a new interest rate. This new interest rate applies from the first day after the expiry of the fixed interest period. Please also read article 7.

Please read this first

The forced sale value of your home is important in determining the level of interest you pay. The forced sale value is specified in the valuation report. The forced sale value is the value of the home if it has to be sold compulsorily.

6.3 What changes affect the fixed interest rate of my loan?

1. The relationship between the amount of your loan and the forced sale value of your home (the collateral) is important in determining the level of interest.
2. The bank applies the following loan-to-value (LTV) classes on the basis of the above:
 - loan-to-value class A: the amount of the loan in relation to the forced sale value of the home is less than or equal to 75%;
 - loan-to-value class B: the amount of the loan in relation to the forced sale value of the home is more than 75% and less than or equal to 100%;
 - loan-to-value class C: the amount of the loan in relation to the forced sale value of the home is more than 100%.
3. The loan-to-value class always applies to the full loan.

An example			
Amount of the loan in relation to the forced sale value	Less than or equal to 75%	More than 75% and less than or equal to 100%	More than 100%
Loan-to-value class Interest rate (example)	A 5.0%	B 5.2%	C 5.4%
<p>You buy a home. The forced sale value of this home is EUR 200,000. You borrow EUR 220,000. This is 110% of the forced sale value. You pay the interest rate that applies to loans of more than 100% of the forced sale value. This is classified as loan-to-value class C. In this example, this is 5.4%.</p> <p>Suppose that you borrow EUR 180,000 rather than EUR 220,000. That is 90% of the forced sale value. You then pay interest in accordance with loan-to-value class B. In this example, you would pay interest of 5.2%.</p>			

(a) Partial repayment (repaying part)

The relationship between the amount of your loan and the forced sale value of your home changes if you repay part of your loan to the bank before the end of the term of your loan.

If you:

- have paid part of your loan back to the bank, and
- change from loan-to-value class B or C to loan-to-value class A or B, the level of interest which you must pay may change.

Please read article 6.4: 'What must I do to change the interest?'

Please note

Reducing the interest rate you pay for your loan part may also affect, for example, the interest rate that you receive on the balance on your bank savings account. You should discuss this with your adviser.

(b) Increasing your loan

If you wish to borrow more and the bank allows this, you will receive a new loan part for the amount of this increase. As a result of the increase, the relationship between the loan and the forced sale value of your home may change. If a higher loan-to-value class applies as a result of the increase of your loan, a higher interest rate will apply to the entire loan.

Your loan comes in a higher loan-to-value class:

For the original loan (the loan without the increase), you must pay the interest rate that would have applied at the moment you took out the loan if you had taken out your increased loan at that point in time. A new loan part is taken out for the amount of the increase. The interest rate applicable at the moment for identical loan parts applies to that new loan part. The bank automatically adjusts the interest rate of your existing and new loan parts. You need not take any action yourself.

An example			
Amount of the loan in relation to the forced sale value	Less than or equal to 75%	More than 75% and less than or equal to 100%	More than 100%
Loan-to-value class Interest rate (example)	A 5.0%	B 5.2%	C 5.4%
<p>You buy a home in 2010. The forced sale value of the home is EUR 200,000. You borrow EUR 190,000. That is 95% of the forced sale value. You therefore pay the interest rate that applies to loans representing between 75% and 100% of the forced sale value of your home. In this example, that is 5.2%.</p> <p>In April 2013, you decide that you wish to improve your home and to borrow EUR 30,000 for this purpose. Your total loan then becomes EUR 220,000. A new loan part must be taken out for the amount of EUR 30,000.</p> <p>The forced sale value of your home has risen to EUR 210,000. You are therefore borrowing over 100% of the forced sale value. This means that, for the amount of your old loan (EUR 190,000), you pay the interest rate that you would have had to pay if you had borrowed EUR 220,000 in 2010. At that point in time, you would have had to pay interest at the loan-to-value class C rate. In this example, that is 5.4%. From April 2013, you must therefore pay 5.4% for your loan of EUR 190,000. For the new loan part (EUR 30,000), you pay the interest rate that is applicable at that time to new identical loan parts that are classified in loan-to-value class C.</p>			

Your loan remains in the same loan-to-value class

You continue to pay the same interest rate for the amount of your original loan. A new loan part is taken out for the amount of the increase. The interest rate that applies at that time for identical loan parts applies to the new loan part. This loan part always falls in the same loan-to-value class as the rest of your loan. The bank automatically

adjusts the interest rate on your existing loan parts. You need not take any action yourself.

An example			
Amount of the loan in relation to the forced sale value	Less than or equal to 75%	More than 75% and less than or equal to 100%	More than 100%
Loan-to-value class Interest rate (example)	A 5.0%	B 5.2%	C 5.4%
<p>You buy a home in 2010. The forced sale value of the home is EUR 200,000. You borrow EUR 190,000. That is 95% of the forced sale value. You therefore pay the interest rate that applies to loans representing between 75% and 100% of the forced sale value of your home. In this example, that is 5.2%.</p> <p>In 2013, you decide that you wish to improve your home and to borrow EUR 30,000 for this purpose. This is an increase of EUR 30,000. A new loan part must be taken out for the amount of EUR 30,000. Your total loan then becomes EUR 220,000. The forced sale value of your home has risen to EUR 225,000. As the amount of your loan is still between 75% and 100% of the forced sale value of your home, the loan remains in the same loan-to-value class. Your interest rate for the amount of the old loan therefore does not change. For the new loan part (EUR 30,000), you pay the interest rate that applies at that moment for new identical loan parts that are classified in loan-to-value class B.</p>			

(c) The forced sale value of your home has risen

If the value of your home has risen, you can ask the bank to review the interest rate you must pay. You must then demonstrate that the forced sale value of your home has risen and that you come into a different loan-to-value class. If your home has appreciated, but you still do not come in a different loan-to-value class, your interest rate does not change. Please also read article 6.4: 'What must I do if I wish to change the interest rate?'

An example

In 2010, you borrowed EUR 200,000, and the forced sale value of your home was EUR 200,000 at that time. You therefore borrowed 100% of the forced sale value of your home. You pay loan-to-value class B interest. In 2016, a recent valuation report shows that the forced sale value of your home has risen to EUR 270,000. Your loan (EUR 200,000) is now less than 75% of the forced sale value of your home. This means that you now come in a lower loan-to-value class, namely loan-to-value class A. You can therefore request the bank for a reduction of the interest rate. The new interest rate only enters into force at the time that you have requested this. The lower interest rate does not have retroactive effect.

(d) Lapse of interest rebate

You may have received an interest rebate. If so, this is stated in your quotation. If your interest rebate lapses during your fixed interest period, your interest rate will change. This may occur, for example, if you no longer qualify for the interest rebate. You will then receive a confirmation of your new interest rate.

(e) Lapse of National Mortgage (NHG) Guarantee

If the NHG Guarantee no longer applies to your mortgage for any reason whatsoever, the bank may also change your interest in the interim. In such a case, the bank changes your mortgage into a mortgage without a National Mortgage Guarantee. The interest rate also changes. You then pay the interest rate that applied to a mortgage without a National Mortgage Guarantee at the time that you took out the mortgage.

6.4 What must I do if I wish to change the interest rate?

1. You must submit a written request to the bank to change the interest rate.
2. You must send the bank a recent valuation report showing the change in the forced sale value of your home. The bank may decide that a recent valuation report under the Valuation of Immovable Property Act (WOZ) is also sufficient for a change in the interest rate. Please contact your adviser about this.
3. You must send your request for an interest rate change and the recent valuation report or the most recent WOZ report to the bank or submit them to your adviser.

4. After the bank has:
 - received **and**
 - approvedyour valuation report, it will send you a letter specifying the new interest rate. The letter will also state the date from which this interest rate will apply. The new interest rate applies **only** to future monthly amounts. You will receive notification from us even if the interest rate is not changed.
5. Please read article 6.5 for the requirements set by the bank in respect of the valuation report.

6.5 What are the requirements for the valuation report?

The valuation report must fulfil the requirements set by the bank at the time in question. These are shown on our website at www.abnamro.nl. You can also request your adviser to provide you with the requirements for the valuation report. You must personally pay the costs for the valuation and the preparation of the valuation report.

6.6 May I change my interest rate if I have a loan part with an interest reconsideration period?

Yes. If you have a loan part with an interest reconsideration period, this means that you can change the interest rate before the fixed interest period expires. How you should do this is explained in article 7.3.

6.7 I have a mortgage with a National Mortgage Guarantee. May I change the interest rate?

No. This is not possible for mortgages with a National Mortgage Guarantee. Articles 6.3 to 6.6 do not apply to mortgages with such a guarantee. Please refer to article 6.3 (e) for an explanation of the interest rate that you must pay if the National Mortgage Guarantee lapses.

7. Expiry of fixed interest period

Please read this first

The fixed interest period is the period in which your interest rate does not change. The interest is therefore fixed during this period. The quotation specifies the length of your fixed interest period (per loan part). Your interest can change during the fixed interest period if the forced sale value of your home changes and you are therefore classified in a different loan-to-value class.

7.1 For how long is my interest fixed?

The interest is fixed during the fixed interest period. How long this period lasts is a matter for you to agree with the bank. The fixed interest period agreed with the bank is specified in your quotation. The fixed interest period starts at the same time as the term of your loan part. Please also read article 4.1: 'When does the term of my loan part start?'

7.2 What happens when my fixed interest period ends?

1. The bank will send you a letter specifying a new interest rate eight (8) weeks before the end of your current fixed interest period. You will receive this offer by post. The bank always offers you a new interest rate that applies for a period of the same length as your previous fixed interest period.
2. If you agree with this offer, you do not need to take any action.
3. If you do not agree with the offer, you should inform the bank. The letter containing the offer indicates when you should do this. Please also read article 8: 'Changing a loan part after the expiry of a fixed interest period'.

Please note

Your mortgage may consist of one or more loan parts. Each loan part has its own characteristics and hence its own mortgage type, its own interest type and/or its own fixed interest period. Each loan part can therefore have a different date on which the fixed interest period expires.

7.3 May I modify the expiry date of the fixed interest period (interest reconsideration period)?

In the case of a 2-year fixed interest period

1. You may switch to a different fixed interest period.
2. If you switch to a fixed interest period of more than two years, the conditions that apply at the time that you make the switch apply to that loan part. You need not pay any costs or penalty for this switch.
3. If you switch to a fixed interest period of two years or less or to a variable interest rate, you must pay the associated costs. You may also be required to pay a penalty. For more information, please read article 7.5.
4. You may only choose fixed interest periods which the bank offers at the time that you wish to make the switch.

In the case of a fixed interest period of 3, 7, 12 or 17 years

5. You may switch to a different fixed interest period during the last two (2) years of these fixed interest periods. This means that the expiry date of your current fixed interest period changes. You may choose the same fixed interest period, a different fixed interest period or a variable interest rate. You need not pay any costs or penalty for this switch.
6. Your conditions may change. You will receive the conditions that apply at the time of the switch.
7. You may only choose fixed interest periods which the bank offers at the time that you wish to make the switch.

Please note

The switch to a different fixed interest period may have financial consequences. Please make sure you have obtained the proper information and advice before you make the switch.

7.4 May I change to a different fixed interest period after the expiry of my present fixed interest period without an interest reconsideration period?

Yes, that is possible. Please read article 9: 'Changing from a loan part with fixed interest during the fixed interest period'. You may possibly have to pay a penalty. Please read article 7.5.

7.5 Must I pay a penalty?

Changing the fixed interest period is treated as repaying or partially repaying your loan/loan part. Please read article 14 for a description of the situations in which you must pay a penalty. This article also explains how the penalty is calculated.

8. Changing a loan part after the expiry of a fixed interest period

Please read this first

This article relates only to loan parts with a fixed rate. If you have a loan part with a variable rate, you should read article 10.

Important terms

In this article we use a number of terms. These are explained below.

- **Changing part of a loan** is also known as converting a loan part. This means that you change one or more characteristics of a loan part.
- **The fixed interest period** is the period in which your interest rate remained unchanged. How long this period lasts is a matter for you to agree with the bank.
- **The characteristics of a loan part** mean the interest type (variable or fixed interest), the fixed interest period and the mortgage type (how you repay your loan).

Please also read article:

- 1.3 for an explanation of the term **mortgage type**
- 1.4 for an explanation of the term **loan part**
- 5.5 for an explanation of the term **interest type**
- 5.8 for an explanation of the term **fixed interest period**
- 6.3 for an explanation of the term **loan-to-value class**

8.1 May I change the characteristics of my loan part after the expiry of a fixed interest period?

1. Yes, you may change the following characteristics:
 - interest type
 - mortgage type
 - term
 - fixed interest period.

However, such a change is possible only if your mortgage type allows the interest type or fixed interest period you desire. Consult your adviser about the possibilities.

2. Please read article 9 about changes **during** the fixed interest period.

Please note

The bank may drop certain interest types, fixed interest periods and/or mortgage types from its range of products.

8.2 What must I do if I wish to change the interest type, mortgage type or fixed interest period (= conversion of the loan part)?

1. **Contact the bank**

Before your fixed interest period expires, the bank will send you a letter containing an offer of a new interest rate for the same fixed interest period. If you do not agree with the bank's offer, you may request the bank to change your fixed interest period, mortgage type or

interest type. If you want to do this, you must then ask the bank to take the desired action. The letter containing the offer also states the latest date by which the bank must receive your reply. Please ensure that you reply in time. For information about the consequences if the bank receives your reply too late, please read article 8.2, paragraph 4.

2. **The bank assesses your request and replies**

After your request has been received, the bank examines whether it can accept your request. There are conditions that you must fulfil in order to change your loan part. On this subject, please read article 8.3: 'Are there requirements that I must fulfil if I wish to change my loan?' The bank may always refuse your request for a change of your loan part.

3. **Replying to the bank's offer**

If you request the bank for a different fixed interest period, interest type or mortgage type, you will receive a quotation indicating your new interest rate and the period for which it applies as well as the mortgage type. The bank may refuse to submit a quotation. The quotation is the bank's offer. If you agree with the quotation, you must sign and return it. Only after the bank has received the signed quotation from you can the loan be changed. The quotation indicates the date on which the loan will be changed.

4. **If you do not reply in time**

If you have not indicated in time that you agree to the bank's modified offer (see article 8.2.3), the interest rate and fixed interest period specified by the bank in its first offer (see article 8.2.1) will apply.

An example

Your fixed interest period of five years expires on 1 May. On 1 March, you receive an offer for a fixed interest period of five years at an interest rate of 5.7%.

You would like a longer fixed interest period and send the bank a request on 18 March to issue a quotation for a fixed interest period of ten years. The bank does this, and you receive the new offer (quotation) on 28 March. On 19 April, you return the signed quotation to the bank. This is too late. The bank must have received your signed quotation two weeks before 1 May (i.e. 16 April). As a result, you are given a new fixed interest period of five years. This was the fixed interest period specified in the bank's first offer.

Please note

Changing your loan may have various financial consequences. Please consult your adviser before asking the bank to change your loan.

8.3 Are there requirements that I must fulfil if I wish to change my loan?

1. To change the interest type, mortgage type and/or fixed interest period, you must fulfil the requirements set by the bank for this purpose. Your adviser can tell you more about this.
2. After the expiry of the fixed interest period, you may change your fixed rate into a variable rate. Please note that variable interest may not be possible with your mortgage type. You should consult your adviser before changing your interest type.
3. After the expiry of your fixed interest period, you may only choose a fixed interest period that the bank has for your mortgage type at that time. If you wish to change your fixed interest period, you must fulfil the requirements that apply to that period.
4. You may change your mortgage type only if the bank permits this.

8.4 What conditions apply if I change my loan part on the day that my fixed interest period expires?

1. If you only change the fixed interest period or interest type of a loan part, the conditions that apply to that loan part do not change. Your present conditions continue to apply.
2. If you change the mortgage type, the conditions that apply to the modified loan part also change. You will receive the conditions that would apply if you were to take out your loan part anew at that time. These conditions apply only to the modified loan part.

