

# Frequently asked questions

## | How should I finance my new home in France?

In many instances acquiring a mortgage is a prime consideration when buying a property in France. You may think that organising your mortgage through your local bank is the easiest option, but it is definitely worthwhile considering your options before picking up the phone to your bank manager.

## | What are my options?

Either you could take out a mortgage in sterling using your home in the UK as collateral  
OR

You could take out a French mortgage in euros with the property in France as security for your loan.

## | I know how a UK mortgage works but what are the advantages of a French mortgage?

Well, there are more than you may initially realise:

- Interest rates in France are very attractive so borrowing the money will cost you less.
- You can keep the equity in your UK home for a rainy day, it will be easier to release this money in a hurry if necessary.
- You will have protection against the risk of negative equity if exchange rates fluctuate.\*
- You are entitled to tax relief on interest paid if the property is rented.

*\*Evidently exchange rates can work both ways. But there is a real risk that if you take out a sterling loan, the value of the property in France may end up being insufficient to cover the sterling mortgage.*

So not only does it make financial sense but it can also offer you more security for you and your assets.

## | So how do I get the ball rolling?

Just call or e-mail your UCB bilingual mortgage adviser and ask for a quotation and an “in principle decision”. We can calculate your maximum borrowing capacity and set you off on the right track with sound advice and the necessary documentation.

## | Why is UCB the best lender for me?

- All the international team here at UCB are bilingual and will share with you their wealth of knowledge about the French purchasing procedure. In short they will be on hand to help and advise you each step of the way.
- All documentation is provided in English and in French including your mortgage offer.
- We can finance up to 85% of your purchase price (subject to valuation).
- You can minimise your monthly commitments by spreading your repayments over 25 years if you wish.
- You are not obliged to open a bank account with UCB.

- A valuation is carried out on your property for internal reference which can offer you peace of mind.
- Our international teams here at UCB are prepared to go that extra mile for you. Our customer service will include liaising with your notary and estate agent, and if necessary, constructors and builders.
- if you need a helping hand with anything, if we can help, we will.

## I How do I pay my mortgage?

The monthly mortgage payments will be debited from your French bank account.

In addition to your mortgage payments, you may have other costs in France such as utility bills or taxes.

To make your life easier, preferential conditions have been negotiated with a UK leading foreign currency provider to help you make regular transfers to France from your UK bank account.

This service is free of charge (no commission or transfer fees) and represents an average saving of £25 a month (the cost of an international transfer may vary from £15 to £39 depending on your UK bank).

It will enable you to transfer every month a sum of money from any bank account in the UK to France. This sum will be debited in sterling from your account in the UK, converted into euros at a highly competitive exchange rate and transferred to your bank account in France.

When setting up this service, three options will be open to you for periods of at least six months:

Option 1: Fix both the sterling amount to be debited and the euro amount to be received in France;

Option 2: Fix the sterling amount that you send, with euros purchased monthly at the prevailing exchange rate;

Option 3: Fix the euro amount that you receive in France with the equivalent sterling amount determined each month at the prevailing exchange rate.

Should you require any information on foreign exchange transactions and the conditions applicable thereto, please contact your mortgage adviser.

UCB mortgages are subject to conditions and acceptance of the mortgage application by UCB and the insurance company. Conditions applicable at date of publication subject to change at any time by UCB without notice.

**YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT. THE STERLING EQUIVALENT OF YOUR LIABILITY UNDER A FOREIGN CURRENCY MORTGAGE MAY BE INCREASED BY EXCHANGE RATE MOVEMENTS.**

Mortgages require a charge on your property and are subject to status and valuation. Only available to persons aged 18 or over. Written quotations available upon request. WE REQUIRE THE PROPERTY AND CONTENTS TO BE INSURED, AND LIFE ASSURANCE IS ALSO REQUIRED.

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