

SMARTHOME A MORTGAGE TAILORED TO YOUR PLANS



BGL
BNP PARIBAS

The bank
for a changing
world

ARE YOU WONDERING HOW TO GET ON THE PROPERTY LADDER IN LUXEMBOURG?

Let us introduce you to *SmartHome*¹⁾ by *BGL BNP Paribas*, a mortgage that helps you get a foot on the property ladder and adapts to your ever-changing needs and plans.



THE BENEFITS OF SMARTHOME BY BGLBNPPARIBAS

A comprehensive financing solution:



You choose the loan amount and **type of interest rate** according to your needs with this bespoke mortgage¹⁾.



Monthly repayments are lower for the first few years of the loan.



You receive personalised support to help you get on the property ladder in Luxembourg.



You can choose to take out credit protection insurance from our partner Cardif Lux Vie or another provider of your choice, as long as the collateral for the bank is unaffected. **Interest payable** on your *SmartHome by BGL BNP Paribas* mortgage is **tax deductible**²⁾.



HOW DOES IT WORK?

SmartHome by BGL BNP Paribas is a mortgage **consisting of**:

- a **“traditional” part**, for which the monthly instalment comprises principal and interest (just like a traditional mortgage),
- a **“bullet” part**, where only the interest is payable during the term and the principal must be repaid in full in a single payment at the end of the contract. You must ensure that you have set enough money aside to pay off the principal. The bullet part cannot account for more than 25% of the purchase price and the predefined bullet period cannot exceed 10 years.

¹⁾ Offer subject to terms and conditions and approval of your application by the bank. All terms and conditions may be obtained from your local branch.

²⁾ Tax deductibility varies based on the personal situation of the individual and is subject to change.

³⁾ Early repayment charges may apply. For additional information on early repayment, please visit bgl.lu/en/mortgage

There are two possible scenarios when the predefined bullet period comes to an end, depending on your circumstances:

You want to keep your home

In this case, you will continue to pay off the traditional part of the loan on a monthly basis and pay off the principal for the bullet part in full. Otherwise, you have the option to switch to a traditional loan.

Your family situation has changed and you want to sell the property and buy a new one

Firstly, you will pay off your *SmartHome by BGL BNP Paribas*³⁾ mortgage. Then you can negotiate a new traditional mortgage to buy your next home.⁴⁾

SAMPLE CALCULATION PROVIDED FOR INFORMATION ONLY: for a loan of EUR 500,000 over a 25-year term, comprising a EUR 125,000 bullet part and a EUR 375,000 traditional part (assuming that the bullet part will be converted into an amortising loan after 10 years), both with a fixed interest rate of 1.80%⁵⁾.

Traditional loan EUR 500,000 25 years		<i>SmartHome by BGL BNP Paribas</i> EUR 125,000 bullet part and EUR 375,000 traditional part			
		10 years		15 years	
Monthly repayment	EUR 2,077	EUR 1,751		EUR 2,319	
		EUR 1,559 monthly instalment of the traditional part	+ EUR 192 repayment of interest for the bullet part	EUR 1,559 monthly instalment of the traditional part	+ EUR 760 repayment of the principal for the bullet part after it is converted into a traditional loan
Total cost of the loan after 25 years	EUR 123,380 including account handling charges of EUR 400 and a one-time advance fee of EUR 250	EUR 134,021 ⁶⁾ including account handling charges of EUR 800 and a one-time advance fee of EUR 250			

In this example, the total amount owed by a borrower with the *SmartHome by BGL BNP Paribas* mortgage would be EUR 634,021 (including interest, account handling charges and one-time advance fee).

The APRs on the various tranches are 1.86%⁵⁾ for the traditional part and 1.86%⁵⁾ for the bullet part during the first 10 years, and then 1.87%⁵⁾ for the bullet part once it is converted into a traditional loan and amortised over 15 years.

For more details and information on *SmartHome by BGL BNP Paribas* mortgages, speak to your advisor in a branch or call our Client Service on (+352) 42 42-2000.

⁴⁾ Offer subject to analysis of your personal and financial situation.

⁵⁾ Where the fixed interest rate is quoted on an annual basis and the APR (annual percentage rate) includes charges directly linked to taking out the mortgage.

⁶⁾ EUR 134,021 is the sum of EUR 22,988 (the cost linked to the bullet part over 10 years) + EUR 18,195 (the cost linked to the bullet part after it is converted into a traditional loan over 15 years) + EUR 92,838 (the cost linked to the traditional part over 25 years).

FIND OUT THE OPENING HOURS OF OUR BRANCHES



bgl.lu/en/branches

CONTACT US



(+352) 42 42-2000



info@bgl.lu



bgl.lu

FOLLOW US



BGL BNP PARIBAS

50, avenue J.F. Kennedy – L-2951 Luxembourg
R.C.S. Luxembourg : B 6481

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