8.5 May I also change my mortgage for which a National Mortgage Guarantee has been issued?

The consent of the Home Ownership Guarantee Fund must be obtained in order to modify loans for which a National Mortgage Guarantee has been issued. If you have a mortgage with a National Mortgage Guarantee, the Home Ownership Guarantee Fund must therefore also approve the change to the characteristics of your mortgage.

Important term

The **characteristics of a loan part** are the interest type (variable or fixed rate), the fixed interest period, the term and the mortgage type (how you repay your loan).

8.6 Do I have to pay a penalty for changing a loan part?

1. No. You do not pay a penalty if you change your loan part to a different interest type or a different fixed interest period on the date that your fixed interest period expires (the interest review date).
2. However, you may have to pay costs for changing your mortgage type. The bank will inform you if this is the case.

8.7 What interest must I pay if my loan part changes on the interest review date?

1. The interest you must pay after you have changed your loan part is shown in the quotation for your modified loan part.
2. If, on the date your loan part is changed, the interest rate for new identical loan parts is lower than the rate given in your quotation, you will receive this lower rate. This lower rate applies only for the first fixed interest period.
3. If, on the date your loan part changes (the conversion date), the interest rate is higher than the rate given in your quotation, you will pay the interest specified in your quotation.

8.8 What happens to my existing mortgage?

Changing (converting) a loan part involves a change to your existing mortgage or part of your existing mortgage.

9. Changing a fixed rate loan part during the fixed interest period

This article relates only to loan parts with a fixed interest rate. If you have a loan part with a variable rate and wish to change it, please read article 10: 'Changing a variable rate loan part'.

Please read this first:

- 1.3 for an explanation of the term **mortgage type**
- 1.4 for an explanation of the term **loan part**
- 5.5 for an explanation of the term **interest type**
- 5.8 for an explanation of the term **fixed interest period**
- 6.3 for an explanation of the term **loan-to-value class**

9.1 May I change my loan part *during* the fixed interest period as well?

1. Yes. If you do so, the bank may possibly charge you a penalty. Please read article 9.2.
2. The bank may also charge you costs for changing your mortgage.

9.2 Must I pay a penalty?

Changing the characteristics of a loan part during the fixed interest period is treated as repaying or partially repaying your loan/loan part. Please read article 14 for a description of the situations in which you must pay a penalty. This article also explains how the penalty is calculated.

9.3 What conditions apply if I change a characteristic of a loan part during the fixed interest period?

If you change one or more characteristics of a loan part, you will receive new conditions for that loan part. You will receive the conditions that would apply if you were to take out a loan part anew at that time. These conditions apply only to the loan part that you have changed.

Please note

The **characteristics of a loan part** are the interest type (variable or fixed rate), the fixed interest period, the term and the mortgage type (how you repay your loan).

9.4 What happens to my current mortgage?

Changing (converting) a loan part involves a change to your existing mortgage or part of your existing mortgage.

10. Changing a variable rate part of the mortgage

Please read this first

Changing a loan part is also known as converting a loan part. This means changing the characteristics of one or more loan parts.

10.1 May I change a variable rate loan part?

You may always change your variable rate loan part into a fixed rate loan part.

10.2 What are the consequences if I change the variable rate part of my mortgage?

You will then receive a new quotation. The quotation will inform you of the characteristics that apply to your loan part.

Please note

Changing a loan part may affect the interest rate you must pay and the conditions that are applicable.

10.3 What happens to my existing mortgage?

Changing (converting) a loan part involves a change to your existing mortgage or part of your existing mortgage.

11. Changing the bridging loan**What is a bridging loan?**

You have bought a new home, but have not yet sold your old home. You cannot yet use the equity in your old home towards the cost of the new home. You can borrow the extra money that you need to finance the purchase of your new home by means of a bridging loan. When you sell your old home, you then repay the loan.

11.1 May I change my bridging loan?

No. If you have a bridging loan you cannot change it.

12. Home construction account**Please read this first**

You can obtain a home construction account when improving an existing home or building a new home. The conditions that apply to the construction of a new home may differ from those that apply to the improvement of an existing home. The bank will inform you if this is the case.

1. If an article applies only to the construction of a new home, it will be headed 'New build'.
2. If an article applies only to the improvement of an existing home, it will be headed 'Home improvement'.
3. If the provision has no heading, it applies to both the construction of a new home and the improvement of an existing home.
4. Some articles distinguish between loan parts on the basis of whether or not they have a National Mortgage Guarantee. If that is the case, there will be a heading '**You have a loan with a National Mortgage Guarantee**' or '**You have a loan without a National Mortgage Guarantee**'. The quotation will state whether you have a loan with a National Mortgage Guarantee.
5. If the provision has no heading, it will apply to loans regardless of whether or not they have a National Mortgage Guarantee.

12.1 What is a home construction account?

The amount that is available for your home improvement can be placed in a home construction account. A home construction account is an account into which the bank pays your loan or loan part. Using the money on this account, you can pay the invoices for the construction or improvement of your home. This means that you need not pay the costs of your home improvement out of your own pocket as an advance.

Please note

The bank does not give tax advice. There are rules for your home construction account and taxes. You should consult your tax adviser about the tax consequences of a home construction account.

12.2 What should I do if I want a home construction account?

1. **New build**
The quotation states what documents the bank needs from you. You should submit these documents to the bank in good time. Your adviser can tell you more about the rules governing a home construction account in the case of a new build.
2. **Home improvement**
The quotation states what documents the bank needs from you. You should submit these documents to the bank in good time. Your adviser can tell you more about the rules governing a home construction account in the case of a home improvement. The bank will give you money for a home improvement only if this increases the value of your home. The amount of the loan must also be in keeping with the bank's credit policy.

12.3 When should I make use of a home construction account?

If you wish to improve your existing home or build a new home, the bank may pay the amount of the loan or loan part intended for the home improvement or new build into a home construction account. The amount that will be deposited in the home construction account is stated in the quotation.

12.4 What is paid from the home construction account?

1. **New build**
In addition to the invoices for the construction work, the interest on the entire loan is paid from the balance of the home construction account.

If you do not want this to happen, you should discuss it with your adviser. This changes at the time when your home is completed and you obtain possession. Please also read article 12.22: 'What happens when my new home has been completed and handed over?'

2. **Home improvement**

If you have to pay the invoices from a supplier or contractor for the home improvement, these invoices are paid from the home construction account. The bank determines whether it will give you a home construction account. The home improvement must increase the value of your home. The loan must also be in keeping with the bank's credit policy.

Please note

Do you want the interest that you pay on the balance of your home construction account to be deducted from your taxable income? If so, the full amount of the home construction account must be used to increase the value of your home. If this is not the case, not all of the interest that you pay on the home construction account qualifies for income tax relief.

12.5 May I have a home construction account if I have a loan with a National Mortgage Guarantee?

You may have a home construction account even if you have a loan with a National Mortgage Guarantee. For the rules imposed by the Homeownership Guarantee Fund in respect of a home construction account, please consult the Fund's website at www.nhg.nl.

12.6 What happens to the amount for the new build/home improvement?

1. The loan part that is intended for the construction or improvement of your home is paid by the bank into a home construction account.
2. The amount that has been paid into the home construction account is pledged to the bank. By signing the quotation, you consent to this pledge. This means that the bank may use the sum that has been deposited in the home construction account in order to repay the loan or loan part. The bank may do this only if you fail to perform your obligations to the bank.
3. You may not pledge to a third party the rights that you have already pledged to the bank.

Important term

Examples of things you can **pledge** are insurance policies and savings accounts. The pledge gives the bank the certainty that you will repay the money you have borrowed. For example, if you fail to pay the interest or to repay your loan, the bank may use the money under the insurance policy or on the savings account (the rights you have pledged) to repay the loan.

12.7 When is a sum deposited in the home construction account?

Once you have signed the mortgage deed at the office of the civil law notary, the agreed amount is deposited in your home construction account. If you do not need to visit the civil law notary's office, the amount will be deposited in the home construction account after you have signed the quotation. This may take some time because the bank first has to complete the administrative formalities.

12.8 What is the start date of the term of the home construction account?

The start date of the term of the home construction account is the date on which the bank deposits the borrowed sum (or part of it) in the home construction account.

12.9 What is the term of the home construction account?

1. The term of the home construction account is 18 months. This term starts after the start date of the home construction account. Please also read article 12.8.
2. The 18-month period may be extended once for six months. If you wish to make use of this extension, you must submit a written request to the bank. The bank may refuse your request to extend the home construction account beyond the period of 18 months.
3. You must submit your request to the bank or to your adviser. All applicants must sign the request.

12.10 Do I pay interest on the amount in the home construction account?

1. You pay interest on the whole loan. The sum in the home construction account is part of the loan. You must therefore also pay interest on the amount in the home construction account. The home construction account is part of your loan. If part of

the amount of your loan is deposited in a home construction account, you therefore pay interest on that amount.

2. The bank calculates the interest that you must pay from the interest calculation start date. Please read more about this in article 5.2. The level of the interest you must pay is shown in your quotation.

12.11 Do I receive interest on the amount in the home construction account?

1. You receive interest on the amount in the home construction account. The interest that you receive is equal to the interest rate that you pay for your loan. If you have several loan parts with different interest rates, we calculate the interest you are entitled to receive on the home construction account on the basis of the weighted average of the interest rates of the different loan parts. The interest is credited each month to the home construction account.

An example

You borrow EUR 200,000. Your loan consists of two loan parts. You pay 5% interest on EUR 150,000 and 4% interest on EUR 50,000. The weighted average of the total amount of EUR 200,000 is therefore 4.75%. You thus receive 4.75% interest on the balance of the home construction account.

2. You receive interest only on the amount in the home construction account.
3. After 18 months, you no longer receive interest on the amount in the home construction account.
4. If you have not used the home construction account, you will also receive no interest on the balance on your home construction account. The bank automatically deducts from your loan the remaining balance in the home construction account after 18 months. This sum counts towards the amount that you may repay (redeem) each year without penalty. Please also read article 14: 'Repayment (Redemption)'.
5. The bank will set off the amount in the home construction account against the various loan parts. It does so in a given sequence. This sequence depends on your mortgage type(s). Ask your adviser for information about the sequence which the bank currently observes.
6. At the end of the term of the home construction

account, the bank checks whether amounts have been paid from the account.

An example

In 2010, the bank used the following sequence:

1. Interest-Only Mortgage
2. Repayment Mortgage
3. Bank Savings Mortgage
4. Endowment Mortgage

This means that the bank first sets off the repayments against the loan part of your loan with the highest-ranking mortgage type. Thereafter, repayments are set off against the remaining mortgage types in ranking order. The bank may always decide to change the sequence.

12.12 When and how is the amount paid from the home construction account?

1. **New build**
 - (a) If you build a new home, you reach agreement with the builder on what amounts have to be paid for what work. These are known as the stage payments. The stage payments are specified in the contract of sale and purchase and the construction contract. Depending on the progress of the building work, the stage payments that you must make are debited to the home construction account. You must use a claim form for this purpose. You can obtain this form from the bank. You must complete and sign the form and then forward it to the bank together with the invoices. Please also read article 12.14: 'What should I do with the invoice for the last stage payment?'
 - (b) Before the bank pays the invoices, it checks them and the claim form. If this check reveals that:
 - the invoice is not correct, or
 - the invoice is not in accordance with the construction plan or the construction contract, the bank will not pay the invoice. The bank will inform you if it does not pay the invoice.
 - (c) You should make copies of the invoices. You may keep the originals.
2. **Home improvement**
 - (a) If you improve your existing home, you send the invoices from, for example, your builder to the bank. You must use a claim form for this

purpose. You must complete and sign the form and then forward it to the bank together with the invoices.

- (b) Before the bank pays the invoices, it checks them and the claim form. If this check reveals that:
 - the invoice is not correct, or
 - the invoice is not in accordance with the construction plan or the construction contract, the bank will not pay the invoice.
- (c) You should state clearly on the claim form whether you have paid the invoice yourself or whether the bank should do this for you.
- (d) You should make copies of the invoices. You may keep the originals.

12.13 Does the bank also pay invoices for extra work?

1. New build

The bank will only pay costs that have been included in your mortgage quotation. If it is discovered that extra work has been performed which was not included in the quotation, the bank will not pay the associated invoices. However, if the work under the contract of sale and purchase/construction contract has been done and there are still funds in the home construction account, the invoices for the extra work will be paid from this account. These invoices must be for work that increases the value of your home.

2. Home improvement

You have supplied the bank with a home improvement plan. If the bank has assessed and accepted this plan, it will pay the invoices for the work specified in the plan. Invoices for extra work (worth not included in the home improvement plan) will not be paid. However, if the work under the home improvement plan has been done and there are still funds in the home construction account, the invoices for the extra work will be paid from this account. These invoices must be for work that increases the value of your home.

12.14 What should I do with the invoice for the last stage payment?

1. New build

- (a) You must send the invoice for the last stage payment to the bank as quickly as possible. At the same time, you must also inform the bank of the date of completion.

- (b) A situation may arise in which the credit balance of the home construction account is not sufficient to pay this last invoice. If that is the case, you should inform the bank as quickly as possible. You should then arrange for the invoice (or the remainder of the invoice) to be paid in some other manner.

2. Home improvement

- (a) You must send the last invoice to the bank as quickly as possible.
- (b) A situation may arise in which the credit balance of the home construction account is not sufficient to pay this last invoice. If that is the case, you should inform the bank as quickly as possible. You should then arrange for the invoice (or the remainder of the invoice) to be paid in some other manner.

12.15 What happens to my home construction account if the balance is less than EUR 10,000 during the term?

1. New build

(a) You have a loan without a National Mortgage Guarantee:

Has your home been completed and is the balance on the home construction account EUR 10,000 or less? If so, the bank will deposit this amount into the bank account from which your monthly payment is or will be debited. The bank will also close your home construction account.

(b) You have a loan with a National Mortgage Guarantee:

Please read article 12.16: 'What happens to my home construction account if the balance is less than the National Mortgage Guarantee minimum during the term?' and article 12.17: 'What happens if there are still funds in the home construction account after the expiry of the term (a surplus)?'.

2. Home improvement

(a) You have a loan without a National Mortgage Guarantee:

Is the credit balance on the home construction account EUR 10,000 or less? If so, the bank will deposit this amount into the bank account from which your monthly payment is debited. The bank will also close your home construction account.

b. **You have a loan with a National Mortgage Guarantee:**

Please read article 12.16: 'What happens to my home construction account if the credit balance is less than the National Mortgage Guarantee minimum during the term?' and article 12.17: 'What happens if there are still funds in the home construction account after the expiry of the term (a surplus)?'.

Please note

If the bank transfers a sum from the home construction account to your bank account, this may have tax consequences. You should consult your adviser about this.

12.16 What happens to my home construction account if the credit balance is less than the National Mortgage Guarantee minimum during the term?

Please read this first

The Homeownership Guarantee Fund issues the National Mortgage Guarantee. This foundation has indicated on its website at www.nhg.nl the level at which it will close the home construction account. We refer to this as the **National Mortgage Guarantee minimum**. If the balance on the account falls below the minimum, the residual amount is deducted from your loan or paid into your bank account. The Homeownership Guarantee Fund may change the level of this minimum. In 2010, the amount was EUR 2,500. If you had less than EUR 2,500 in your home construction account at that time, the balance was deducted from your loan or paid to you. Please read the conditions on the Fund's website at www.nhg.nl.

1. **New build**

(a) **You have a loan without a National Mortgage Guarantee:**

This article (article 12.16) does not affect your situation. Please read article 12.15: 'What happens to my home construction account if the credit balance is less than EUR 10,000 during the term?'

(b) **You have a loan with a National Mortgage Guarantee:**

If, during the term of your home construction account, the balance of the account is less than the National Mortgage Guarantee minimum and your home has been completed, the balance will

either be deducted from your loan or paid to you. This amount counts towards the amount that you may repay (redeem) each year without penalty. Please read article 14: 'Repayment (Redemption)' for the penalty that you may then have to pay. The bank also closes your home construction account. If your construction work is not yet completed, the bank will not deduct the balance of your home construction account from your loan.

2. **Home improvement**

(a) **You have a loan without a National Mortgage Guarantee:**

This article (article 12.16) does not affect your situation. Please read article 12.15: 'What happens to my home construction account if the credit balance is less than EUR 10,000 during the term?'

