



**MORTGAGE SPECIALISTS  
FOR PROPERTY INVESTMENT  
OVERSEAS**

**OUR COMPLIMENTARY GUIDE TO FRENCH MORTGAGES**

# CONTENTS

## HOW OUR FRENCH MORTGAGE TEAM CAN ASSIST YOU

**PAGE 1**

*This section provides information on the various services offered by the French Mortgage Department and how you can make the most of them.*

## HOW TO APPLY FOR A FRENCH MORTGAGE WITH ASSETZ FINANCE

**PAGES 2-3**

*This section breaks down the process of applying for a French Mortgage or Re-mortgage into 4 clear and easy to follow steps.*

## FEEDBACK FROM OUR PAST CLIENTS

**PAGES 4-5**

*To see what others thought of the French mortgage application process and the service they received from Assetz Finance*

## ANSWERS TO FAQs ON FRENCH MORTGAGES

**PAGES 6-12**

*Our Finance Consultants have pulled together all of their knowledge and expertise in their specialist field to compile a list of frank, honest answers to the most frequently asked questions on French Mortgages.*

## APPENDICES:

\*Documentation required to support your application

**PAGES 13-16**

\*Mortgage documents check-list

**PAGES 17-18**

\*Our Fees

**PAGE 19**

## HOW THE ASSETZ FINANCE FRENCH MORTGAGE DEPARTMENT CAN ASSIST YOU

As soon as you call or email the French Mortgage Department you will be allocated your own personal Finance Consultant who will advise you and ensure that you select the best mortgage deal for your purchase or re-mortgage.

### ➤ The Smartest Finance Solutions

We source mortgage packages from the widest panel of lenders available to non-resident borrowers. With over 50 products to choose from – some tailored specifically for our clients – we are sure to find the best mortgage deal for you. Our database of mortgage products is reviewed daily with up to the minute information so that we can advise you on all the latest deals.

### ➤ Free, Impartial Advice from Trained Specialists

- Free educational information on French Mortgages
- Free Calculation of Budget and Affordability
- Free Mortgage Simulations tailored to your chosen property/budget

### ➤ Peace of mind that everything is taken care of

Our service does not end once your specialist advisor has helped you source the best deal for your transaction. Our experienced Application Team will ensure that you have all the assistance and support you need for making the application and completing on your purchase or re-mortgage smoothly. You will be allocated an Application Co-ordinator who will make sure that you know what you are meant to be doing and when. You can relax in the knowledge that an experienced specialist is with you every step of the way.

### ➤ We really have thought of everything...

If your estate agent does not offer any advice or support with your purchase, your Application Co-ordinator will be able to assist you instead. Our Purchase Assistance Service provides first time buyers with advice on the French buying process that will be unfamiliar to them. It will ensure that you have a bilingual, impartial third party to assist you with all required liaison. This additional service is essential for ensuring a hassle-free purchase.

### ➤ Your application has been refused elsewhere? Don't worry...

If you have applied for a mortgage via another broker or directly to a lender and it has been refused, all is not lost. After much demand from applicants who have failed with other companies, we now offer a Mortgage Salvage Service, which helps those in this unfortunate situation. We can apply to a number of French banks for you at the same time and speed up the applications in order to make sure that you have secured a mortgage in time for the completion of your property.

# HOW TO APPLY FOR A FRENCH MORTGAGE OR RE-MORTGAGE

Our services are available to clients buying/or re-financing any residential property in mainland France.

Due to our reputation and volume of mortgage referrals, Assetz Finance can obtain the most competitive rates and terms on the market. Assetz Finance is not a standard mortgage broker, as our service does not simply end with sourcing the mortgage product. We also assist each client throughout the whole of the mortgage application process from start to finish.

## ⇒ Step 1: The Pre-Approval Form

The first step is to check that you meet the criteria set out by each lender. You may meet the criteria of some lenders but not others and you will need to ascertain this as soon as possible in order to avoid the lenders that would not be able to offer you a mortgage.

You also need to establish your budget. Where one lender may be happy to lend you 100,000€, another may only allow a mortgage amount of 90,000€ and depending on the product they offer you may well want to inject more cash into the investment in order to secure their particular package.

This is just the kind of thing that your personal Finance Consultant can advise you on once you have completed the Pre-Approval Form.

As we believe in realistic, honest advice we will only provide quotations once a Pre-Approval Form has been submitted so that we can discuss products which are directly relevant to your requirements, circumstances or type of purchase rather than wasting your time discussing products that are not applicable in your particular circumstances.

During this step you will be provided with the Residential Mortgage Procedures document or the Commercial Mortgage Procedures document depending on the nature of your purchase/re-finance. If your property has any connection at all to a business activity or if the land that the property is on is linked to a business activity you will need to deal with the Commercial Mortgage Team and receive the Commercial Mortgage Procedures document.

