

Home Loan Worked Example

A representative example of a Home Loan

A typical Home Loan of €250,000 repayable over 40 years at a fixed borrowing interest rate of 2.1% for the first 24 months from date of drawdown and a variable interest rate of 2.70% per annum for the remaining 456 months, calculated using an Actual/365-day interest rate method, would result in an Annual Percentage Rate of Charge (APRC) of 2.70% per annum.

The loan will be repayable in 24 equal monthly instalments of €770.52, followed by 455 equal monthly instalments of €849.05 each and one final instalment of €847.30. Over the full duration of the loan, the total amount payable would be €405,657.53 (inclusive of capital and interest).

Fees and charges due:

- €600 processing fees;
- €687.50 legal fees;
- €200 Architect fees;
- €100 loan closure fees.

These fees and charges are due in accordance with the Bank's Tariff of Charges.

Assumptions Used in the APRC Calculation

The APRC is determined by the total cost of the loan to the borrower, presented as a yearly rate of the total loan amount and also takes into consideration the following assumptions:

- The variable interest rate of 2.70% remains unchanged throughout the full duration of the loan.
- The loan is fully drawn down and utilized within six (6) months from the date of the credit agreement.

Additional Information relevant to Home Loans

- All home loan approvals are subject to final review by the Bank.
- Life and property insurance are required to obtain a loan.
- The loan must be secured by a first-ranking general hypothec and special hypothec over the immovable property linked to the purpose of the loan, a first-ranking pledge on a life insurance policy covering the full loan amount, and a buildings insurance policy covering the property's replacement value.

If you do not follow the terms of the credit agreement governing the loan, including making repayments on time, your interest rate may increase, and the Bank may start legal proceedings for the property to be sold by judicial sale.

- Depending on the way in which the loan is drawn down, different fees in accordance with the Bank's Tariff of Charges may apply.