(b) **You have a loan with a National Mortgage Guarantee:**

If, during the term of your home construction account, the balance of the account is less than the National Mortgage Guarantee minimum and the home improvement work has been completed according to the home improvement plan, the balance will be deducted from your loan. This amount counts towards the amount that you may repay (redeem) each year without penalty. Please read article 14: 'Repayment (Redemption)' for the penalty that you may then have to pay. The bank also closes your home construction account. If your home improvement work is not yet completed, the bank will not deduct the balance of your home construction account from your loan.

12.17 What happens if there are still funds in the home construction account after the expiry of the term (a surplus)?

1. **You have a loan without a National Mortgage Guarantee**

(a) If there are still funds in the home construction account after the expiry of the term of the account, the bank will deduct the amount from your loan. This amount counts towards the amount that you may repay (redeem) each year without penalty. Please read article 14: 'Repayment (Redemption)'.

(b) The bank will set off the amount in the home construction account against the various loan parts. It does so in a given sequence. This sequence depends on your mortgage type(s).

Ask your adviser for information about the sequence which the bank currently observes.

2. **You have a loan with a National Mortgage Guarantee**

(a) If there are still funds in the home construction account after the expiry of the term of the account, the bank will deduct the amount from your loan. It makes no difference how large the amount is. This amount counts towards the amount that you may repay (redeem) each year without penalty. Please read article 14: 'Repayment (Redemption)'.

(b) The bank will set off the amount in the home construction account against the various loan parts. It does so in a given sequence. This sequence depends on your mortgage type(s). Ask your adviser for information about the sequence which the bank currently observes.

12.18 May I close the home construction account early?

1. You must ask the bank if you wish to close the home construction account early. You should send your letter containing the request to the bank or to your adviser.
2. Before closing your home construction account, the bank will pay all invoices submitted by you. Please also read article 12.17: 'What happens if there are still funds in the home construction account after the expiry of the term (a surplus)?'

12.19 Do I pay extra costs for my home construction account?

1. You pay no extra costs for your home construction account.
2. You pay interest on the amount of your loan. Your construction account is part of the loan. Please also read article 12.10: 'Do I pay interest on the amount in the home construction account?'
3. The interest which you must pay on your loan and which is also therefore the interest payable on the amount in your home construction account is specified in your quotation.

12.20 How do I know how much is in my home construction account?

During the construction period, you will receive a 'Home Construction Account Statement' each month. This shows the balance on your home construction account, the interest you have received and what amounts have been paid from the account.

12.21 May my home construction account be overdrawn?

No, your home construction account may not be overdrawn.

New build

12.22 What happens when my new home has been completed and handed over?

Once your new home has been completed and handed over, the monthly amounts are no longer paid from your home construction account. From that time onwards, your monthly amounts must be paid from your current account. This happens automatically. When signing the quotation, you authorise the bank to collect these amounts.

13. Monthly payment

Please read this first

Article 2 'Loan and payments' of the General Mortgage Conditions contains more conditions concerning the monthly and other interest payments and repayment(s). Please also read this article.

13.1 What does my monthly amount consist of?

1. Your monthly amount always consists of a sum of interest that you must pay for your loan.
2. Part of your monthly amount may also be earmarked for the repayment of the loan (redemption) or for saving or investing a particular amount (target capital). This is also known as capital accumulation. Your quotation gives a breakdown of your monthly amount.

Please note

Your mortgage may consist of two or more parts. The monthly amounts that you pay for these loan parts may differ.

13.2 Must I pay more than my monthly amount?

In addition to this monthly amount you must sometimes also pay for an insurance policy, a bank savings account, an investment account or another account linked to your loan. If the bank or ABN AMRO Hypotheken Groep B.V. (AAHG) is not the party providing the insurance or account, you do not pay these amounts to the bank. You should then pay these amounts to the other bank concerned or to your insurer, as the case may be. If the bank does provide the insurance or account, you should pay these amounts to the bank. These amounts are then specified in your quotation with the total monthly amount. Whether the bank or AAHG is the provider is stated in your quotation.

13.3 How do I pay the bank?

By signing the quotation, you give the bank consent to automatically debit the monthly amount to your bank account. As long as the loan has not been repaid, you are obliged to pay the monthly amount to the bank.

13.4 What happens if I do not pay my monthly amount?

1. If you do not pay your monthly amount, the bank can charge you a penalty. This penalty is 1% a month on the unpaid amount until you have paid the unpaid amount to the bank. The bank may charge this penalty immediately. A warning is not necessary for this purpose. For the purpose of calculating the penalty, a month that has already started is treated as a full month.
2. If you do not pay your monthly amount on time, the bank may also demand repayment of the loan. This may result in the bank having to sell your home. Before the bank sells your home, it examines whether there are other ways in which you can fulfil your obligations. For example, the bank may change your mortgage (or part of your mortgage) to a different type. Before doing so, the bank examines whether it can and may offer you the different mortgage type. It determines this by reference, for example, to its credit policy.
3. If the bank has to sell your home, the proceeds of the sale are used to repay the loan. If the proceeds are insufficient to repay the loan in full, a debt remains. You must then repay the debt to the bank in some other way.
4. The bank is never liable for the sale of your home and the possible loss that you may incur in such sale if you do not fulfil your obligations.

13.5 What happens if I do not pay the premium for my insurance or the amount for my bank savings account or investment account?

1. You accumulate capital in your insurance or on an account. At the end of the term, you use this capital to repay your loan. If you do not pay the premium, the insurance or account may lapse. In such a case, the final amount may not be sufficient to repay your loan. This means that the bank may sell your home. For more information, please read the General Mortgage Conditions.
2. Before the bank sells your home, it examines whether there are other ways in which you can

fulfil your obligations. For example, the bank may change your mortgage (or part of your mortgage) to a different type. Before doing so, the bank examines whether it can and may offer you the different mortgage type. It determines this by reference, for example, to its credit policy.

3. If the bank must change the mortgage type or one of the characteristics of your loan part (see 1), it is possible that you may have to pay a penalty. So please also read articles 8, 9, 10 and 14. You must also pay the costs associated with changing your mortgage. It is possible that, as a result of the change, you have to pay more each month. The bank is not responsible or liable for this.

13.6 How should I give notice of a change in my bank or giro account number?

You should give written notice as quickly as possible of any change in your bank or giro account number. You should send your new details to the bank or to your adviser.

14. Repayment (redemption)

Please note

Repaying the loan is the same as redeeming the loan. Partial redemption is the same as partial repayment of the loan.

Please read this first

Where reference is made in this article to a new **identical loan part**, this means a loan part that has the same:

- interest type
 - residual fixed interest period
 - loan-to-value class, and
 - mortgage type
- as your existing loan part.

The comparison that is made is between the interest that you now pay and the interest that you would have to pay if you were to conclude your present mortgage at the moment of the change. If the bank has dropped your mortgage type, fixed interest period, loan-to-value class or interest type from its product range, it will apply the interest rate of a loan part that most closely resembles your present loan part.

By **residual fixed interest period**, we mean the period between the time when you wish to repay (redeem) and the expiry date of the fixed interest period. If the bank no longer has the fixed interest period in its product range, it will apply the next shortest fixed interest period. The minimum fixed- interest period is one (1) year.

14.1 When must I have repaid my loan in full?

You must have repaid your loan in full to the bank at the latest on the expiry date of the term of the loan. It is possible that your loan consists of various loan parts. Each loan part may have a different term. At the end of the term of each loan part, you must have repaid that loan part. Your entire loan will have been repaid when you have repaid in full all loan parts. Please also read article 14.10 if you wish to repay the loan in full.

14.2 May I also repay my loan (or part of the loan) early?

You may always repay your loan (or part of the loan) before the end of the term. You may repay 10% of your loan part each year without penalty. Do you wish to repay more than 10%? If so, please read article 14.6 if you wish to repay your loan (or part of the loan) without penalty. Please read article 14.4 for information about the possible penalty that you must pay if you repay more than 10% early.

14.3 What amount of my loan may I repay *without* penalty?

Each calendar year, you can repay 10% of the original amount of a loan part. You need not pay any penalty on that amount. If you have not made any repayments or extra repayments to the bank in a calendar year, you are not entitled to carry over this amount and repay 20% without penalty in a subsequent year. Please read article 14.8 for information about how the penalty is calculated.

14.4 Must I pay a penalty if I repay my loan (or part of the loan) early?

1. If you have a **variable rate** loan part and repay that loan part (or part of that loan part), you need not pay any penalty.
2. If you have a **fixed rate** loan part, you will pay a penalty if, at the moment you repay the loan (or part of the loan), the following apply:
 - the fixed rate you pay is **higher** than the fixed rate for a new identical loan part, and
 - you repay more than 10% of the original amount

of your loan part per calendar year. The original amount of your loan part is specified in your quotation.

Please note

An extra payment into your bank savings account is also treated as the repayment of your loan (or part of your loan).

For your information

You must pay a penalty because, when you took out the loan with the bank, you agreed to pay a given rate of interest for a given period. If you repay part of your loan early, the bank no longer receives this interest. In its calculations, however, the bank has proceeded on the assumption that it will receive this interest. This is because the bank has to purchase (borrow) money and pay interest on it. In the event of an early repayment, the bank no longer receives this interest from you, but must still pay it. In such a case, the bank suffers a loss of interest. This is why you must pay the bank compensation for the interest that it does not receive. This compensation is also known as a penalty. Actually, it is compensation rather than a penalty.

14.5 Do I also pay a penalty if I receive an interest rebate?

If you have obtained an interest rebate, the penalty is calculated on the basis of your interest rate with the rebate. The interest rate **with** which the comparison is made is also the interest rate **with** rebate. Please read article 14.8 for information about how the penalty is calculated.

Please note

The 10% that you can repay each calendar year without penalty is calculated based on the (original) amount of a loan part and not on the whole loan.

14.6 When can I repay my loan (or part of the loan) *without* a penalty?

1. **Variable rate**
You may always repay all or part of variable rate loan parts without limit and without penalty or costs. It makes no difference what interest rate you are paying or what the current interest rate is at that time.

2 **Interest review date**

If you repay all or part of your loan part on the interest review date, you need not pay any penalty. The interest review date is the date on which your fixed interest period expires.

3. **Reaching loan part target capital**

If the amount on your investment account, bank savings account, repayment account or insurance is equal to the amount of your loan part, you may repay that loan part in full without penalty.

4 **Fixed rate that is lower than the interest for a new identical loan part**

If the fixed rate you pay is lower than the fixed rate for a new identical loan part, you need not pay any penalty for the repayment of the loan or part of the loan.

5. **Death**

No penalty need be paid if the loan is repaid in full within 12 months of your death.

6. **Sale of your home (the collateral)**

You need not pay any penalty if repay your loan in full because you have sold your home (the collateral). However, you must fulfil the following conditions in this case:

- you have been to the civil law notary's office to complete the sale of your home and everything that belongs with it to another party, and the notary has prepared a notarial deed of transfer;
- you do not sell your home to your spouse or any other person with whom you have jointly taken out the loan;
- you do not let your home;
- you no longer live in your home;
- you have not sold your home to a business or partnership in which you yourself participate.

7. **Forced sale**

You need not pay a penalty if you repay your loan after the forced sale of your home. This does not apply if the sale is a consequence of an act or omission for which you can be held liable.

8. **If your home is no longer habitable**

You do not pay a penalty if you repay your loan in full within twelve months of your home becoming irreparably damaged. This means that your home is no longer habitable (for example, as a result of fire). Whether this is so is a matter for the bank to decide.

14.7 How is the penalty calculated if I repay my loan in full?

Below is an explanation of how the penalty is calculated if you repay your loan **in full**.

Important

The concept of **present value** plays an important role in the calculation of the penalty. In brief, the present value is the current value of an amount that someone would obtain only after a given period. If you repay your loan before the end of the term, the bank will not receive part of the interest that you would otherwise have paid. This future interest is discounted to its present value. The interest that the bank would have received but for the fact that you make repayment early is the amount of the penalty.

1. The penalty that you must pay is calculated on the amount that you wish to repay to the bank. First, however, the exempted amount is deducted from the repayment. The exempted amount is a maximum of 10% of the original amount of each loan part in a calendar year.
2. The penalty for repaying the entire loan before the end of the term of the loan is calculated as follows. The present value of the difference between:
 - (a) the total amount that you would have paid in interest and, if applicable, repayment of capital during the residual term of your fixed interest period on the basis of your current interest rate; and
 - (b) the total amount that you would have paid in interest and, if applicable, repayment of capital during the residual term of your fixed interest period on the basis of the interest rate for identical loan parts as applicable 14 calendar days before you repay your loan.
3. If the bank does not offer a fixed interest period that is equal to your residual fixed interest period, it will take a shorter fixed interest period that most closely resembles this residual fixed interest period. The minimum fixed interest period is one year.
4. If the bank no longer offers your mortgage type, it will take the mortgage type that most closely resembles your mortgage type. This is a decision for the bank.

Important terms

For the purposes of this article, an identical loan part is taken to mean a loan part that has the same:

- interest type
- fixed interest period
- loan-to-value class, and
- mortgage type

as the loan part that you have.

By **residual fixed interest period**, we mean the period between the time when you wish to repay (redeem) and the expiry date of the fixed interest period. If the bank no longer has the fixed interest period in its product range, it will apply the next shortest fixed interest period. The minimum fixed interest period is one (1) year.

An example

You have a mortgage of EUR 200,000. The fixed interest period is ten years and started on 1 May 2008. The interest rate is 5.4%. In early 2013, you receive an inheritance of EUR 200,000. Using this money, you repay your mortgage in full on 1 June 2013. This means that you repay more than 10%. If you repay more than 10%, you may have to pay a penalty.

When must you pay a penalty?

The residual term of your fixed interest period is four years and eleven months. This fixed interest period is not offered by the bank. This is why, 14 days before you repay your loan in full, the bank will take a fixed interest period of three years. This interest rate is 5.3%. This is a lower rate than the rate you now pay. You must therefore pay a penalty.

Each year, you may repay 10% without penalty. This means that you may repay EUR 20,000 each year without penalty. However, you have repaid EUR 200,000. You must therefore pay a penalty on the difference of EUR 180,000.

As you have repaid EUR 200,000, the bank receives 0.1% less interest on an amount of EUR 180,000. The period over which the penalty is calculated is the residual fixed interest period, namely four years and eleven months. Each year, the bank thus receives EUR 180 less than previously. This is EUR 15 per month for the next four years and eleven months. The bank then calculates the present value. In other words, it

calculates what amount it is now missing in income on the assumption that it would otherwise have received 5.3% interest in the future. In this example, this is EUR 779.90. This is the amount of the penalty that you must pay.

Please note

An extra payment into your bank savings account is also treated as the repayment of your loan (or part of your loan).

14.8 How is the penalty calculated if I repay part of my loan?

Below is an explanation of how the penalty is calculated if you repay part of your loan.

1. The penalty that you must pay is calculated on the amount that you wish to repay to the bank. First, however, the exempted amount is deducted from the repayment. The exempted amount is a maximum of 10% of the original amount of each loan part in a calendar year.
2. The penalty for repaying part of the loan before the end of the term of the loan is calculated as follows. The present value of the difference between:
 - (a) the total amount that you would have paid in interest and, if applicable, repayment of capital during the residual term of your fixed interest period on the basis of your current interest rate; and
 - (b) the total amount that you would have paid in interest and, if applicable, repayment of capital during the residual term of your fixed interest period on the basis of the interest rate for identical loan parts as applicable when you repay the loan in part.
3. If the bank does not offer a fixed interest period that is equal to your residual fixed interest period, it will take a shorter fixed interest period that most closely resembles this residual fixed interest period. The minimum fixed interest period is one year.
4. If the bank no longer offers your mortgage type, it will take the mortgage type that most closely resembles your mortgage type. This is a decision for the bank.
5. Please read article 14.9 for the adjustment your monthly amount after you have repaid part of your loan.

14.9 What happens to my monthly amount after I have repaid part of my loan?

1. Your monthly amount is automatically reset if there is a change of EUR 2 or more. In this context, the bank takes account of the interest that you receive on the amount that you have repaid to the bank. It also takes account of the amount that you have repaid to the bank.
2. The interest rate that you receive on the amount that you have deposited for the repayment of your loan is equal to the interest rate that you pay. You receive interest from the moment that your payment is received by the bank.
3. The amount that you receive in interest is deducted from your debt to the bank.
4. Please also read article 2, 'Loans and payments', of the General Mortgage Conditions.