## ⇒ Step 2: Selecting the best mortgage deal

Once your Finance Consultant has analysed your Pre-Approval Form and established your exact requirements they will email you a quote. This will include a detailed description of all of the mortgage deals available to you that fit your requirements.

Next, your Finance Consultant will answer all of your questions and will point out the strengths and weaknesses of each product to help you choose the best mortgage deal to apply for.

## ⇒ Step 3: The Mortgage Application

Once you have chosen your preferred mortgage product, you will be allocated an Application Co-ordinator who is experienced in securing the best mortgage deals possible by ensuring the quality of the application submitted to the lender. Your Application Co-ordinator will liaise with your accountant, your employer, your home bank or any other third party for you to help you compile the application. Instead of submitting the application directly to the lender, you will be invited to send them to your Application Co-ordinator who will:

- compile them in the order preferred by the lender,
- annotate them (in French) in order to explain any elements of your application further,
- include a covering letter in French written on your behalf to make your application as clear as possible to the lender,
- take a copy of all documents to be used as a reference if the lender questions any of these papers,
- present the file in its most favourable light,
- send the complete and packaged application to the lender by FedEx express delivery to ensure that your documents are secure and are delivered with no delay (usually within 24 hours).

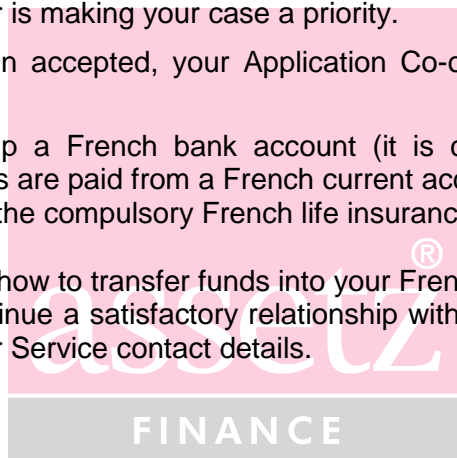
Our Application Co-ordinators have years of experience of making applications to French lenders and have every angle covered for you.

## ⇒ Step 4: The follow up of the application and miscellaneous tasks

Your Application Co-ordinator will liaise with your chosen bank from the moment the application has been made. They will get in touch with you as soon as a decision has been made. They will ensure that your chosen lender is making your case a priority.

Once your mortgage has been accepted, your Application Co-ordinators job does not finish there. They will also:

- Help you to set up a French bank account (it is compulsory that your French mortgage payments are paid from a French current account),
- Help you to set up the compulsory French life insurance policy or a UK life insurance policy if allowed,
- Indicate when and how to transfer funds into your French current account,
- Enable you to continue a satisfactory relationship with your lender by providing you with their Customer Service contact details.



## FEED BACK RECEIVED FROM PAST CLIENTS

Below you will find a sample of comments from individuals who have used the services of the Overseas Mortgage Department in the past.

If you would like to see the feedback form in its full format or would like to speak to one of our past clients we would be more than happy to organise this for you.

- Delphine was very helpful indeed and we were able to contact her almost any time.  
*Veronica and David Steven, Downfield, 29/01/08*
- The best thing about the Assetz Finance service was the speed at which they moved, and how quickly they responded to my queries.  
*Guy Sizer, West Sussex, 30/01/08*
- Quite simply, we could not have purchased a property in France without the support from Assetz Finance.  
*Rob Jones, Northwich, 01/02/08*
- We've been more than happy with your service - the fee is money well spent and represents excellent value.  
*Iain Crane, Surrey, 01/02/08*
- The service was excellent.  
*Guy Sizer, West Sussex, 30/01/08*
- All of the finance arrangements made for us were very much appreciated, particularly the opening of the French Bank Account and of course the mortgage, which of course we would never have managed ourselves. Money very well spent.  
*Veronica and David Steven, Downfield, 29/01/08*
- Great service from your team, and yes the process was much more complex than I thought!  
*Greg Grimshaw, Dorset, 29/01/08*
- It was all handled so efficiently that the process seemed quite quick and painless (after having contacted other brokers prior to contacting you).  
*Alison Reid, Middlewich, 28/12/07*
- We went with the offer through Assetz because it was a slightly better deal over the length of the mortgage.  
*Guy Sizer, West Sussex, 30/01/08*
- Everything appeared to be covered thoroughly, and I have already recommended your service to a French friend of mine who lives over here. You were all so friendly and helpful.  
*Simon Wilkinson, Bedfordshire, 19/12/07*
- I would certainly give you all glowing references. I think your service and knowledge has been excellent and I would definitely recommend Assetz Finance to anybody who was contemplating overseas property.

