General Information on Mortgage Loan and Property Loan Agreements
Pre-contractual information on Credit Assessment
Information on Consulting Services
for Consumers

I. General Information on Mortgage Loan and Property Loan Agreements

1) Author of this information

Capital Bank – GRAWE Gruppe AG
Burgring 16
8010 Graz

2) Intended purpose of the loan

Property financing

- Purchase of building site
- New construction
- Annexe to existing buildings
- Completion
- Purchase of house
- Purchase of freehold flat
- Retention of property rights within the meaning of a retention of the legal position regarding the property, e.g. borrowing to pay off heirs expecting settlement or to fund a compensation payment to the divorced partner (this does not mean a loan for the renovation of a house in this connection)

Other financing, where secured by mortgage, e.g.:

- Restructuring / energy-savings investments/conversion
- ………

3) Types of collaterals

The following can serve as collaterals for a mortgage and property loan:

- Fixed-amount or maximum-amount mortgages on real properties or buildings erected on third party land
  - a fixed-amount mortgage is only liable regarding a specific term loan facility or loan
  - a maximum-amount mortgage may be liable regarding several loans (that may be raised at different times)

In addition, the lender reserves the right to demand other collaterals as well. These may be:

- Surety
- Pledge/assignment insurance
- Pledge of securities account
- Pledge of savings deposit

If the borrower fails to meet his payment obligations, the collateral may be used to cover the receivables.

4) Possible term

A long credit period generally means a lower monthly charge. Although the monthly instalments are higher with a short credit period, the entire loan (and/or total amount to be paid) is less expensive overall.

Guide values:
- Renovations and refurbishments: 5 years
- Purchase of building site: 5 years
- Purchase of building site with construction of a home: 2 years
- Purchase of freehold flat: 5 years

5) Types of offered target interest rates

Type of interest	Description	Advantages	Disadvantages
Variable interest rate bound to indicator (e.g. EURIBOR)	Regular adjustment of an interest rate to an indicator (e.g. 3 month EURIBOR).	Advantage with declining interest rate level	If the interest rate level increases, the interest rate increases as well. The risks of a development of the variable interest rate detrimental to the borrower are illustrated in a fictitious repayment plan provided to the borrower during the customer meeting.
	In general, the amount of the instalment is adjusted to the current interest rate.	Scheduled term is complied with.	The instalment increases with an increasing interest rate level (e.g. indicator value).
	If separately agreed, the amount of the instalment may remain the same; however, the term of the loan is adjusted according to the modified conditions.	Interest rate increases do not affect the amount of the monthly instalment.	with an increasing interest rate level (e.g. indicator value): The term of the loan may be extended by years.

Fixed interest rate	The interest rate is fixed for the entire term.	This is an advantage if the price level increases.	No benefits from a declining interest rate level.
		Instalment remains calculable over the entire term.	Early repayment during the fixed interest rate period is possible against the payment of compensation of no more than 1% of the amount repaid early.
Combination fixed interest rate with subsequent variable interest rate	At first, the interest rate is fixed for a specific period of time. Then, the interest rate is regularly adjusted to the development of an indicator (e.g. 3 month EURIBOR)	See above.	See above.

6) Foreign currency loans

Foreign currency loans are not granted to consumers.

7) Representative financing example

Purpose of use: Financing of real property

Term loan facility
Total loan amount EUR 1,000,000.00
Term of 60 months
Collaterals: Maximum-amount mortgage over EUR 1,300,000.00

Target interest rate 2 % p.a. variable (quarterly adjustment according to the development of the 3 month Euribor)
One-off provision fee (irrespective of term) EUR 10,000.00

To be paid once to the land register court:
Land register registration fee 1.2% of EUR 1,300,000 = EUR 15,600.00
Fee for filing a claim EUR 44.00

Other one-off costs/fees:
Fee for requests to the Kreditschutzverband (credit protection association) EUR 20.00
Costs for preparation of the land register request EUR 120.00
extinction receipt / statement EUR 110.00
Archiving fee EUR 25.68

All one-off costs/fees apply irrespective of terms and will not be reimbursed if the loan is repaid ahead of schedule.

→ Total costs: EUR 77,304.45
Annual percentage rate 3.15%
Total amount to be paid: EUR 1,051,386.77

Fees for any collaterals to be created in addition depend on the relevant collateral and are thus not yet included in this calculation example.

8) Further potential costs related to the loan

Further costs may accrue in connection with the loan that are not included in the total costs of the loan:

- Costs for certification of the signatures on the pledge certificate
- Notary fees
- Costs for the registration of the transfer of ownership in the land register
- Costs if payment is delayed (default interest, dunning fees)
- …