An example

You have a mortgage of EUR 200,000. The fixed interest period is ten years and started on 1 May 2008.

The interest rate is 5.4%. In early 2013, you receive an inheritance of EUR 50,000. Using this money, you repay part of your mortgage on 1 June 2013. This means that you repay more than 10%. If you repay more than 10%, you may have to pay a penalty.

When must you pay a penalty?

The residual term of your fixed interest period is four years and eleven months. This fixed interest period is not offered by the bank. This is why the bank will take a fixed interest period of three years. This interest rate is 5.3%. This is a lower rate than the rate you now pay. You must therefore pay a penalty.

Each year you may repay 10% without penalty. This means that you may repay EUR 20,000 each year without penalty. However, you have repaid EUR 50,000. You must therefore pay a penalty on the difference of EUR 30,000.

As you have repaid EUR 50,000, the bank receives 0.1% less interest on an amount of EUR 30,000. The period over which the penalty is calculated is the residual fixed interest period, namely four years and eleven months. Each year, the bank thus receives EUR 30 less than previously. This is EUR 2.50 per month for the next four years and eleven months. The bank then calculates the

present value. In other words, it calculates what amount it is now missing in income on the assumption that it would otherwise have received 5.3% interest in the future. In this example, this is EUR 129.98. This is the amount of the penalty that you must pay.

14.10 What must I do if I wish to repay the loan in full?

1. You must submit a written request the bank for a repayment statement at least 30 days before the date on which you wish to repay the loan in full.
2. The bank prepares the repayment statement 14 days before the date on which you wish to repay the loan.
3. If you repay the loan later than the date specified by you, you must pay interest on the period between the specified date and the actual date of repayment. If you have repaid your loan later than you had specified, it may be necessary to prepare a new repayment statement. This is a matter for the bank to decide.

15. Portability

Please read this first

1. **Old loan:** where we talk about the old loan, we mean the loan you have taken out for your old home. This is the loan that you have repaid or are going to repay.
2. **New loan:** your new loan is the loan that you take out to buy your new home (the collateral).
3. The homes (collateral) under the old and new loans are therefore different. Certain loan parts can be transferred, but the collateral cannot.
4. **Interest conditions:** these are the interest type, residual fixed interest period and interest rate that apply to a particular loan part of your old loan. These conditions may be transferred (provided certain conditions are fulfilled) for the **residual** term of the fixed interest period.
5. In the case of loan parts with a variable interest rate, the interest conditions cannot be transferred. In such cases, you always pay the current interest rate.

15.1 When may I make use of the portable mortgage scheme?

1. If you repay your loan in full and without penalty because you are selling your home, and you take out a new ABN AMRO Home Mortgage or Extra Home Mortgage for another home within six months, articles 15.2 to 15.9 apply.

15.2 What is the portable mortgage scheme?

1. The portable mortgage scheme means that you may transfer to your new loan the interest rate that applies to the fixed rate part of your old loan. This is possible only if you move house during the term of your old loan part and take out a new mortgage with the bank within the period referred to above. The agreements about the level of interest that apply to the fixed interest period for your old loan part then apply to your new loan part. These agreements apply **only** for the residual term of the fixed interest period.
2. You may possibly need to borrow more money for your new home than for your old home. This means that the amount of your old loan is less than the amount of your new loan. The interest conditions of your old loan/loan part do not apply to the additional amount that you borrow under your new loan. For this extra amount, you must take out a new loan part.
3. The interest rate applicable at the moment you take out the new loan part (current interest rate) applies to that extra amount.
4. Until:
 - your old home is sold, and
 - the old loan has been fully repaid to the bank, your old loan is changed (converted) into a variable rate loan. We call this a transitional loan. You do need to pay any costs for this change.
5. As soon as you have been to the civil law notary's office to sign the mortgage deed, the conditions applicable at that time apply. These conditions apply to the loan part that you transfer and to your new loan parts.

Please note

- If you have not yet sold your old home but have already bought a new home, you therefore have two homes (two mortgages) for which you must pay.
- Your old loan is transferred to your new home. However, you must still pay interest for your old loan. For your old home, you then pay the variable interest applicable to new identical mortgages. This is known as the transitional loan. Once you have sold your old home and repaid your old loan, you need no longer pay this variable interest. The maximum term of a transitional loan is 24 months.

15.3 What type of interest can I choose?

1. When taking out a new loan, you may choose to have:
 - (a) the variable or fixed interest rate applicable at that time for new loans,

or

 - (b) the fixed interest rate that applies to your old loan/loan part; this fixed rate can apply only to the amount of your old loan/loan part.
2. It is possible that an interest surcharge may apply to your new loan. If this is so and you choose the fixed rate that applies to your old loan/loan part, this surcharge will be taken into account in determining the level of interest. This means that account is taken of a level of interest that you have not paid for your old loan/loan part.
3. Please read articles 15.4 and 15.5 for the conditions that apply if you wish to retain your old interest rate.

15.4 When do I keep the level of my old interest for my new loan?

To keep the interest conditions of your old loan, your new loan must have the same mortgage type(s), residual fixed interest period and interest type as your old loan. This means that the only differences between your old and new loan are the home, the value of the home, the conditions that apply and, possibly, the size of the total loan.

15.5 For what part of the new loan can I transfer the interest conditions of my old loan?

The interest conditions of your old loan part apply to the amount of your new loan that is equal to or lower than your old loan. The amount of your old loan is determined at the moment that you repaid the old loan.

15.6 For how long can I transfer my old interest conditions?

The interest conditions of your old loan part that you transfer apply for a limited time to your new loan. They apply for the residual term of the fixed interest period of your old loan part.

Important term

The term **residual fixed interest** period means the term that lapses between the time when you repay the old loan and the expiry date of the (current) fixed interest period.

15.7 Can the amount of my new loan be higher than the amount of my old loan?

Yes, this is possible. But the portable mortgage scheme does not apply to the amount that you borrow in excess of the old loan. The interest rate applicable to new loans applies to the excess.

An example

Old loan

Your old loan is EUR 200,000. For this amount, you have a Bank Savings Mortgage (a mortgage type). You pay interest of 4.5%. You had a fixed interest period of five years. You move house after two years. The residual term of your fixed interest period is therefore three years.

New loan

Your new home is more expensive. You need a loan of EUR 300,000. If you were to take out the loan anew from the bank, you would pay 4.9% interest for this loan with a fixed interest period of five years. However, you can also use the portable mortgage scheme.

Portable mortgage scheme

You transfer your old loan with the old interest rate for the residual fixed interest period to your new loan. Your loan then takes the following form:

- one loan part of EUR 200,000 with an interest rate of 4.5%, a three-year fixed interest period and a Bank Savings mortgage type,

and

- one loan part of EUR 100,000 with an interest rate of 4.9% and a five-year fixed interest period; this loan part may have any permitted mortgage type.

Portability conditions:

- your old loan retains the same mortgage type upon transfer;
- the interest rate and fixed interest period of your old loan remain unchanged.

Your new loan/loan part may have every possible fixed interest period, interest type and mortgage type. The new loan is subject to the conditions applicable at that time. The conditions applicable at that time also apply to your transferred 'old' loan.

15.8 May I also transfer my variable rate?

Where you have a variable interest rate as your interest type, you always pay the current interest rate. Your interest rate therefore is therefore not transferred. If you have a mortgage with a variable rate loan part, that loan part cannot be transferred.

15.9 Must I pay an arrangement fee?

1. You will be charged an arrangement fee only if the amount of your new loan exceeds the amount of your old loan (including any additional loans). The arrangement fee is calculated on the difference between your old and your new loan.
2. If your new loan includes a bridging loan, you always pay an arrangement fee for that part of the loan.

16. Increasing your loan

Important term

Where we refer here to an **existing loan**, we mean the loan you wish to increase. This is therefore your loan before the increase.

16.1 What requirements apply if I wish to increase my loan?

1. You may increase your loan if:
 - the bank considers that the value of your home is sufficient, and
 - you comply with the bank's credit policy, and
 - the additional amount you borrow is EUR 5,000 or more.
2. The bank will increase your loan by less than EUR 5,000 only if the increase is a result of the costs you must pay for changing your loan.
3. If you fulfil the requirements of this article (article 16), the bank will send you a new quotation. This quotation contains a statement of all the data on your mortgage after the increase. The amount by which your loan is increased is added to your loan by means of a new loan part.

16.2 What must I do if I wish to increase my loan?

If you wish to increase your loan, you must request the bank accordingly. You should consult your adviser about this. He or she will assist you further in this process.

16.3 What happens to my loan and the conditions if I wish to increase my loan?

1. An increase in your loan involves changing your existing loan. You add a loan part to your existing loan.
2. The conditions that applied when taking out your existing loan continue to apply to that loan. The conditions that apply to your new loan part (the increase) are those that apply at the time of the increase to new identical loan parts. The quotation for your increase sets out the conditions applicable to the new loan part.

16.4 Do I have to visit the civil law notary's office in order to increase my loan?

1. It is possible to increase your loan in the interim. This can be done if you have initially registered a higher amount. Such a higher registration must have been arranged when you took out your mortgage. If you do this, your mortgage is entered by the civil law notary in the mortgage register for a higher amount than is actually necessary at that time. This enables you to increase your loan in the future up to the amount for which it has been registered. In that case, you do not need to pay an additional visit to the civil law notary's office. Naturally, you need the bank's consent at that time to increase your mortgage. The bank examines, for example, whether your income and the value of your home (the collateral) are sufficient for the increase.
2. If you wish to increase your mortgage but do not have a higher registration, you will have to take out a second mortgage. The second mortgage is actually an extra loan with the same collateral. In such a case, you must once again visit the civil law notary's office in order to sign a new mortgage deed. Naturally, you need the bank's consent at that time to take out a second mortgage. The bank examines, for example, whether your income and the value of your home (the collateral) are sufficient for the increase.

17. Insurance or account linked to the loan

17.1 What is the purpose of my endowment insurance, bank savings account, investment account or other account or insurance?

In the case of some mortgage types, you have taken out an endowment insurance policy or opened a bank savings account, an investment account or other account or insurance together with your loan. This insurance or account is linked to your loan. This means that the insurance or account is an important part of your mortgage. In assessing whether it will grant you the mortgage, the bank takes into consideration whether you have this insurance or account. The aim of this insurance or account is to accumulate a given amount of capital. You may use this accumulated capital to repay your loan or part of it to the bank at the end of the term of the loan. You pledge the insurance or the account to the bank when taking out your mortgage.

What is pledging?

The bank wishes to have the certainty that you will repay your loan. For this purpose, you agree with the bank that the amount you accumulate in your insurance or save on your account will be paid out to the bank. This is called pledging. If the amount is paid out to the bank, it uses the amount to repay your loan or loan part.

17.2 What happens if I have repaid or changed my loan?

1. If you have repaid your loan in full to the bank before the end of the term, you need not use the accumulated capital to repay your loan. This may also happen if you have changed your loan. Your account or insurance is then no longer pledged to the bank.
2. The bank may impose requirements for allowing the pledge to lapse.

17.3 When is the accumulated capital paid out?

1. If you do not need the capital accumulated in the insurance or on the account to repay your loan, this amount may be deposited in the bank account from which your monthly amount is debited. Your insurer can provide you with more information about this. It will take some time before the amount is received in your bank account.

- The bank is not liable for any loss or damage whatsoever that is or may be a consequence of this. This means that the bank is also not liable for any price loss or tax loss.

Please note

The bank does not give tax advice. You should consult a tax adviser about obtaining payment of the capital in your mortgage-linked insurance or account.

18. Buildings insurance

- You must take out a comprehensive buildings insurance policy for your home. Under such a policy, your home is insured against damage caused by perils such as fire, storm and burglary. A comprehensive buildings insurance policy is also known as a comprehensive home insurance policy.
- The comprehensive buildings insurance must take effect no later than the day that you sign the mortgage deed at the civil law notary's office. The policy must provide cover for the reinstatement value.
- You must send the bank a copy of the policy.

19. Change of address

19.1 When will I receive my post at my new address if I have bought a new build home?

The bank will register you at your new address one (1) month after your home construction account (see article 12) is closed. From that date, you will receive your post from the bank at your new address. If you wish to receive post at your new address from a different date, you should inform the bank accordingly. To do so, please send a letter to:

Postadres Verhuisservice
ABN AMRO Bank N.V.
F&S Verhuisservice, PAC SK0000
Antwoordnummer 5149
3000 VB Rotterdam

19.2 When will I receive my post at my new address if I move to an existing home?

The bank will register you at your new address one (1) month after you sign the mortgage deed at the civil law notary's office. If you wish to receive post at your new address from a different date, you should inform the bank accordingly. To do so please send a letter to:

Postadres Verhuisservice
ABN AMRO Bank N.V.
F&S Verhuisservice, PAC SK0000
Antwoordnummer 5149
3000 VB Rotterdam

20. Complaints procedure

20.1 How and where can I report complaints?

If you have a complaint, you may notify the bank. You can do this in one of the following ways:

- By telephone:** you can reach the bank 24 hours a day on telephone number 0800-0240712 (freephone). From abroad, you should call +31 102411720 (you then pay the local charges plus the charges for calling from abroad).
- On the internet:** you can pass on your complaint to us online by sending us an e-mail or by contacting us on our website at www.abnamro.nl.
- At an advice centre:** you can discuss your complaint with a staff member of one of our branches or with your own contact person.
- In writing:** you can send your complaint to your ABN AMRO branch; you can find the address of your local branch on our website at www.abnamro.nl.

You will always receive a letter of response or confirmation of receipt from the bank within five working days. If the bank cannot answer your complaint immediately, the letter will state when you can expect an answer from the bank.

20.2 What if I do not agree with the response?

If you do not agree with the response, you may send a letter to:

ABN AMRO Bank N.V.
Complaints Management Department (AA 1416)
P.O. Box 283
1000 EA AMSTERDAM
The Netherlands

In your letter, you should specify:

- your complaint;
- your address and telephone number and your e-mail address, if any
- your local ABN AMRO Bank branch
- your bank account number.

Please also send copies of information that you believe to have an important bearing on your complaint.

Upon receipt of your letter, our Complaints Management Department will write to you stating when you can expect a response to your complaint.

20.3 What can I do if I am still not satisfied with the outcome?

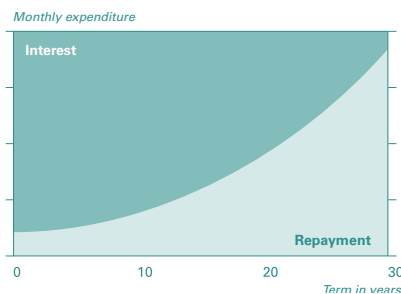
Within three months of receiving the bank's reply, you can refer your complaint to the Financial Services Complaints Authority (KIFID). You can download a complaint form at www.kifid.nl or request a form by telephone from KIFID (telephone number: +31 703338999). You should send your complaint form to:

Klachteninstituut Financiële Dienstverlening (KIFID)
P.O. Box 93527
2509 AG The Hague
The Netherlands

You can find more information about KIFID at its website.

Mortgage types

21. Repayment Mortgage



Important term:

Where reference is made below to 'this loan part', we mean the loan part for which you have taken out a Repayment Mortgage.

21.1 What is a Repayment Mortgage (in brief)?

A Repayment Mortgage is a type of mortgage in which you repay part of your loan each month. You also pay interest each month.

21.2 What do I pay each month?

- Each month, you pay an amount to the bank. This consists of:
 - interest on your loan, and
 - repayment of part of your Repayment Mortgage (redemption).
- As the monthly amount remains the same in the case of a fixed interest rate, the relationship between the amount that you repay (redemption) and the amount you pay in interest changes. At the start of the term of your Repayment Mortgage, the interest component exceeds the repayment component. At the end of the term of your Repayment Mortgage, the repayment component exceeds the interest component.
- As you repay part of your loan each month, the amount of your Repayment Mortgage decreases each month. The aim of the repayments is to ensure that you have repaid your Repayment Mortgage in full by the end of the mortgage term.
- After each fixed interest period, the monthly amount can change. In the case of variable interest, the monthly amount can change each month.