*Tim Cotterill, West Midlands, 19/12/07*

- The whole team at Assetz does a great job & we're really pleased with the service we've received.

*Charlotte Wilson, Guernsey, 16/07/07*

- Your team was always very much on the ball. I have since pulled out of 2 other developments with 2 different companies, because neither could answer simple finance questions - so you are setting a standard, and your competitors are no where near.

*Greg Grimshaw, Dorset, 29/01/08*



## **HONEST, FRANK ANSWERS TO QUESTIONS THAT WE ARE NOT SCARED OF ADDRESSING !**

A FAQ section with a difference!

This section exposes any potential pitfalls, addresses misconceptions that have developed in the industry due to false advertising and gives a truthful account of everything you should be aware of before embarking on a French mortgage application.

If you have not already been following the specialist articles written by our Overseas Mortgage Manager, Katy Hepworth, and published in French Property News magazine each month we can also provide you with a copy of these articles that will help you further in understanding the system better.

We want you to make the most of our contacts and experience in order to secure the best mortgage deal for your purchase or re-mortgage and this FAQ section is just one way for us to pass on this information to you.

### **⇒ Can I actually afford a French mortgage?**

All you need to do is complete step 1 of our service – which is completely free of charge - to find this out. Your Finance Consultant will talk you through all the costs, the deposit requirements if any, the monthly payment and so on. With this information you will be able to budget for and ensure that you can afford the mortgage you need.

### **⇒ What if I don't meet the criteria set by the French banks with regards to affordability?**

The sooner you establish the feasibility of financing your purchase or re-mortgage with a French lender the better so that you can consider other alternatives. As there are other alternatives.

If you don't quite meet the criteria set by the lender for the product that you want we will advise you of this and you will be made aware of the risks and the likelihood of success of your application. We will provide you with very exact instructions to help you submit the most successful application possible. We will use our close relationship with the lenders to negotiate with them in order to have your application accepted even if they would normally refuse the case if the applicant had applied to them directly.

If we can see from your financial situation that it would be highly unlikely, if not impossible, for a French lender to offer you a mortgage we will advise you of this straight away so that you can organise the necessary alternative arrangements for purchasing or re-financing your property. Our UK mortgage department will help you explore these other alternatives (such as a re-mortgage of your home or a secured loan).

### **⇒ But wouldn't it be simpler to take a loan with my home bank?**

Quite honestly, yes perhaps! Your home bank speaks your language and you are used to their procedures. Some purchasers of French property do find that this is the best route for them and in some cases may be their only route if their circumstances do not allow a French mortgage. Assetz Finance is here to listen to your requirements and to help you choose the best method of financing your property purchase. Your home bank will not be able to secure the mortgage on the French property, they will need to secure the mortgage on your home. You will need to consider the risk involved with this.

Once you have established that French finance is the best route for your purchase, your Application Co-ordinator will ensure that you understand the procedures used by French lenders and have all of the bilingual assistance you need. It would be such a shame to miss out on the low interest rates available in France. With Assetz Finance assisting you throughout the whole process, you won't have to and applying for a French mortgage will not be as daunting or as difficult as it may seem at first.

We have found that it is usually only if purchasers of French property attempt to secure such a mortgage with a French lender without the help of a bilingual mortgage expert that it may become more complicated than if they had applied for a UK mortgage.

### ⇒ **How long is it all going to take? Will it slow down my purchase if I have to apply for a French mortgage?**

Applying for a French mortgage should never affect the date at which you can sign the title deeds to your property. We are aware of the timeframe and deadlines of the purchase process and can liaise with the agent that you are using to make sure we keep to these deadlines.

Once you have signed a reservation contract (for an off-plan property) or a compromis de vente (for a re-sale property) you will normally have two weeks to a month during which, under the mortgage clause, you must apply for your mortgage.

Then you are typically given a further 2-3 months to arrange the release of the funds from the mortgage and complete on your purchase. This is plenty of time as long as you follow the instructions given to you by your Application Co-ordinator. You will normally complete on your purchase approximately 3-4 months from signing the preliminary contracts for the purchase irrespective of whether you have applied for a French mortgage or not.

### ⇒ **Wouldn't I be better off applying to the French bank myself or going to another mortgage broker who does not charge a fee?**

We have been repeatedly told what good value for money our fee is. All applicants seem to agree that they would rather pay the small fee in order to have everything looked after for them and to ensure that they don't make any mistakes. Mistakes that could so easily arise if they tried to apply on their own or using a broker who cannot afford to deliver a high level of service as they have no income yet from your case.