9) Repayment

Type of loan		Explanations:
Overdraft facility (for the construction phase)		Re-usable limit that grants the right to use the loan during the credit relationship at any time and in any amount up to the agreed maximum. Characteristics: Flexible utilisation within the credit line, repayment at any time during the term, complete repayment is owed at the end of the term. As the costs of longer-term overdraft facilities are usually higher than the costs of a term loan facility with instalment payment, it makes sense, particularly regarding loans for the construction of residential properties, to use overdraft facilities only during the construction phase until the required capital is finally determined.
Term loan facility		Loan to be used once
	with fixed instalments	Regular repayment in the form of instalments consisting of the borrowed capital, fees and target interest. Interest is calculated on the basis of the respectively outstanding balance.
	with principal repayment instalments	Regular repayment in the form of equal instalments that only cover the borrowed capital; payment of the target interest and fees separately at the completion dates. Interest is calculated on the basis of the respectively outstanding balance.
	due at maturity	Repayment of the entire capital only at the end of the term; ongoing payment of the target interest and fees at the completion dates. Interest is calculated on the basis of the outstanding balance, which exists, with this kind of loan, to full amount over the entire term. This characteristic results in a higher total charge to the borrower. The borrower needs to make sure that he has sufficient capital for repayment at the end of the term. Sometimes, the borrower saves up for a repayment vehicle during the term, instead of paying regular instalments.

	with repayment-free starting time	The entire capital is only repaid after the end of the agreed repayment-free period. Depending on the contractual agreement, the interest is paid or activated at the completion date (increases the loan amount). Interest is calculated on the basis of the respectively outstanding balance.

Repayment frequency:
- monthly
- quarterly
- semi-annually
- annually
- due at maturity

The number, frequency and amount of the regular repayments are individually adjusted in the customer meeting.

10) Please note – no guaranteed repayment

The compliance with the conditions of the loan agreement does not guarantee the repayment of the total loan amount used on the basis of the loan agreement. This means in particular that, if the target interest rate and/or the costs in connection with the loan are increased, higher/more instalments and a higher total amount than stated in the loan agreement need to be repaid.

11) Early repayment

Subject to the following provisions, the repayment of the loan in whole or in part is permitted; no costs accrue for the residual term.

If repayments are made during a fixed-interest rate period, the lender is entitled to compensation. This compensation results from the difference between the agreed interest rate and such interest rate at which the lender can lend out the amount repaid early on the market at the time of early repayment. The compensation does not exceed 1% (with a residual term of less than 1 year, 0.5%) of the loan amount repaid early.

No compensation accrues as long as the total amounts repaid early in the past 12 months do not exceed EUR 10,000 or if the early repayment is made from an insurance agreed for the loan.

With regard to mortgage-backed loans, early cost-free repayments are only permitted in compliance with a period of notice of 6 months or the longer residual term of a fixed-interest period. If this is not complied with, compensation shall be paid for the non-observed part of the period of notice and/or residual term of a fixed-interest period, calculated according to the clauses 3 and 4 of this paragraph.

12) Valuation of the property serving as collateral

It is required to assess the real property serving as collateral; the valuation is carried out by the lender or by an external expert commissioned by it. The costs of the valuation shall be borne by the consumer.

13) Ancillary services as requirements for granting a loan

The grant of the loan according to the stipulated contractual conditions may require the provision of specific ancillary services by the borrower. These may include:
- Taking out or providing insurances

The borrower may both take out products of the lender and provide other similar products from other providers as ancillary services / insurances.
Individual arrangements are made in the customer meeting.
Insurances serving as collateral shall be maintained for the entire term of the loan.

14) Consequences of non-compliance with the obligations assumed with the loan agreement

In the loan agreement, the borrower undertakes to provide the agreed regular payments/savings when due and/or to inform the borrower immediately about any default or the suspension of the provision of even only one of the payments/savings. The non-compliance with this payment/savings obligation does constitute a compelling reason for the early termination of the credit relationship by the lender if this endangers the fulfilment of the borrower's obligations.

Further potential consequences of the borrower's default include:

- Default interest
- Reminder fees
- Acceleration of the maturity date (this means that the entire outstanding debts become due and payable immediately if at least one outstanding payment of the consumer has been due for at least six weeks and the lender has reminded the borrower by threatening acceleration of the maturity date by setting a grace period of at least two weeks)
- Realisation of the collaterals
- Action
- Execution
- Registration of negative indicators in small loans list and warning list

II. Pre-contractual information on credit assessment

1.) Information and documents required for the credit assessment

The borrower shall provide the following **documents** for the credit assessment:

- Original identity documents (e.g. passport, driver's licence…) for making a copy
- A self-disclosure/budget plan; and
- A data privacy statement.

Employed persons:

- Proof of income for the past year, but at least for the last three months
- for other income (e.g. family allowance/care allowance…): Notifications

Self-employed persons:

- Balance sheets
- Statement of revenues and expenditures
- Income tax return/assessment including attachments

The self-disclosure shall include the questions set out in the attachment and will be prepared with you in the bank (on the basis of the documents to be provided by you). You will receive the data privacy statement during a personal meeting in the bank. Both documents shall be signed by you.

Without the above documents and information, which must be correct and complete, the credit assessment cannot be performed and a loan cannot be granted.

2.) Consultation of databases

The lender collects data on the borrower by consulting the small loans list and the warning list, which are established at the Kreditschutzverband von 1870, Wagenseilgasse 7, A-1120 Vienna. You can find more information on such databases at the homepage of the KSV 1870 at www.ksv.at.
Furthermore, public registers (especially land register, commercial register, Austrian electronic edicts database, civil register, etc.) are consulted. If other private databases are consulted as well, this is stated in the data privacy statement.

III. Information on consulting services

Capital Bank provides advice and individual recommendations in connection with a financing.

The advice takes all its own loan products into account.

The advice costs EUR 100.00/ per hour, irrespective of whether a transaction is concluded.

Attachment: Self-disclosure