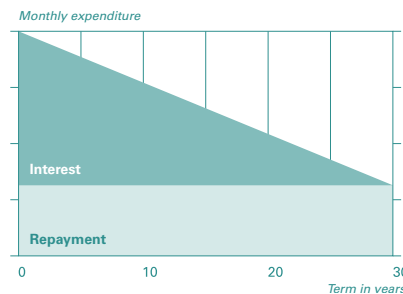
21.3 Does the monthly amount always stay the same?

Your monthly amount changes if the interest which you must pay to the bank for the loan part in question changes. The monthly amount is then adjusted.

Please note

The loan component decreases in the case of a Repayment Mortgage. Each month, you repay part of the loan. As a result, the amount you pay in interest continually decreases. This affects the amount of mortgage relief available to you. You should ask your tax adviser for advice.

22. Straight-Line Mortgage



Important term:

Where reference is made below to 'this loan part', we mean the loan part for which you have taken out a Straight-Line Mortgage.

22.1 What is a Straight-Line Mortgage (in brief)?

A Straight-Line Mortgage is a type of mortgage in which you repay part of your loan to the bank each month. You also pay interest each month.

22.2 What do I pay each month?

- Each month you pay an amount to the bank. This consists of:
 - interest on your loan, and
 - a fixed amount by which you repay this loan part (redemption).
- As you repay part of this loan part each month, the amount of your loan part decreases each month. The aim of the repayments is to ensure that you

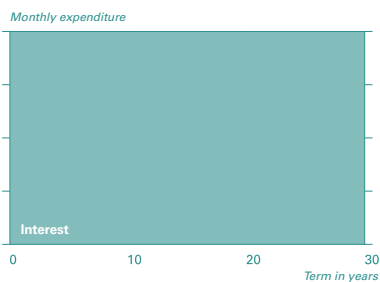
have repaid this loan part in full by the end of the mortgage term.

3. If the amount you must repay to the bank decreases, the amount you must pay in interest also decreases. During the term of this loan part, your monthly amount therefore declines.

Please note

In the case of a Straight-Line Mortgage, the amount of the loan part decreases. This is because you repay part of the loan part each month. As a result, the amount you pay in interest also steadily declines. This may affect the amount of mortgage relief available. You should ask your tax adviser for advice.

23. Interest-Only Mortgage



Important term

Where references is made below to 'this loan part', we mean the loan part for which you have taken out an Interest-Only Mortgage.

GENERAL

23.1 What is an Interest-Only Mortgage (in brief)?

1. An Interest-Only Mortgage consists solely of a loan. There is no bank savings account or endowment insurance linked to such a loan.
2. During the term of this loan part, you make no repayments to the bank. Nor do you accumulate any capital during the term to repay the loan part to the bank.
3. You can never borrow more than a fixed percentage of the forced sale value of your home under an interest-only mortgage. This percentage is determined by the bank.

MONTHLY PAYMENTS

23.2 What do I pay each month?

1. Each month you pay an amount in interest because the bank has lent you money to buy your home.
2. The interest that you must pay for your loan is debited to your current account (direct debit). You authorise the bank for this purpose by signing the quotation.

FORCED SALE VALUE

23.3 What is the forced sale value?

The forced sale value is the value of your home in the case of a forced sale (foreclosure). This value is determined by a certified valuer and recorded in a valuation report. Please also read article 6.5 for the requirements which the bank imposes in respect of the valuation report.

An example

The bank has determined that, under an Interest-Only Mortgage, you may not borrow more than 100% of the forced sale value of your home. You wish to borrow money from the bank to buy a home. The forced sale value of this home is EUR 200,000. If you wish to take out a loan of EUR 250,000, the maximum amount that you can borrow under an Interest-Only Mortgage is EUR 200,000. Your adviser can inform you how much you can borrow and for what amount you can take out an Interest-Only Mortgage.

23.4 When can my home be compulsorily valued?

The bank may have the forced sale value of your home determined at intervals of at least five years. This forced sale value is determined by a certified valuer. The bank appoints the valuer. You will receive notice of this valuation in good time. You must pay the costs of the valuation yourself.

23.5 What is the consequence of the new forced sale value?

1. If it transpires that your debt exceeds 100% of the most recent forced sale value of your home, the bank may impose extra conditions for this loan part. These conditions generally mean that you must repay part of this loan part during its term.

- The bank may also determine that part of your Interest-Only Mortgage must be changed into a different mortgage type.

23.6 Does a change in the forced sale value of my home influence the level of interest I must pay?

- A change in the forced sale value of your home can influence the level of interest you must pay. The bank bases the level of interest on the ratio of your loan to the forced sale value. If a valuation report shows that the loan-to-value class of your loan has changed, the level of your interest may also change.
- Does your loan now come in a different loan-to-value class? If so, the interest rate that you pay for the loan will be the rate that applied when the loan was taken out. The new interest rate applies only to future monthly amounts.

An example

Amount of the loan in relation to the forced sale value	Less than or equal to 75%	More than 75% and less than or equal to 100%	More than 100%
Loan-to-value class interest rate (example)	A 5.0%	B 5.2%	C 5.4%

You buy a home in 2010. The forced sale value of the home is EUR 200,000. You borrow EUR 190,000. That is 95% of the forced sale value. You therefore pay the interest rate that applies to loans representing between 75% and 100% of the forced sale value of your home. In this example, that is 5.2%.

A valuation report carried out in 2015 shows that your home has depreciated. The forced sale value of your home is now EUR 187,000. You have borrowed EUR 190,000. This is more than 100% of the forced sale value. Your loan now comes in loan-to-value class C. You must therefore pay 5.4% interest on your entire loan. The interest rate for new identical loans at that moment is immaterial as the bank takes the interest rate that applied when you took out the loan in 2010.

REPAYING THIS LOAN PART

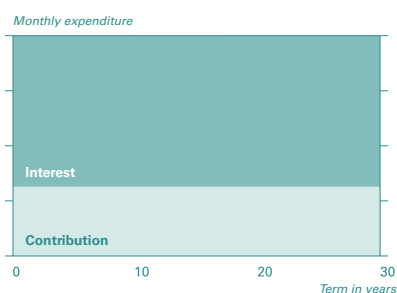
23.7 When must I repay this loan part?

You must repay this loan part at the end of the term.

Please note

During this loan part, you do not accumulate any capital to repay the loan part. You will therefore have to accumulate capital in some other way or use the proceeds of the sale of your home to repay this loan part to the bank.

24. Endowment Mortgage



Important term

Where reference is made below to 'this loan part', we mean the loan part for which you have taken out an Endowment Mortgage.

General

24.1 How does an Endowment Mortgage work (in brief)?

- An Endowment Mortgage consists of two elements:
 - a loan, and
 - a life insurance policy.
 The loan and the life insurance are linked.
- During the term of this loan part, you make no repayments to the bank. Instead, you pay a given amount each month to the insurer. The aim is to ensure that, at the end of the term, you can repay this loan part using the capital accumulated under the insurance policy.

Please note

Please also read article 6 ('Life insurance: pledging and beneficial entitlement') of the General Mortgage Conditions. This article contains important information about the life insurance and the requirements imposed by the bank in this connection. It is possible that you may be required to pay the premium every six months rather than monthly.

Monthly payments

24.2 What do I pay each month?

1. Each month, you pay an amount of interest. You also pay each month an amount to the insurer for the life insurance. This is known as your insurance premium.
2. The insurer tells you how much premium you must pay each month. If the quotation specifies a premium amount, this may differ from the insurance premium that you must pay after signing the mortgage deed.
3. The interest that you must pay for your loan is debited to your current account. You have authorised the bank to debit this amount each month to your current account.

24.3 What happens if I do not pay my monthly amount on time?

1. If you do not pay your monthly amount on time, the bank may also demand immediate repayment of the loan. This is also known as recalling the loan. The bank may then cancel your insurance and use the amount under the policy to repay the loan. This is known as surrendering the policy. The bank may also sell your home or arrange for it to be sold.
2. The amount of capital that you have accumulated under the policy and the proceeds of the sale of your home may not be sufficient to repay the loan. In that case, you must repay the outstanding amount of the loan in some other way.
3. The bank is not liable for any tax and/or financial loss or damage that is or may be a consequence of surrendering the policy or selling your home.

Insurance

24.4 What is the purpose of the life insurance?

1. The purpose of the life insurance is to enable you to repay this loan part using the accumulated capital. In assessing your application for this loan part, the bank has taken account of the capital that you will accumulate under the life insurance policy. The insurance is therefore an important part of your Endowment Mortgage.
2. It is possible that your life insurance policy will pay out if you or your spouse (partner) dies. This money can then be used to repay this loan part or part of it.

3. The insurance policy and the conditions of your life insurance set out on what conditions the insurer will pay out if you or your spouse (partner) dies and how much. You should read the insurance policy and the insurance conditions with care.

24.5 With whom do I take out the life insurance policy?

You take out the life insurance policy with the insurer. The bank is not a party to this insurance. You cannot hold the bank liable for loss or damage resulting from the insurance.

24.6 What information must the bank have about my life insurance?

The bank must know whether your insurance application has been accepted by the insurer. You should allow for the possibility that the insurer may wish you to undergo a medical examination. It may therefore take some weeks before your insurance application is accepted. The bank must know whether your application has been accepted before it decides whether it can grant you the loan. In other words, well before you sign the mortgage deed at the civil law notary's office. The insurer will send the bank a letter about this. If the bank does not receive the message, you may not sign the mortgage deed at the civil law notary's office. Nor will you then receive the mortgage.

24.7 What happens if I have a life insurance policy with an uncertain target capital?

1. If it is not certain when you take out your life insurance policy exactly:
 - how the final capital is structured, and
 - how much the final capital will be on the expiry datethe bank will accept this policy as life insurance for this loan part only if certain conditions are fulfilled.
2. If the life insurance provides insufficient security, you must take out another life insurance policy that gives you the certainty that you will accumulate sufficient capital to repay this loan part.
3. However, you can contribute the life insurance as an extra form of security. This can be done only if the bank is certain that there will be sufficient money at the end of the term of this loan part.

24.8 May I terminate (surrender) the life insurance?

1. You may not surrender the life insurance unless you have obtained the express written consent of the bank.

2. During the term of your Endowment Mortgage, you may not cease paying the premium, either temporarily or otherwise, without the written consent of the bank. Nor may you pay a lower premium, either temporarily or otherwise, without the written consent of the bank.

24.9 Does the bank obtain a pledge?

1. Yes, if you sign the quotation for this loan part, this indicates that you:
 - accept in advance the bank's pledge, and
 - authorise the bank to establish this pledge, and
 - authorise the bank to designate the beneficiary.
2. This pledge of the insurance policy applies from the inception date of the insurance. You will find this date in your copy of the insurance policy or in the insurance conditions. Once you have given the authorisations referred to above, you can no longer change or cancel them. This is sometimes called an 'irrevocable' authorisation.
3. The mortgage deed must also state that you give the bank a first pledge on your life insurance. This must also be stated in your insurance policy. The policy must also provide that you have designated the bank as beneficiary. The insurer can charge for endorsing this on the policy. These are costs that you yourself must bear.

Important terms

An **authorisation** is a declaration in which you give another person (the bank) the authority to perform certain acts on your behalf.

What is pledging?

The bank wishes to have the certainty that you will repay your loan. For this purpose, you agree with the bank that the amount you accumulate in your insurance will be paid out to the bank. This is called pledging. If the amount is paid out to the bank, it uses the amount to repay your Endowment Mortgage.

24.10 May I pledge my rights under the life insurance to another person?

No. You may not pledge the rights under the life insurance to another person.

24.11 What happens to the insurance policy?

The original policy of the life insurance remains in the bank's possession during the term of this loan part. You receive a copy of the policy.

Repaying the bank

24.12 When must I use the capital accumulated with the insurer to make repayment to the bank?

At the end of the term of this loan part, you must use the capital you have accumulated under the insurance policy to make repayment of this loan part in full to the bank. You must therefore ensure that you accumulate sufficient capital with the insurer.

24.13 What happens if the payment under the insurance policy is less than the amount of the loan under my Endowment Mortgage?

It is possible that the amount of money paid out by the insurer is less than the amount you borrow. If this is the case, you cannot repay this loan part in full from the capital accumulated under your life insurance policy. You must then repay to the bank in some other way the amount you cannot repay from the life insurance policy.

Other

24.14 Are there special requirements if my Endowment Mortgage has a National Mortgage Guarantee?

1. If:
 - the loan has a National Mortgage Guarantee, and
 - this loan part cannot be repaid to the bank from the payment under the life insurance,the bank can oblige you to pay an extra amount each month to the bank in addition to your monthly amount.
2. By paying the extra monthly amount, you repay part of this loan part to the bank during the term.

24.15 May I adjust the insured amount if I have repaid part of my Endowment Mortgage?

Yes, you may. However, you need the bank's written consent in order to lower the amount.

24.16 What must I do if I do not wish the death benefit under my life insurance to be paid to the bank if I die?

It is possible to arrange for the death benefit to be paid, in the event of your death, not to the bank as beneficiary, but

to someone else. If this is your wish, the person whom you wish to be entitled to the death benefit must sign a statement. In this statement, the beneficiary confirms that the insurer should pay the death benefit to the bank. The bank will then use this amount to repay this loan part (or part of it). You must send the signed statement to the insurer. This statement, which is also known as the 'widow's or partner's statement', is sent to you with the quotation.

Please note

You should consult your adviser before signing and forwarding this statement.

25. Bank Savings Mortgage

Monthly expenditure



Important term

Where reference is made below to 'this loan part', we mean the loan part for which you have taken out a Bank Savings Mortgage.

Where we refer in these conditions to an **account year**, we mean each year that follows the start date of the bank savings account.

General

25.1 How does a Bank Savings Mortgage work (in brief)?

1. A Bank Savings Mortgage (i.e. a savings-based mortgage) consists of two parts:
 - (a) a loan, and
 - (b) a bank savings account.
 The loan and the bank savings account are linked.
2. During the term of your Bank Savings Mortgage, you make no repayments to the bank. Instead, you deposit a given amount each month in your bank savings account. This amount is known as the contribution.

3. A bank savings account is a special savings account for which tax relief is available. You can save up to a given amount without having to pay tax on it. This maximum amount is determined by the Tax Administration and can change. If you have two or more loan parts with a Bank Savings Mortgage, the maximum amount applies to the aggregate of all your bank savings accounts.
4. The aim of your bank savings account is that, at the end of the term of this loan part, the amount in your bank savings account is equal to the amount of this loan part. You must then repay this loan part using the saved amount.

Please note

The bank savings account is called an 'owner-occupied home savings account' (Dutch acronym SEW) in the Income Tax Act 2001.

Please read this first

ABN AMRO Hypotheken Groep B.V. (AAHG) is the provider of the bank savings account. AAHG is a subsidiary of the bank. AAHG is responsible for the administration and management of your mortgage, including your bank savings account. The bank is the provider of your loan. The bank savings account includes the contribution account.

25.2 How is the bank savings account opened?

1. AAHG opens the bank savings account for you. This is done after AAHG receives the application form from you.
2. AAHG uses the details from your application form in order to open the bank savings account. The bank savings account must be in the name of the person or persons who take out this loan part.
3. The bank savings account may be opened only in the name of a natural person. It may not be opened in the name of a business.

25.3 What tax relief is provided by the Bank Savings Mortgage?

1. You can save a given amount tax-free. This is the tax relief amount. The level of tax relief is determined by the Tax Administration and may change. If you save more than the tax relief amount, you must pay tax on this.

- The bank is not responsible and/or liable for any tax or financial consequences of your use of the bank savings account.

Please note

The bank does not give tax advice. If you wish to receive tax advice, you should consult a tax adviser.

Tax and the bank savings account

The tax relief provided by the Bank Savings Mortgage means that you need pay no tax on the amount you save in your bank savings account. This applies only if you fulfil all the conditions. In order to make use of this tax relief, you must therefore comply with the rules laid down by law.