Assetz Finance is not forced to work exclusively with a small panel of lenders that pay the best commission, as many brokers who don't charge a fee are forced to do in order to stay in business. In fact we have the largest panel of all the companies of our type which is why we have the most diverse range of deals available. As we do not rely on exclusively the income paid to us by the lender we are able to deliver fully impartial advice on the best mortgage deals rather than only offering the products of lenders that pay higher commission.

Our advice is based on our years of experience in the market and our sound knowledge of the lenders and their underwriting policies. We, and our past clients, believe that this advice is worth paying for! We are sure you will agree once you have used the service once.

If you were to go to the French bank directly you would not be able to benefit from the rapport that we have built up with our lenders that enables us to speed up applications and negotiate any problems. Nor would you benefit from the range of products that we can offer you via our large panel. And finally you wouldn't be able to benefit from the lower arrangement fees or the unique products that lenders offer Assetz Finance clients only. If you were to approach the same bank directly they would offer you their standard products and arrangement fees. As we have experience in applying for French mortgages, we know exactly how it works, how to put forward the best application to the bank on your behalf and how to guarantee that the bank give you the best offer possible.

### ⇒ **But couldn't I find a better deal at a bank that you do not use?**

Over the years we have researched the mortgage packages offered by all of the French banks that offer mortgages to non-French residents and the only reason that we do not normally work with certain lenders is that we have found that their packages are not best tailored to our clients needs, they take longer to process an application and do not always offer the high level of service available with others.

### ⇒ **And what if the worst happens and I don't secure the finance I need?**

This won't happen if you have followed our steps and advice – you must make sure that your Finance Consultant is aware of the FULL circumstances (including but not limited to loans, mortgages, debts, overdrafts, credit cards, any intended change in your employment contract, any other intended changes to your circumstances...) of each borrower and the property involved at the very start of the process. This will ensure that we provide you with the right advice.

If you have attempted a mortgage application via another broker or directly to a lender and it has not been successful you can of course use our Mortgage Salvage Service. Please ask your Finance Consultant for more details on this.

### ⇒ **How do I calculate how much I can borrow?**

Some lenders will restrict your borrowing capacity to a maximum of 4 times your annual salary, much like UK lenders. However in addition to income multiples, French lenders use a second form of screening called "Debt Ratio".

This ratio calculation cannot exceed 33% with most French lenders. Some French lenders are able to use a debt ratio of 40-45% maximum. This means that your monthly payments for the prospective French mortgage, plus all of your current monthly contractual financial outgoings should not exceed 33%/40/45% of your monthly income depending on the lender.

Contractual financial outgoings include all debt servicing, (mortgage/rent, car loan, bank loan, HP loan, child maintenance payments etc). Income includes all employment income, pension income and a certain percentage of investment income and rental income (both present and future). Some lenders are unable to take into account any investment income that is made off-shore and therefore does not appear on tax declarations. Some lenders use net income rather than gross and we will take this into account when calculating your affordability with each lender.

We are often asked why French banks don't take into account the full amount of current rental income and future rental income from the property being purchased. This is because your current rental income and future rental income may not be guaranteed and even if it is guaranteed, it is guaranteed to be paid to you, and not guaranteed to pay your mortgage. In a time of financial difficulty the bank fears that you may use your guaranteed rental income to pay for your daily living costs or your home mortgage rather than your French mortgage.

If you would like to have a go at calculating your own debt ratio we have given a summary of the calculation below. However, please be aware that each lender calculates it slightly differently and each lender is flexible in different areas so it is highly ill-advised to base your mortgage application success on your own calculations – you should check them against the calculations carried out by a specialist Finance Consultant.

In its simplest form, if you earn £3000 gross per month, and your only outgoing is a mortgage of £500.

$3000 \times 0.33 = 990$  (one third of your gross monthly income)

$990 - 500 = 490$  (gross monthly income minus monthly outgoings)

Therefore, you could afford a French mortgage with monthly payments of £490 with most lenders or....

$3000 \times 0.4 = 1200$  (two fifths of your gross monthly income)

$1200 - 500 = 700$  (gross monthly income minus monthly outgoings)

Therefore, you could afford a French mortgage with monthly payments of £700 with some lenders.

Figures given in your application for your gross income must be supported by the applicable documents (for example, self employed borrowers must show their income via tax returns and company accounts. Bonuses and dividends are taken into account if they can be proven over at least the last two consecutive years). Pension income can be taken into account again as long as paperwork is provided. If you own buy to let properties, then we will need to see proof of rental income (lease contract, rent receipts, payment of rental income into a bank account) in order to take it into account.

Each borrower's personal situation varies and the debt ratio calculation therefore does not apply to the letter for all purchasers of French property.

### ⇒ **Is there a deadline to meet when applying for a French mortgage?**

It is usually stipulated in the preliminary contract that the mortgage application should be submitted to the bank between 15 and 30 days of signing this contract. There is normally a "completion" date also stipulated in this contract and the mortgage must therefore be in place and the funds released to the notaire in time for this date.

### ⇒ **How will I pay my mortgage?**

Most French mortgages are paid monthly. Each month you will pay direct debit payments to the lender from your French bank account (which we help you set up). You should also tell your management company or lettings agency if you have one to pay your rental income for the property into this same bank account. We can calculate approximate monthly repayment amounts for you for the different mortgage products available to you to give you an idea of your outlay each month.

### ⇒ **What costs are involved with a French mortgage?**

#### The lender's mortgage arrangement fee

The bank charges a one off arrangement fee for arranging the mortgage for you. The standard rate in France is 1% of the capital borrowed. However, Assetz Finance has negotiated this fee for our clients with most French lenders.

One or two lenders will add the mortgage arrangement fee to the mortgage amount like UK lenders, please ask your finance consultant for more details as this is not the norm. This means that in the majority of cases the borrower must budget to pay for these costs from their own pocket.

#### Running the mortgage

Following this, each month you will pay direct debit payments to the lender (which will be set up automatically for you) of your monthly mortgage payment including the cost of life insurance cover if applicable.

If you have a "grace period" at the beginning of your mortgage because you are buying an off plan property, you will not have to pay these monthly mortgage payments straight away as they are deferred until completion of the property. You may not even need to pay the life insurance premiums if a French policy has been arranged for you however this will depend on the lender.

## The Assetz Finance Fee

All of our advice, assistance and simulations are free of charge. Only once you have decided that you would like to apply for a French mortgage using our services would we charge our fee. This fee varies according to the mortgage type, the mortgage amount and the lender. Your Finance Consultant will advise you of the fee in your particular circumstances. We endeavour to keep this fee to an absolute minimum and are frequently congratulated for the excellent value for money that this fee represents.

## The conveyancing costs

Please see our Guide to Buying in France for more details about the conveyancing costs when buying a French property and arranging a mortgage in France.

### ⇒ **How do off-plan property mortgages work in France?**

If you are buying an off-plan development, a “grace period” (or deferred period) can be drawn into your mortgage offer which is a period of between 3 months and 3 years (depending on the development and the lender) during which you do not have to repay the loan whilst you are waiting for the property to be completed.

Most lenders will require the life insurance premiums be paid each month during this deferral period. Some lenders will also defer life insurance premiums.

For off-plan properties that are paid in stages, funds are drawn down from the mortgage only as they are needed and the interest is cumulated. During the deferral period this interest is rolled up and added to the original mortgage amount. This will mean that the monthly payment once the mortgage payments start will be slightly higher than first calculated.

Some banks make a small charge each month for releasing the funds in this way. This will be indicated on our quote if this is the case. Not all brokers seem to be aware of this additional cost and do not factor it in their quotes.

### ⇒ **How does re-finance work in France?**

#### 1. Releasing equity from an unencumbered property

If you have bought a property in the past using cash savings, you now have the opportunity to release equity from this property to use as a deposit for another purchase, to pay for renovation costs of your property in France or back home, or for another reason.

If the property you purchased was an off plan property and you used cash for the first few stage payments, it will be possible to organise a mortgage to pay for the remaining stages.

You will need to appoint a notaire (most people re-instruct the notaire that they used for the purchase of the property) in order to re-finance a property in France. The mortgage funds released from the re-finance are given to the notaire who pays them on to a UK bank or solicitor if you are repaying UK debts or purchasing a UK property or onto other relevant third parties and in some cases onto the borrower. The notaire also registers the mortgage charge on the title deed. This does come at a cost and the notaire uses some of the mortgage funds to pay for this. The amount of cash that will ultimately be available to the borrower will therefore be net of this cost. We can recommend a notaire if you require.

Most lenders require the borrower to have a reason for requiring the cash that will be released from the French property. And they may even require proof of what you intend to do with the funds. If you do not have a reason as such for releasing the cash you will still be able to do so however the range of products available to you will be more restricted.

The mortgage deals available for this type of re-finance usually differ from those available on the purchase of the property. Please ask your Finance Consultant for more information.

## 2. Re-mortgaging a mortgaged property

If you have bought a property in the past using a French mortgage and would like to re-mortgage onto a better deal whilst either releasing some of the equity – if the property has increased in value – or not, we can also assist you.

You will need to appoint a notaire (most people re-instruct the notaire that they used for the purchase of the property) in order to re-finance a property in France. The mortgage funds released from the re-finance are given to the notaire who repays the lender who held the original mortgage charge and pays on any additional funds to the borrower or borrower's solicitor / UK bank (minus the fees for registering the new mortgage). We can recommend a notaire if you require.