Monthly payments

25.4 What do I pay for each month?

- Each month, you pay an amount in interest for this loan part. You also deposit an amount in your bank savings account each month. This is the monthly contribution. Both amounts are specified in your quotation.
- The interest that you must pay for this loan part and your monthly contribution are debited to your current account as a lump sum. You have signed a direct debit authorisation for this purpose.
- You cannot change the amount of your monthly contribution without the bank's consent.

25.5 What happens if I do not pay my monthly amount on time?

- If you do not pay your monthly amount on time, the bank may demand immediate repayment of the loan. This is also known as recalling the loan. The bank may then use the amount in your bank savings account to repay all or part of your loan. The bank may also sell your home or arrange for it to be sold.
- The amount of capital that you have saved in the bank savings account and the proceeds of the sale of your home may not be sufficient to repay the loan. In that case, you must repay the outstanding amount of the loan in some other way.
- The bank is not liable for any tax or financial loss or damage that is a consequence of emptying your bank savings account or selling your home.

Please note

The bank may use the capital in your bank savings account to repay your loan because you have pledged your bank savings account to the bank. The bank may also sell your home or arrange for it to be sold because you have given the bank the mortgage right on your home.

Bank savings account

25.6 What is the bank savings account?

The bank savings account is a special savings account into which you are obliged to pay an agreed amount each month. This is your contribution to your bank savings account. You may not withdraw any money from the bank savings account because it is blocked. The bank savings account always forms part of your Bank Savings Mortgage.

25.7 Does the bank obtain a pledge?

- Yes, if you sign the quotation for this loan part, this indicates that you:
 - accept in advance the bank's pledge, and
 - authorise the bank to establish this pledge on the bank savings account and all rights and entitlements you had to it. If you also have a contribution account, this is not pledged.
- Only with the bank's written consent may you pledge these rights to another person.
- The pledge applies from the start date of the bank savings account. You can read more about this in article 25.9.
- Once you have authorised the bank, you may no longer change or cancel the authorisation. This is also sometimes called an 'irrevocable' authorisation.

Important terms

An **authorisation** is a declaration in which you give another person (the bank) authority to perform certain acts on your behalf.

What is pledging?

The bank wishes to have the certainty that you will repay your loan. For this purpose, you agree with the bank that the amount you accumulate in your bank savings account will be paid out to the bank. This is called pledging. If the amount is paid out to the bank, it uses the amount to repay your Bank Savings Mortgage.

25.8 What requirements are made in respect of the bank savings account?

1. The requirements for a bank savings account are specified in the Income Tax Act 2001.
2. You may arrange for a bank savings account to be opened only if you have your own owner-occupied home with your own owner-occupied home debt within the meaning of the Income Tax Act 2001.

Important

What is owner-occupied home debt?

Owner-occupied home debt is the total debt that qualifies for tax relief in Box 1. If you have two or more loan parts, your Bank Savings Mortgage is thus part of your owner-occupied home debt.

Important

What requirements does the law establish in respect of a bank savings account?

- You may not withdraw money from your bank savings account. The bank savings account is blocked. You may only withdraw money from your bank savings account if you wish to repay your Bank Savings Mortgage to the bank.
- You must deposit a contribution (an amount) in your bank savings account each month for at least 15 years. This condition must be fulfilled even if you, your spouse or the person with whom you have a long-term household dies during his 15-year period.
- A bank savings account cannot be opened in the name of businesses or of people who do not reside in the Netherlands.

25.9 What is the start date of the bank savings account?

The start date of the bank savings account is the same as the start date of this loan part. Please also read article 4.

An example

The bank remits the amount of your Bank Savings Mortgage on 10 June. The start date of this loan part is therefore 1 July. This is also the start date of your bank savings account.

25.10 What is the level of interest I receive on the bank savings account?

1. The level of interest that you receive on the bank savings account is equal to the level of interest that you must pay for this loan part.
2. You receive interest on the amount on your bank savings account.
3. The interest that you must pay for this loan part is specified in your quotation.

25.11 When do I receive the interest?

An amount of interest will be credited to your bank savings account each month. You will receive this amount on the first of the month following the month in which the amount was received in your bank savings account.

An example

You pay the contribution for your bank savings account on 25 June. The interest on the amount is calculated from 25 June. The interest is deposited in your bank savings account on 1 July.

25.12 On what account do I receive the interest?

The interest is credited to your bank savings account.

25.13 Is it possible to withdraw money from the bank savings account?

No, it is not possible to withdraw money from your bank savings account before the end of the term of this loan part. The bank savings account is blocked. Please read article 25.14 if you nonetheless wish to withdraw money from the bank savings account.

25.14 What happens if I wish to withdraw money from the bank savings account before the end of the term?

1. If you nonetheless wish to withdraw money from your bank savings account, the bank savings account will no longer qualify for tax relief under the Income Tax Act 2001. This also applies if you wish to use the money in your bank savings account to repay this loan part (or part of it). In such a case, you may not use the tax relief schemes offered by the Bank Savings Mortgage.
2. If you nonetheless wish to withdraw money from the bank savings account, you must notify the bank of this in writing. The bank will then close the bank savings account and transfer the balance of the

account to an account number specified by you. This will have direct consequences for this loan part. Your Bank Savings Mortgage must then be changed into a different mortgage type.

Please note

- As the bank has a pledge on your bank savings account, the bank must give consent if you wish to withdraw money from your account.
- If you withdraw money from your bank savings account, this has direct consequences for your Bank Savings Mortgage. It also affects the tax you must pay. You should first discuss this with your tax adviser.

25.15 May AAHG withhold money from the balance on the bank savings account?

1. AAHG may withhold money from the amount in your bank savings account if you do not fulfil the statutory conditions for this loan part. Article 25.17 sets out when this is the case.
2. By law, the bank is required to pass on certain information to the Tax Administration. This includes, for example, the closure of your bank savings account.
3. The Tax Administration may provide that tax (salaries or income tax) which you are required to pay to the Tax Administration must be paid directly by AAHG to the Tax Administration and may hold AAHG liable for this. This is why, in cases where the amount on your bank savings account is released, AAHG cannot and may not pay part of the amount to you. This is the amount that you must pay to the Tax Administration by way of salaries or income tax.
4. If the Tax Administration indicates that the amount withheld may be paid out, AAHG will then deposit the withheld amount, including the interest accumulated up to that time, in your bank account.

25.16 The bank savings account and tax

You are personally responsible for notifying the Tax Administration of the balance on your bank savings account. You must also personally notify the Tax Administration that the amount in your bank savings account belongs in tax box 1. You may not change your choice of tax box without this affecting the tax that you must pay. Neither the bank nor AAHG may ever be held liable for any tax and/or financial consequences (loss or

damage) resulting from the use of the bank savings account and this loan part.

Please note

The tax treatment of your bank savings account depends on your personal situation (financial and otherwise). You should consult a tax adviser about this.

Important

When does the bank savings account no longer meet the requirements of the tax legislation?

Your bank savings account no longer meets the statutory requirements if:

- (a) the conditions for a bank savings account as referred to in the Income Tax Act 2001 are no longer fulfilled; in this Act, the bank savings account is known as an 'owner-occupied home savings account' (Dutch acronym SEW);
- (b) ownership of the bank savings account changes or is apportioned for a reason other than that you are marrying or divorcing or that your relationship with the person with whom you have a long-term household ceases;
- (c) the bank savings account is entered in the balance sheet of a business;
- (d) you withdraw money from the bank savings account;
- (e) thirty (30) years have elapsed since the first deposit in the bank savings account;
- (f) you die, unless one of your surviving dependants keeps the bank savings account open and continues to fulfil all conditions of the bank savings account.

25.17 What happens if my bank savings account no longer meets the statutory requirements?

1. If your bank savings account no longer meets the statutory requirements, this has consequences for this loan part. It may also have consequences for the tax you must pay. If you think this may be the case, you should contact your tax adviser. Subsequently, you or your tax adviser should contact the bank.
2. If the bank knows that your bank savings account no longer meets the tax relief requirements, it will contact you in order to discuss the options.
3. If your bank savings account no longer meets the statutory requirements, your Bank Savings Mortgage must be changed into a different mortgage type.

Contribution account

Please read this first

ABN AMRO Hypotheken Groep B.V. (below: AAHG) is the provider of the bank savings account. AAHG is a subsidiary of the bank. AAHG is responsible for the administration and management of your mortgage, including your bank savings account. The bank is the provider of your loan. The bank savings account includes the contribution account.

Please note

Articles 25.18 to 25.28 apply **only** if you have chosen to have a contribution account. If you have chosen this, it will be mentioned in your quotation.

25.18 What is a contribution account?

A contribution account is an account in which you deposit an agreed amount. The monthly contribution (or part of it) for your bank savings account is paid from the balance of your contribution account. You may not pledge the contribution account. A contribution account may be opened only together with a new bank savings account.

25.19 Where can I find the information about my contribution account?

Whether you have a contribution account is stated in your quotation. Your quotation also specifies the amount that you must deposit in your contribution account. This is the deposit amount. In addition, the quotation records the agreements you have made with the bank about the payment of the monthly contribution. These agreements include any agreement about a higher or lower limit in respect of the contribution account.

25.20 What is the start date of the term of the contribution account?

As soon as you pay money into the contribution account, the term of the account starts.

25.21 Who is the account holder?

1. The contribution account is in the name of one or more persons: the account holder(s). The account holder(s) must also be the holder(s) of the relevant bank savings account.
2. If there are two or more account holders, the details and statements of the contribution account can be changed only at the joint request of the

deposit holders. This also applies if you wish to close the contribution account.

3. If a request or instruction is given by one account holder, the bank will carry out this instruction or request only if it is confirmed by the second account holder.
4. The account holders are jointly and severally liable for everything which the bank may claim from the account holders in the context of the contribution account.

Please note

Where reference is made below to 'you', we also mean the account holder(s).

25.22 How is the contribution paid from the contribution account?

Each month, the contribution that you must pay from your contribution account is debited to the account. This is done in the manner recorded in the quotation. Your quotation contains the agreements made about the contribution from your contribution account. These include an agreement about a higher and lower limit for the account.

25.23 Do I receive interest on the balance of my contribution account?

1. The bank will pay interest from the start date of the bank savings account in connection with which the contribution account is opened. The interest is calculated on the balance of the contribution account as of the first day of each month.
2. The interest rate applicable to the contribution account is specified in your quotation. If the interest which you pay for this loan part changes, the interest rate for the contribution account may also change.
3. The interest is credited monthly in arrears. The annual balance statements will also include a statement of the amounts that have been debited and/or credited to your contribution account.

25.24 May I also deposit extra money in the contribution account?

As an account holder, you may pay extra money into your contribution account. The extra amount that you wish to deposit must be remitted to the bank account of the bank. When making the extra deposit, you should specify the number of the relevant bank account. Please also read article 25.25: 'What is the maximum I can deposit in the contribution account?'

25.25 What is the maximum I can deposit in the contribution account?

1. The balance of the contribution account may never exceed the cash value of the total contribution to be received by the bank.
2. You should contact your adviser to determine the maximum sum that can be deposited.

25.26 When does my contribution account end?

1. The contribution account ends when it no longer contains funds. The account also ends once you have used the capital accumulated in the relevant bank savings account.
2. At the end of the term of the contribution account, the bank will transfer any remaining funds from the account to the current account specified by the account holder(s).

25.27 May I claim the balance of the contribution account?

You may claim the balance of the contribution account.

25.28 Must I pay a penalty if I claim the balance of my contribution account?

You may possibly have to pay a penalty if you claim the balance of the contribution account. You must pay a fee (a penalty) equal to the loss of interest suffered by the bank as a result of the claim. Such a loss of interest occurs only if the interest for new identical contribution accounts on the date of claim is higher than the interest of the claimed contribution account. However, you may use the life insurance as an extra insurance. You may do this only if the bank knows for certain that there will be sufficient money at the end of the term of this loan part. Please also read article 14: 'Repayment (Redemption)' for information about how the penalty is calculated.

Monthly contribution

25.29 What requirements must the monthly contribution to the bank savings account meet?

The monthly contribution is subject to the following requirements under the Income Tax Act 2001:

1. An amount must be deposited in the bank savings account each month for at least fifteen (15) years. You may not change this amount without the bank's consent. An exception to this rule is made if you, your spouse or the person with whom you have a long-term household dies during this period

of 15 years. Depending on the amount of the relief, the same applies for 20 years.

2. The amount that you may deposit in an account year may not exceed ten (10) times the lowest amount that you have paid in an account year. In other words, the ratio of the total of the highest deposits in an account year to the total amount of the lowest deposits in an account year may not exceed 1:10. This is also known as the bandwidth requirement.
3. You may deposit an amount (contribution) in your bank savings account for a maximum of thirty (30) years.

An example

Your monthly contribution is EUR 150. In an account year, you therefore deposit EUR 1,800 (12 x EUR 150). In another account year, you deposit in total EUR 7,200. This is permissible. The ratio is then 1,800 : 7,200. This is equal to 1 : 4. In another account year, you may deposit in total a maximum of EUR 18,000. The ratio of 1,800 : 18,000 is then equal to 1 : 10 and meets the bandwidth requirement. Throughout the entire term of the Bank Savings Mortgage, you must comply with the bandwidth requirement. The bank assesses whether the total of the contribution for each separate account year complies with the requirement.

25.30 How is the amount of my monthly contribution determined?

1. The amount of your monthly contribution depends on the level of interest that you must pay for this loan part, the term of the bank savings account and the ultimate amount that you wish to save in order to repay this loan part (the target capital).
2. The ultimate total on your bank savings account therefore consists of:
 - your contribution, and
 - the interest that you receive on the balance of your bank savings account.
3. The target capital of your bank savings account is always equal to the amount of this loan part.

Please note

The **target capital** is the amount that you wish to accumulate in your bank savings account. The amount of your monthly contribution is determined in part by the amount of the target capital.

25.31 How does a decrease in the interest rate affect my monthly contribution?

1. If the interest rate that you pay for this loan part decreases, the interest that you receive on the amount in your bank savings account will also fall. Your monthly contribution will then rise. AAHG will inform you of the final amount of your monthly contribution for the fixed interest period. You will receive a letter about this after you have signed the mortgage deed at the civil law notary's office. A change in the contribution may affect the bandwidth requirement. You should ask your adviser for more information.
2. If the interest that you pay for this loan part increases, the interest that you receive on the amount in your bank savings account will also rise. Your monthly contribution will then fall. AAHG will inform you of the final amount of your monthly contribution for the fixed interest period. You will receive a letter about this after you have signed the mortgage deed at the civil law notary's office. A change in the contribution may affect the bandwidth requirement. You should ask your adviser for more information.

25.32 When does my monthly contribution change?

The amount of your monthly contribution changes if:

- you make an extra deposit in your bank savings account;
- the interest you pay for this loan part changes; and/or
- the term of the bank savings account changes.

25.33 What must I do if I wish to deposit more money in my bank savings account?

In addition to your monthly contribution, you can deposit an extra amount in your bank savings account.

When making an extra deposit, you must:

- mark the payment as an 'extra contribution';
- indicate the bank savings account number for which the extra contribution is intended;

and

- indicate the number of this loan part (the number is specified in your quotation).

Please note

The amount that you may deposit in an account year may not exceed ten (10) times the lowest amount that you have paid in an account year. In other words, the ratio of the total of the highest deposits in an account year to the total amount of the lowest deposits in an account year may not exceed 1:10. This is also known as the bandwidth requirement. Please also read article 25.29 ('What requirements must the monthly contribution to the bank savings account meet?').

25.34 What happens to the amount of the monthly contribution if I have made an extra payment?

If you deposit an extra amount in your bank savings account, the amount of your monthly contribution may change. Your monthly contribution changes as of the first day of the month following your extra payment. The amount of your new monthly contribution is specified in the letter that you receive from the bank or AAHG after your extra deposit.

25.35 How much may I repay to the bank early without penalty?

Each year, you may, at a maximum:

- repay 10% of the original amount of this loan part to the bank,
- or
- deposit an extra 10% of the original amount of this loan part in your bank savings account.

Please note

An extra deposit in your bank savings account is treated as repayment (or partial repayment) of this loan part. If, in the course of a single year, you repay part of this loan part and also make an extra deposit in your bank savings account, you must aggregate these amounts. If these amounts together exceed 10% of the original amount of this loan part, you may possibly have to pay a penalty for early repayment. Please also read article 14.