Some lenders require the borrower to have a reason for requiring the additional cash – if any is required. They may also require proof of the intended use of the funds.

### ⇒ **Do I need to travel to France or to come to your office to arrange a mortgage?**

With most lenders we can arrange everything for you over the phone or by email as long as you are able to provide all of the necessary paperwork to support your application by post to our UK based office. However some lenders prefer to meet all applicants in person before offering a mortgage. These lenders are clearly labelled in our quotes so you can avoid them if you prefer not to travel to France.

### ⇒ **What else do I need in addition to the mortgage?**

A French bank account, (from which your mortgage payments will be taken, and if you are buying a leaseback or buy-to-let property, to where you will receive your rental income) is compulsory.

Some lenders will automatically arrange an account for you along with the mortgage, and in fact it is compulsory to use their current account to service the mortgage. Other lenders do not offer banking facilities and therefore borrowers are required to arrange their own current account. Assetz Finance works with a number of French banks who can arrange French current accounts for non-French residents and will assist you with this.

All French banks charge administrative fees for running current accounts. Some charge more than others. We will talk you through the costs involved so that you are aware of these obligatory expenses.

A French life insurance policy is an obligatory additional product with the majority of lenders and in fact they impose borrowers to take the policy offered by the insurance company of their choice. You should factor in the cost of this life insurance policy, if it is indeed compulsory, into the global cost of the mortgage product to assess whether the mortgage deal is still the best mortgage product for you. The average cost (assuming good health, no medical conditions at all and that the borrower is under 55 years of age) of the life insurance premiums is given on all Assetz Finance personalised mortgage illustrations to help you with this.

French banks are unable to insure non-residents for anything other than death (you are not covered against disability or loss of employment for example). You may have to carry out medical examinations with your doctor to send to the life insurance company if you are applying for a mortgage of over a certain amount, if you are over a certain age or if you have a certain medical condition.

Some lenders allow borrowers to arrange a UK life insurance policy of their choice (within certain conditions). This life insurance policy must be arranged in a certain way and must be assigned to the French lender and therefore you will need your Application Co-ordinator to assist you with this if applicable.

### ⇒ **Is there a maximum number of applicants allowed?**

Each purchaser named on the reservation contract or *compromis de vente* must be included on the mortgage application form and supporting paperwork must be provided for each purchaser.

The bank has the final say on the maximum number of applicants allowed. If there are more than 4 applicants, the bank will decide if there is a real connection between those people and if the risk is acceptable.

If you are purchasing a property with family members the bank will normally use the joint income of the purchasers to calculate affordability. However, if you are purchasing with friends, or business partners, each individual purchaser needs to prove to the lender that they can afford the monthly repayments independently.

### ⇒ **Could we purchase via a French or UK company?**

If a French holding company, such as an SCI or SARL, is purchasing or owns the property, the mortgage application must :

- be made in the name of the SCI/SARL
- include certain documents regarding the company
- include full supporting documentation regarding each shareholder of the SCI/SARL and these shareholders will act as guarantors to the loan.

A UK limited company is not currently permitted to make a French mortgage application and must therefore finance the purchase via UK based finance solutions.

French company's such as SAS companies are considered as commercial entities and will need to discuss their requirements with the Commercial Mortgage Team.

FINANCE

If you have a question that is not addressed above, please do not hesitate to contact us directly to speak to one of our experienced French Finance Specialists on: 0845 400 8000.

PLEASE THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME OR NEW DEBTS AGAINST YOUR FOREIGN PROPERTIES. YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. BE SURE YOU CAN AFFORD THE REPAYMENTS BEFORE ENTERING INTO ANY CREDIT AGREEMENT. THE FIGURES QUOTED IN THIS GUIDE ARE BELIEVED TO BE CORRECT AT THE TIME OF ISSUE, AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. ANY QUOTATION SUPPLIED IS NOT AN OFFER OF A MORTGAGE. THE STERLING EQUIVALENT OF YOUR LIABILITY UNDER A FOREIGN CURRENCY MORTGAGE MAY BE INCREASED BY EXCHANGE RATE MOVEMENTS.

# DOCUMENTS REQUIRED TO MAKE A FRENCH MORTGAGE APPLICATION

French lenders are keen to work with Assetz Finance because of the way that we submit our clients' applications. We do not submit half-hearted applications that will automatically be refused by all lenders and will waste everyone's time. Our reputation is based on our ability to explain to clients exactly what they must provide, assisting them with providing these documents and then presenting them in a professional manner to the chosen lender.

We help our clients make the best possible mortgage application by allocating an Application Co-ordinator to their case who will, if you wish:

- call your HR department for the required reference letter
- contact your home bank for the required reference letter
- contact and liaise with your accountant to ensure that all documents and accountants reference letters are obtained easily for you.

If you can think of anything else that we could do to help you please let us know. Our goal is to retain our reputation for excellent, comprehensive mortgage applications to make sure that our clients continue to receive the best mortgage deals in the market.

Please communicate any concerns you may have with the application or supporting documentation as soon as possible so that we can help you to find a solution.

## 1. Personal details

Copy of all borrowers' passports  
Copy of birth certificate  
Copy of marriage certificate if applicable  
Copy of divorce agreement if applicable  
Proof of home address (utility bill)

assetz<sup>®</sup>  
FINANCE

## 2. Property details

### For a property purchase

Copy of the signed preliminary purchase agreement  
Copy of the signed lease (if a leaseback property).  
Quotes for any proposed renovation

### For a re-mortgage

Copy of the title deeds  
Proof of use of funds  
Redemption statement from current lender  
Current mortgage offer T+C's and statement  
Quotes for any proposed renovation

### If you are building your own property

Purchase contract or title deeds for the piece of land you intend to build on  
Architect or builder's contract  
Building permit

Cahier des charges (ie scope of work) and quote

### **3. Income details – Employment**

#### **For employed applicants**

Copy of your last 3 months payslips

Copy of your last 1-2 years P60's

A letter from your employer detailing your employment status. You must provide the original letter and not a copy.

#### **For self-employed applicants**

Copy of your last 3 months payslips

Copy of at least the last 2 tax returns / declarations

Copy of the last 3 profit and loss accounts for your company/self employed activity.

An official letter from your accountant stating your personal income from your company for the past 3 consecutive years. You must provide the original letter and not a copy.

#### **For contracted applicants**

Copy of the last 3 consecutive tax returns/ declarations.

An official letter from your agency(ies) stating your personal income from your contracted activity for the past 3 consecutive years. You must provide the original letter and not a copy.

Copy of past, current, future contracts.

#### **For applicants with pensions**

Copy of the annual pension statement clearly showing how much you receive each month and for how long you will be receiving this amount.

The last 2/3 tax returns/declarations/inland revenue document showing this income.

### **4. Income details – investments/assets**

A letter from the financial institutes that you hold these investments with confirming how much you have earned from these investments each year for the past 3 years.

A copy of the last 2/3 tax returns/declarations showing this income.

If you have not held these investments for 3 years the lender may not be able to take them into account. If these investments are held offshore and therefore do not appear on your tax declarations the lender may not be able to take them into account.

### **5. Income details – rental income**

A copy of the lease or tenancy agreement showing the amount of rent you receive from each property.

Your tax returns for the last 3 consecutive years showing this income.

A letter from your management company confirming the address of the properties owned and the amount of rental income received for each property. This would need to be an original letter and not a copy.

## 6. Outgoings

Copy of the last 3 months consecutive bank statements, for each borrower, for ALL accounts held must be provided along with:

### ➤ Mortgage Statements

A copy of your mortgage statement (or letter from your lender) for each mortgage which clearly gives: how much you pay each month, how much of the mortgage is still to be paid off and the date of expiry of the mortgage.

### ➤ Rental Agreements (if you are a tenant)

A copy of your rental agreement or a letter from the person who pays your rent/allows you to live with them for free or a letter from your employer confirming that they pay your rent. These letters should be originals and not copies.

### ➤ Loan/Credit Card statements

A copy of the loan policy, the most recent annual statement or monthly statement giving: how much the loan is for, how much you pay each month and when the loan expires.

## 7. Assets

### ➤ Proof of personal contribution – **THIS IS ABSOLUTELY ESSENTIAL**

You need to provide a copy of your bank account / savings account/ ISA account / Bond statement showing at least enough to cover your contribution (or about 25-30% of the purchase price if you are asked to show savings even though you will not be needing to use them).

You must be able to provide proof that you have the funds available to you to pay for the part of the property that you are financing. Some lenders may agree to offer a mortgage amount that covers the full cost of the purchase and all fees but they will normally need to see proof of savings as part of their criteria. (They want to see that their borrowers have funds available to them even if they don't want to or have to use them).

The larger the sum of money you have and can prove using savings account statements the more successful your application will be and the better deal you will secure.

If you intend to release funds from your company to pay for your contribution, your accountant must confirm in an official letter that these funds are legally available to you.

If you intend to release funds via a re-mortgage of your home or other UK based properties to pay for your contribution you must advise your Finance Consultant straight away.

### ➤ Land Registry Documents

If you do not have a mortgage, but own properties out-right, you must provide us with a copy of the Land Registry documents proving ownership of these properties. If this proves difficult for you, we may be able to obtain it for you.