This article explains when you must pay a penalty and how the amount of the penalty is calculated.

An example

In one year, you can therefore repay 5% of your Bank Savings Mortgage and deposit 4% of your Bank Savings Mortgage as an extra amount in your bank savings account. What is important is that the amount you repay and the amount of the extra deposit do not together exceed 10% of the original amount of your Bank Savings Mortgage. If the amount of the repayment to the bank or the extra deposit in your bank savings account exceeds 10%, you may have to pay a penalty. Article 14 explains when you must pay a penalty and how the amount of this penalty is calculated.

Insurance or savings account contribution (continuation without tax consequences)

25.36 What is a continuation without tax consequences?

1. If you have previously:
 - taken out a Bank Savings Mortgage, or
 - taken out another mortgage in which you have accumulated a given amount in a savings-linked insurance (Capital Insurance Owner-Occupied Home (KEW)) with an inception date after 14 September 1999, or
 - saved in a bank savings account (Owner-Occupied Home Savings Account (SEW)), you can arrange to have this amount deposited in a new bank savings account.
2. Your old savings account or bank savings account is then closed. This is known as continuation without tax consequences.
3. You must personally ask the insurer or the bank with which you have the savings-linked insurance or bank savings account whether they will transfer the amount to your new bank savings account. The insurer or bank must draw up a transfer form and/or enter all the details of your savings-linked insurance or bank savings account. The insurer or bank must send this completed transfer form to AAHG.

Please note

The bank must have received the value (the amount) of your old insurance or bank savings account and the transfer form within six months of the date on which you take out your Bank Savings Mortgage. If this is not the case, the bank will convert your Bank Savings Mortgage into a Repayment Mortgage. In addition, the value of your old insurance or bank savings account must be at least EUR 2,500. Other requirements are also applicable. Please consult your adviser about this.

25.37 What is the start date of the term of the bank savings account after the contribution from a savings-linked insurance or bank savings account?

The term of your bank savings account starts on the day that you must pay your first monthly contribution.

25.38 When does the bank calculate the amount of my monthly contribution?

1. The bank makes a final calculation of the amount of your monthly contribution after:
 - it has received the amount of your (old) savings-linked insurance or bank savings account, and
 - it has received the transfer form completed by the insurer or bank.Your bank savings account is opened at that time.
2. The amount of your monthly contribution and the start date of your bank savings account are mentioned in the letter that you receive after your bank savings account is opened.

25.39 What requirements must the contributed insurance or bank savings account meet?

1. The value of your old insurance or bank savings account must be at least EUR 2,500. The bank or insurer must also have signed the Capital Streamlining Agreement. The bank may always set extra conditions to be fulfilled by the contributed insurance or bank savings account. Your adviser can tell you more about this.
2. The details of your old savings-linked insurance or bank savings account are also taken into account in assessing whether your new bank savings account meets the tax requirements (the statutory conditions).

Repaying the Bank Savings Mortgage

25.40 When do I repay this loan part to the bank?

1. At the end of the term of your Bank Savings Mortgage, you must repay this loan part to the bank.
2. If you take out a Bank Savings Mortgage, you agree with the bank that you will accumulate a given amount in your bank savings account (the target capital). If the balance on your bank savings account is equal to this target capital, this loan part is automatically repaid.

25.41 What happens to the bank savings account if I repay the loan at the end of the term of this loan part?

At the end of the term of this loan part, you must use the amount that is in your bank savings account to repay the loan part. If there is still money in the bank savings account after repayment of this loan part, you may withdraw it. Once all the money has been withdrawn from the bank savings account, the account will be closed.

Important

As your bank savings account has been pledged to the bank, you need the bank's consent if you wish to withdraw money from your account.

Please note

If you do not use the money in your bank savings account to repay your Bank Savings Mortgage, you do not fulfil the statutory conditions for tax relief. You must then pay tax on the interest that you have received on your bank savings account. You should discuss this with your tax adviser.

Portability

25.42 May I keep the bank savings account if I no longer have a mortgage with the bank?

1. Yes, that is possible. You may allow your bank savings account to continue for a maximum of two years after:
 - you have repaid this loan part to the bank,
 - and**
 - you have not taken out a new mortgage with the bank.However, you must continue to deposit your monthly contribution during this period.

2. During these two years, the bank will pay you a base rate of interest on the balance on your bank savings account. The amount of this base rate is determined once only by the bank and remains unchanged during the two-year period. You receive the base rate for a maximum of two (2) years. You receive the base rate after the end of each month.
3. The amount of your monthly contribution may change because, after repayment of this loan part, you receive a different interest rate on the balance of your bank savings account.
4. If you do not take out a Bank Savings Mortgage with the bank within a maximum period of two years, your bank savings account will be closed. The balance on your bank savings account will then be transferred to your current account. You must give this account number to the bank. The termination of your Bank Savings Mortgage may affect your tax relief.

Please note

If you do not use the money in your bank savings account to repay your Bank Savings Mortgage, you do not fulfil the statutory conditions for tax relief. In this case, you may have to pay tax on the interest that you have received on your bank savings account. You should discuss this with your tax adviser.

25.43 What happens to my bank savings account if I take out a new Bank Savings Mortgage with the bank?

1. If you take out a new Bank Savings Mortgage with the bank, the current bank savings account can form part of this. Your monthly contribution is then fixed anew. Please also read article 25.42 ('May I keep the bank savings account if I no longer have a mortgage with the bank?').
2. If the bank savings account does not become part of your new Bank Savings Mortgage, the money on the bank savings account will be transferred to your current account.

Other

25.44 What information does the bank or AAHG pass on to the Tax Administration?

By law, the bank is required to pass on certain information to the Tax Administration. This includes, for example, information about the closure of your old bank savings account.

General Mortgage Conditions

Article 1: Definitions and interpretation

In these General Mortgage Conditions, the following terms have the following meanings:

Deed: the notarial deed in which the Conditions are declared applicable, including the quotation attached to the notarial deed and other notarial instruments that serve to supplement or amend the notarial deed.

Bank: the party that provides the Loan and/or acts as mortgagee or pledgee under the Deed.

Mortgagor: the party that mortgages or pledges property under the Deed.

Conditions: these General Mortgage Conditions.

Loan: a loan to which these Conditions are declared applicable.

Collateral: all immovable property and rights in respect of which the Bank obtains or should obtain a mortgage right under the Deed and/or the Conditions.

Debtor: the person to whom the Loan is granted, who later becomes party to the Loan or who is designated as Debtor in the Deed and, where there is more than one person, both individually and jointly.

Debt: the total amount that the Debtor owes at any time to the Bank under the Loan by way of principal, interest or costs, together with amounts owed to the Bank by the Debtor under the Deed or the Conditions in connection with the Loan or the Collateral (such as default interest).

In these Conditions, words used in the singular include the plural and vice versa, unless clearly indicated otherwise.

Where there is any conflict between provisions, the conditions specifically agreed for the Loan take precedence, followed successively by the provisions of the Deed and the Conditions.

Article 2: Loan and payments

Monthly amount

The Debtor must pay a monthly amount to the Bank each month. The following provisions apply to this:

- (a) The monthly amount consists of the agreed amounts of interest and repayment. For the purposes of calculating the interest, a month is deemed to have 30 days and a year to have 360 days. The monthly amount can be increased by such further amounts as the Debtor owes to the Bank in connection with the Loan.
- (b) The monthly amount must always be paid on time, which means no later than on the first day following the calendar month for which the monthly amount is owed. By way of exception, the monthly amount for December must have been paid no later than on the last working day of that month.
- (c) The monthly amount must be paid for the first time for the month in which the Loan is established. The first monthly amount will be adjusted to take account of the day of the month on which the Loan is established.
- (d) The monthly amount is reviewed:
 - (i) upon alteration of the interest rate;
 - (ii) after an extra repayment on the Loan;
 - (iii) if a periodic repayment has been agreed and it is found that the Debt cannot be repaid on this basis within the agreed term.

Extra repayment and credit interest

The Debtor may possibly repay an extra amount on the Loan over and above the agreed repayment. In such a case, the Debtor will continue to owe debit interest on this amount during the remainder of the current month, but the Bank will in exchange pay him an equal amount in credit interest. At the end of the current month, the outstanding amount of the Loan will be reduced by this credit interest and the extra amount that has been repaid.

With the exception of such cases, the Bank will not reimburse credit interest on amounts received in respect of the Loan, unless agreed otherwise.

Costs in connection with the Loan

The following costs are borne by the Debtor and must be paid in good time by the Debtor:

- (a) the costs of granting the Loan and the costs of the Deed, of the registration, alteration, renewal, improvement and supplementation of the mortgage right and of the execution copy as well as the costs of cancelling the mortgage;
- (b) the costs of documentary evidence of the registration of the mortgage and other documents, the submission of which may be required by the Bank.

Annual statement

The Bank will supply the Debtor annually with a statement of the Debt as at the end of the calendar year.

Article 3: Rules for payments; default interest Manner of payment

The Debtor must pay all amounts which he owes to the Bank:

- (a) in the manner indicated by the Bank;
- (b) in the currency in which his obligation is denominated;
- (c) within the agreed period or the period specified by the Bank;
- (d) without set-off, discount or deduction and without costs to the Bank.

A payment to the Bank is not deemed to have been made until the payment is actually received by the Bank. This also applies to payments by means of periodic or direct debit.

Default and default interest

The Debtor must fulfil his payment obligations on time. This means that the Debtor must always pay within the period agreed for payment or the period set by the Bank. If the Debtor has not made payment within the period for payment, he will be deemed to be in default without further notice of default.

If the Debtor must pay costs or other amounts to the Bank under the Deed or these Conditions, he will be deemed to be immediately in default when this payment obligation arises.

As soon as the Debtor fails to pay an amount that is due, he will owe the Bank default interest of 1% a month (30 days), which is due and payable immediately, over that amount until it has been paid. For the purpose of

calculating default interest, part of a month is rounded up to a full month.

Other amounts owed

Amounts that are owed by the Debtor under the Deed or the Conditions but not included in the Loan (e.g. default interest or reimbursable costs) may be added by the Bank to the balance of the Loan or, at the discretion of the Bank, charged separately to the Debtor.

Attribution of payments

The Bank itself is entitled to determine against which part of the Debt a received payment will be set off.

Article 4: Rules on the Collateral

The Debtor is obliged to guarantee that all rules in this article are complied with fully, promptly and correctly.

Use, maintenance and upkeep

The Collateral must be properly used. The use must comply with the applicable legislation and regulations. The Collateral must be maintained in good condition to the Bank's satisfaction. All necessary repairs and renewals must be carried out immediately. Obligations arising from legislation and regulations, contracts or rules concerning the Collateral must always be performed promptly and correctly.

Without the Bank's prior written consent, the following occurrences may not take place in relation to the Collateral:

- (a) improper use, abuse or neglect of the Collateral;
- (b) demolition, excavation or removal;
- (c) refurbishment work that reduces the value;
- (d) division into parts or combination with other property;
- (e) change of layout, appearance or designated use;
- (f) change in the nature of the use or operation;
- (g) sale, alienation or transfer;
- (h) transfer to a legal person or cooperative venture or allocation in the case of a separation and division;
- (i) encumbering with a mortgage or other limited rights or obligations attached to a given capacity, other than in favour of the Bank;
- (j) loss of easements where the Collateral is the dominant tenement and loss of rights attached to a given capacity or of other rights;
- (k) removal or loss of constituent parts or movable property intended to be permanently used for the benefit of the Collateral.

No right of removal

Changes or additions to the Collateral made after the establishment of the mortgage will also serve as security for the Bank and may not be removed.

Letting

Without the Bank's prior written consent, the Debtor is not authorised to:

- (a) let or lease all or part of the Collateral or to allow it to be used by a third party;
- (b) renew or alter existing leases, tenancy agreements or user agreements;
- (c) pledge or alienate rent or comparable charges to a party other than the Bank or to have them paid in advance for a period of more than one month.

Acts in breach of this provision may be declared void by the Bank (or be set aside at the request of the Bank) in the exercise of its security in accordance with the law.

Insurance, damage, compensation

The Collateral must always be insured under a comprehensive policy with a reputable insurance company against:

- (a) fire;
- (b) lightning;
- (c) storm damage;
- (d) aircraft damage;
- (e) explosion; and
- (f) any other usual perils or perils specified by the Bank.

The following provisions also apply to the insurance and to any damage or decrease in value:

- (a) If the Collateral is a building, the insurance must cover the reinstatement value. The Bank may impose further rules governing the insurance and these rules must be complied with.
- (b) If the Bank so requests, the Debtor must arrange for the insurer to endorse on the insurance policy a note of the Bank's mortgage right. The Bank itself may also have this note endorsed on the insurance policy.
- (c) If the Collateral is not insured in accordance with the Conditions, the Debtor must immediately notify the Bank.
- (d) The Debtor must secure the agreement of the insurance company to notify the Bank of the end of the insurance well in advance.
- (e) If the Bank so requests, the Debtor must produce to the Bank the insurance policy and the endorsement of the mortgage right on the policy. For this purpose, the

Debtor will in any event supply the insurance policy and any further proof to the Bank. If the Debtor does not comply with this obligation within a reasonable period, the Bank will be entitled to take out the insurance itself and the debtor will then be obliged to pay the costs incurred in this connection immediately to the Bank. In doing so, the Bank may, at its discretion, act either as authorised representative on behalf of the Debtor or in its own name.

- (f) The Debtor must immediately notify the Bank in the event of damage to the Collateral or any other defect that reduces its value.
- (g) The Debtor must immediately notify the Bank of all his claims to compensation for damage to the Collateral or reduction in the value of the Collateral and claims that take the place of the Collateral. Without the Bank's prior consent, the Debtor may not make any agreement or settlement concerning such claims. The Bank is entitled to determine whether and, if so, how amounts that are paid on these claims will be used for reinstatement or repair of the Collateral.
- (h) The Debtor is liable for damage that the Bank suffers because the Collateral is uninsured or inadequately insured.
- (i) If the Collateral is an apartment right, the Debtor may fulfil his obligation to insure the Collateral and keep it insured if he arranges – in accordance with any further rules laid down by the Bank – for this obligation to be discharged by the association of owners. The provisions referred to above at (a) to (h) apply, mutatis mutandis, to the Debtor, as far as possible.

Inspection, valuation/revaluation and checking

The Bank is always entitled to arrange for the Collateral to be:

- (a) inspected;
- (b) revalued;
- (c) checked in order to ascertain whether the Debtor meets all his obligations in respect of the Collateral promptly, completely and properly.

The Debtor will fully cooperate in this inspection, valuation and/or checking. The following provisions apply in this connection.

- (a) The Debtor will ensure that the persons used by the Bank for this purpose can gain access to the Collateral.
- (b) The valuation will be carried out by a certified valuer. The Bank is entitled to designate and/or appoint the valuer. The Debtor will ensure that the valuer is given

the opportunity to perform all activities that the valuer considers necessary. The costs of the valuation will be borne by the Debtor.

It may possibly have been agreed that the Collateral will or can be revalued at set times in order to determine the forced sale value. If the Bank considers that the ratio of the resulting forced sale value to the Debt so warrants, it may, subject to any further agreements that may have been made, adjust the interest rate for the Loan and/or require early repayment of the Debt or part of the Debt.

Bank's power in the event of infringement; Debtor's duty of reimbursement

If the Debtor does not strictly observe the rules of this article, he will be deemed to be in default without further notice of default. The Bank is entitled, at the expense of the Debtor, to remedy any acts or omissions that are contrary to the rules of this article or to arrange for them to be remedied. The Debtor is obliged to immediately reimburse the Bank for all costs incurred in this connection.

Performance of obligations to third parties; Debtor's duty of reimbursement

The Debtor must guarantee to the Bank the prompt and correct performance of all payment obligations concerning the Collateral, including the obligations to pay:

- (a) insurance premiums that are due;
- (b) taxes and duties that are due;
- (c) the cost of preserving, maintaining or repairing the Collateral and any further costs in connection with the Collateral;
- (d) ground rents, rent charges, building charges and other expenses that are due.