Any properties that can be proven to be owned out-right will make your application stronger.

## 8. References

Some banks require a recommendation letter from your home bank – please ask your Finance Consultant if this is the case with your intended lender.

## 9. Additional Documents for an SCI/SARL

- Extrait K-bis (company registration document)
- Les Status (articles and memorandum of association)
- RIB for your French Current Account open in the name of your SCI / SARL

The above list is comprehensive for the majority of applications. If you provide all of the above documentation relevant to your situation then it is highly unlikely that a French bank would request any further information.

Of course if the lender notices any payments on your bank statements (that could correspond to rental income paid to you, a mortgage, a loan, child maintenance payments etc..) they will revert back to us to ask for clarification on what these amounts are and perhaps some extra proof.



## MORTGAGE DOCUMENTS CHECK LIST

TYPE OF INFORMATION REQUIRED	DOCUMENTATION	Tick here
<b>Personal Details</b>	Passport (certified true copy of the original for some lenders)	
	Marriage Certificate	
	Divorce Certificate	
	Utility Bill	
<b>Property Details</b>	Preliminary Contract or Title deeds	
	Lease Agreement	
	Quotes for building work	
<b>Income from Employment if applicable</b>	Last 3 month payslips	
	Last 2 years P60's	
	Letter from Employer	
<b>Income from Self-employment if applicable</b>	Last 2 tax returns/declarations	
	Last 3 company profit and loss accounts	
	Letter from Accountant	
<b>Income from Contractual Work if applicable</b>	Last 3 tax returns/declarations	
	Copy of current contracts	
	Letter from agency	
<b>Income from Pension if retired</b>	Annual or monthly statement	
	Last 2/3 tax returns/declarations	

<b>Income from investments/assets if applicable</b>	Letter from financial institutes	
	Last 2/3 tax returns/declarations	
<b>Investment properties</b>	Tenancy agreements (or letter from letting agent)	
	Mortgage statements	
	Last 2/3 tax returns/declarations	
<b>Outgoings</b>	Last 3 months bank statements for every account	
	Mortgage statements for your main residence	
	Rental Agreements if you are a tenant	
	Loan (car, personal, short term, etc) and Credit Card statements	
<b>Assets</b>	Personal contribution proof (balance of savings account)	
	Statements of other savings/investments	
	Land registry documents (if property owned without mortgage)	
<b>Bank reference</b>	Your home bank may need to provide this	
<b>French bank account</b>	French Current Account RIB (if you do not have one in place already, we will help you set one up once your mortgage application has gone through).	
<b>Documents for SCI/SARL application</b>	Extrait K-bis	
	Les Status	
	RIB for your French Current Account Open in the name of your SCI / SARL	



# OUR FEES

The terms and conditions of our fees are outlined in our Terms of Business. Please find below a guideline to our fees. The exact amount applicable to your particular circumstances will be clearly stated in the mortgage quotes that your personal Finance Consultant will send you.

## The Mortgage or Re-mortgage Application Service

For up to two borrowers:

MORTGAGE AMOUNT	Mortgage application fee	Mortgage approval fee
For mortgage amounts under €50,000	£295	£695
For mortgage amounts between €50,000 and €70,000	£295	£595
For mortgage amounts between €70,000 and €100,000	£295	£495
For mortgage amounts between €100,000 and €150,000	£295	£395
For mortgage amounts over €150,000	£295 <sup>®</sup>	£295

For each additional borrower there will be an extra charge of £100 to the Mortgage Approval Fee

For purchases or re-mortgages via a French holding company (SCI or SARL) there will be an extra charge of £200 to the above Mortgage Approval Fee

For the purchase or re-mortgage of any property that has any links to a commercial activity, please contact our Commercial Mortgage Team for a personalised quote.

### ⇒ The Mortgage-Salvage Service

If your application has been refused elsewhere, or if your completion date is fast approaching and you have still not finalised your mortgage, we have a number of lenders with whom we can fast-track your application. For this unique service our fees are those quoted above plus an additional £100 (payable with the Mortgage Approval Fee).

### ⇒ The Purchase-Assistance Service

If your estate agent does not offer any advice or support with your purchase, your Application Co-ordinator will be able to assist you instead. Our Purchase Assistance Service provides first time buyers with advice on the French buying process that will be unfamiliar to them. It will ensure that you have a bilingual, impartial third party to assist you with all required liaison. This additional service is essential for ensuring a hassle-free purchase. This service does not replace the invaluable expertise of legal and tax advisors. Our fees for this service are:

- for purchases in individual names: ----- £499
- for purchases via French holding company structures: ----- £599