If these payments are not made promptly or correctly, or the Debtor fails to demonstrate this at the Bank's request, the Bank will itself be entitled to make these payments at the expense of the Debtor. The Debtor will be obliged to reimburse the related costs immediately to the Bank.

Article 5: Pledging

Claims and other property to be pledged

The Debtor will pledge to the Bank all the following – existing and future – claims and other property, including all related ancillary rights, as soon as this is possible in law:

- (a) all claims for compensation for damage to the Collateral or reduction in its value and other compensation that takes the place of the Collateral;
- (b) in the case of letting, leasing or other paid use of the Collateral, all claims relating to the rent or payments for use, as well as other rights on account of the letting, leasing or use;
- (c) in the case of a long lease, building rights or other limited rights to which the Collateral is subject: the claims against the party with the limited right;
- (d) if the Collateral consists of an apartment right: all claims against the Association of Owners, the joint owners or the administrator;
- (e) all claims against third parties in relation to the Collateral on account of the use of the Collateral or on account of expropriation of or a claim against the Collateral on any grounds whatsoever;
- (f) all present and future crops and/or plants harvested from the Collateral;
- (g) all property that takes (or will take) the place of the said property.

Further rules on pledging

The following rules also apply to the claims or other property which the Debtor must pledge to the Bank:

- (a) The pledge serves as security for the same claims for which the Collateral serves as security in accordance with the Deed.
- (b) The pledge may take place in the manner determined by the Bank, including a pledge by means of a deed signed under hand or by authentic deed.
- (c) The Debtor guarantees that he is entitled to pledge such property and that the property is or will be free of pledges and other rights and claims of persons other than the Bank.
- (d) The Debtor hereby authorises the Bank to pledge such property on behalf of the Bank to itself, if necessary repeatedly, and also to transact business with itself and do everything that is useful or necessary for the purposes of the pledge.
- (e) The authorisation to the Bank to pledge the property to itself is irrevocable.
- (f) The Debtor will notify the Bank as soon as it becomes

aware of the existence or establishment of the property.

- (g) The Debtor will immediately supply the Bank with all data and documents and other cooperation that may be necessary or useful for enforcing or exercising the pledge, including – in the case of a pledge of claims – collection of the claims.
- (h) In the case of a pledge of claims: the Bank is entitled at any time to give notice of the pledge of these claims to the person who must pay the claims.
- (i) The Debtor will authorise the Bank in this connection to make compensation agreements and/or settlements and issue discharges for them, refer disputes to the courts, arbitrators or third parties charged with giving a binding ruling, and appoint experts. The Debtor may not perform these acts himself without the Banks' consent. This authorisation is irrevocable.

Article 6: Life insurance; pledging and beneficial entitlement

It is possible that the Debtor may undertake in the Deed or elsewhere to pledge claims under a life insurance policy to the Bank. In such a case, the following provisions apply to the pledging of these claims:

- (a) The section entitled 'Further rules on pledging' in article 5 above is applicable to this.
- (b) The Debtor must designate the Bank irrevocably as beneficiary under the life insurance policy. Designation of another beneficiary is permitted, provided that the other beneficiary authorises the insurance company to pay all rights arising from or on account of the life insurance policy exclusively to the Bank.
- (c) The Bank is authorised to exercise the rights of surrender, lending, conversion into a paid-up policy and designation of beneficiary. If the Debtor fails to meet a claim for which the Collateral serves as security under the Deed, the Bank is also entitled to terminate the insurance by means of surrender (or in some other way) and to collect the surrender value.
- (d) The Debtor will not terminate the insurance without the Bank's consent.
- (e) The Debtor must supply the insurance policy, together with any other proof, to the Bank within one month of the date on which the Deed is drawn up.
- (f) The Debtor must guarantee that the life insurance premium is always promptly paid and must adduce evidence of this at the Bank's request. If the Debtor fails to do so, the Bank will be entitled to pay the premium at the Debtor's expense, and the Debtor will

be obliged to reimburse the Bank immediately for these costs. The Bank is also entitled to demand immediate payment of the full Debt.

- (g) If the Bank receives a payment under the life insurance policy, it will pay to the person entitled the surplus that remains after payment of the Debt. However, the Bank may also obtain another claim under an existing legal relationship for which the Collateral serves as security under the Deed. In such a case, the Bank is entitled to keep possession of the surplus as security until the legal relationship has been completely wound up and all resulting claims have been paid in full to the Bank.
- (h) Once all claims for which the Collateral serves as security under the Deed have been paid, the Bank will, at the Debtor's request, waive its rights of pledge and beneficial entitlement in relation to the life insurance. The Bank will also then give notice of this waiver to the insurance company.

Article 7: General rules on security

Different types of security

If the Bank has different types of security (e.g. mortgage, pledge or suretyship) for the discharge of the Debt or the performance of other obligations of the Debtor, the Bank is entirely free to choose which right it wishes to exercise and the order in which it does this.

Guaranteeing security

The Debtor must guarantee to the Bank that all mortgage rights or pledges or other security which the Bank obtains or should obtain under the Loan, the Deed or the Conditions are and remain valid, and that they comply with all conditions agreed for this purpose. If there is reasonable doubt about the validity or continuing validity of these security rights, the Debtor will establish them anew at his expense. The Debtor is obliged to reimburse the Bank immediately for the costs incurred in this connection by the Bank.

Waiver and termination

The Bank is not obliged to relinquish its mortgage right to the Collateral or other securities as long as not all claims that are (or may be) covered by this security have been paid to it in full and each legal relationship from which such claims can arise has been fully settled. If the mortgage right ends, the entry in the public registers will be cancelled at the request and expense of the Debtor. The Debtor authorises the Bank to do everything which is or may be useful or necessary for this purpose.

The Bank is entitled to terminate its mortgage rights or pledges, wholly or partly, by giving notice of termination.

Article 8: More than one Debtor; joint and several liability

If the Loan has been granted to more than one Debtor, each of the Debtors will be jointly and severally liable for payment of the entire Debt and all other obligations under the Loan, the Deed or the Conditions. This means that the Bank may claim from each of them the full amount of the Debt, but that, where payment is made by one Debtor, the other need no longer pay.

The following provisions also apply in this connection:

- (a) If the Debt becomes due and payable early by one Debtor, it will also always be due and payable early by the other Debtor.
- (b) Each Debtor waives all defences to which debtors who are jointly and severally liable are entitled. If the Bank remits the debt or grants a postponement of payment, this will have effect only in relation to the Debtor to whom the remission or postponement is expressly granted. Other Debtors cannot invoke the remission or postponement.
- (c) Claims which one Debtor obtains against the other Debtor by way of recourse or subrogation are subordinated to everything which the Bank is or will be entitled to claim from the other Debtor. The Debtors must pledge all these claims to the Bank. The section entitled 'Further rules on pledging' included in article 5 above applies to this pledge.

Article 9: Third-party mortgage

The following provisions will apply only if the Mortgagor is a person other than the Debtor:

- (a) The Mortgagor is under no circumstances entitled to claim reimbursement from the Bank for costs that he incurs for the benefit of the Collateral.
- (b) The Bank may possibly have or obtain, besides the security provided by the Mortgagee, other security rights (such as pledge, mortgage, suretyship or guarantee). The Mortgagor accepts that, in relation to him, the Bank is completely free to act as though the Bank has never had any other security or been entitled to this. The Bank may also give up other securities and may, in the case of foreclosure, itself fully determine the order of foreclosure, without the Debtor being able to object to or influence this or derive any rights from it.

- (c) The Mortgagor hereby accepts that the Bank is completely free in relation to him to permit the Debtor to have debts besides the Loan, to alter the conditions of the Loan or these other debts (e.g. by extending the term, increasing the credit sum or postponing repayments) or wholly or partly to terminate or restrict the security provided by the Collateral, without the Debtor being able to object to or influence this or derive any rights from it.
- (d) As long as the assets of the Debtor have not been completely foreclosed, the Bank may refuse payment by the Mortgagor. If the Bank does this, it does not constitute default by a creditor.
- (e) Claims which the Mortgagor obtains against the Debtor by way of recourse or subrogation are subordinated to everything which the Bank is or will be entitled to claim from the Debtor. The Mortgagor must pledge such claims to the Bank. The section entitled 'Further rules on pledging' included in article 5 above applies to this pledge.
- (f) If the Debtor and the Mortgagor owe the same obligation to the Bank (e.g. payment of a sum of money), each of them is jointly and severally liable for the full performance of the obligation. The Bank may claim full performance from each of them. Together the Debtor and the Mortgagor are obliged to perform the obligation only once, with the result that if one of them performs the obligation, the other need no longer do so.
- (g) The Debtor and the Mortgagor waive the defences to which debtors who are jointly and severally liable are entitled. If the Bank remits the debt or grants a postponement of payment, this will have effect only in relation to the party to whom the remission or postponement is expressly granted. The other party cannot invoke the remission or postponement.
- (h) The Mortgagor is bound by the legal relationship between the Debtor and the Bank and by the provisions applicable to it, including those of the Loan, the Deed and the Conditions. All these provisions apply **mutatis mutandis** to the legal relationship between the Mortgagee and the Bank, except where this would be contrary to their tenor.
- (i) All obligations to which the Debtor is subject under articles 4 and 5 of the Conditions also still apply in full to the Mortgagor. The Debtor and the Mortgagor are always bound as debtors with joint and several liability for the full performance of these obligations and guarantee one another's performance to the Bank.

- (j) All obligations to which the Debtor is subject under article 7, paragraph 2 ('Guaranteeing security') also apply to the full extent to the Mortgagor, insofar as these obligations are connected with security which the Mortgagor provides or should provide. The Debtor and the Mortgagor are always bound as debtors with joint and several liability for the full performance of these obligations and guarantee each other's performance to the Bank.

Article 10: Information and documentation

The Debtor may possibly have information of importance to the Bank in connection with:

- (a) the Loan (such as circumstances that would justify a demand for its early repayment);
- (b) the Collateral;
- (c) the (other) security rights of the Bank.

In such a case, the Debtor will notify the Bank of this as quickly as possible. The Debtor will also provide the Bank with all documents and other data carriers that are or could be of importance in this connection.

Article 11: Demand for early repayment

The Debt will be immediately due and payable, without notice of default, in the following cases:

- (a) if the Creditor provided insufficient or incorrect data when applying for the Loan, and the Bank, if it had been in possession of the correct information, would not have granted the Loan or not granted it on the agreed conditions;
- (b) if there has been an attributable breach by the Debtor involving failure to perform an obligation under the Loan, the Deed and/or the Conditions (such as the 'Rules on the Collateral' in article 4 of the Conditions);
- (c) at the end of the term of the Loan;
- (d) if some other credit provided by the Bank to the Debtor has become due and payable early;
- (e) if the Debtor is declared bankrupt, obtains a suspension of payments or debt restructuring arrangement, is made the subject of an administration order or guardianship order, or dies;
- (f) if the Collateral or part of it is seized or attached by way of protective measure, execution or recovery of possession, or if it is announced that there is to be a public auction thereof;
- (g) if security demanded by the Bank is not provided or not provided on the agreed conditions or is found to be invalid or no longer valid or the Bank is obliged, contrary to what has been agreed, to acquiesce in a

- limited right, right attached to a given capacity or other right against it;
- (h) if the scope for the use of the Collateral or part thereof declines and the value decreases as a result;
- (i) whenever the legal status of the Collateral changes in such a way as to adversely affect the value of the Collateral as security for the Bank;
- (j) if ownership of the Collateral or part of it is transferred or is transmitted by prescription;
- (k) if the beneficial ownership of the Collateral or part of it is transferred or if the Collateral or part of it is encumbered with an obligation attached to a particular capacity;
- (l) if the Collateral or part of it may not be built upon, altered or repaired even though this is necessary;
- (m) if the Collateral is included in a land consolidation scheme, put on a list of monuments and historic buildings or designated for compulsory purchase (expropriation) or must be renovated or repaired in compliance with a government notice;
- (n) if the rent payable for the Collateral is reduced;
- (o) if the Collateral consists of a ground lease and/or right of **superficies**;
- (p) if the ground rent or other charge that is due is not paid on time or in the event of any other act of the lessee or holder of the right of **superficies** that is contrary to the conditions of the ground lease or right of **superficies**;
- (q) at the end of the ground lease or right of **superficies** or in the event of any change in the conditions of the ground lease or right of **superficies** (including any change in the rent or other charge);
- (r) if the Collateral consists of an apartment right;
- (s) upon termination of the division or any change or addition to the deed of division or the rules;
- (t) upon the complete or partial demolition of the divided building;
- (u) if an encumbered real right or right of use lapses, is changed or ended or if the Debtor's membership of a cooperative is terminated;
- (v) upon the death of the Debtor;
- (w) if the Debtor has a matrimonial community of property and divorces;
- (x) if the Debtor enters into or changes a marriage contract during the marriage;
- (y) where the Debtor is a legal person, professional partnership, civil partnership or other collaborative venture: in the event of winding up, alteration of the articles of association, change in the composition of the partners, shareholders, executive board or

management team or a change in the liability towards creditors;

- (z) in the event of any other circumstance as a result of which the Bank cannot reasonably be expected to continue the Loan on the agreed conditions.

Article 12: Management, vacant possession and forced sale

Management

If the Debtor fails to perform his obligations to the Bank to a serious extent, the Bank is entitled to:

- (a) assume the management of all or part of the Collateral with the authorisation of the president of the District Court;
- (b) take possession of the Collateral if this is necessary for the purposes of foreclosure.

Forced sale

The Debtor must fulfil all his obligations promptly, completely and properly. A situation may nonetheless arise in which he fails to meet a claim for which the Collateral serves as security. In such a case, the Bank is entitled to sell the Collateral and recover these claims from the proceeds.

The following provisions apply in this case:

- (a) The sale must take place by public auction conducted in the presence of a civil law notary. However, the Bank may request the courts to authorise a sale by private treaty.
- (b) The Bank is entitled to determine the auction conditions (including the time, place and manner of auction) for the sale, to permit viewing of the Collateral, to split the Collateral into apartment rights or to divide it into parts and to establish easements between these apartment rights or parts.
- (c) The Bank is entitled to arrange for the sale to take place in parts, to purchase all or part of the Collateral itself and to defer the sale and resume it at a later date.
- (d) The Collateral must be delivered up with vacant possession in any event on the day of the actual transfer of title to the Collateral, subject to the rights of third parties which the Bank must respect according to peremptory law. The Bank may, however, determine that vacant possession must be given at an earlier date and have the Collateral cleared, even without a court order, on the strength of the execution copy of the Deed.

- (e) If, contrary to the provisions of the Deed or the Conditions, the Collateral has been let, leased or allowed to be used, vacant possession may be obtained in accordance with the statutory rules.
- (f) The Debtor waives his right to apply to the courts for the Collateral to be sold other than by public auction as regulated by law.
- (g) The Collateral may consist not only of immovable property but also of pledged movable property. The Bank hereby stipulates, insofar as this is possible in law, that it has the power to sell the movable property, together with the immovable property, in accordance with the rules applicable to the mortgage.
- (h) If the Collateral is unmanaged, the Bank may obtain access to it.
- (i) If the Bank wrongly arranges for sale or takes related measures, the Debtor may challenge this in the law until no later than three days before the sale of the Collateral. Thereafter, he will be deemed to have agreed to the sale. This also means that the Debtor can no longer oppose the sale or the transfer of the Collateral and cannot enforce any claims to compensation.
- (j) The costs of forced sale, including all costs connected with the exercise of the rights and powers of the Bank referred to in this article, will be borne by the Debtor.

Article 13: Reimbursement of the Bank's costs

The Debtor must reimburse the Bank for all costs, including the costs of legal assistance, which the Bank incurs at law or otherwise:

- (a) in collecting the Debt;
- (b) in enforcing or exercising the rights of mortgage or pledge or other securities which the Bank has or should have under the Loan, the Deed or the Conditions or its other rights and powers; or
- (c) by becoming involved in a seizure, attachment, dispute or proceedings between the Debtor and a third party.

Article 14: Probative value and retention period for records

An extract from the Bank's records serves as complete proof in relation to the Debtor, subject to the production of evidence to the contrary. The Bank need not keep its records for longer than the statutory retention periods.