

THE HOLABANK HOME GUIDE

Information required under Ministerial Order ECC/2316/2015:
HolaBank Account

CaixaBank is a member of the Deposit Guarantee Fund for Credit Institutions provided for in Royal Decree 16/2011 of 14 October. Up to €100,000 is guaranteed per deposit holder at each credit institution.

1 / 6

This number shows the product's risk, where 1 / 6 indicates the lowest risk and 6 / 6 the highest risk.

Are you thinking of buying a second home in Spain? Do you have lots of doubts that mean you don't know where to start?

You're in luck, you've found the right guide.

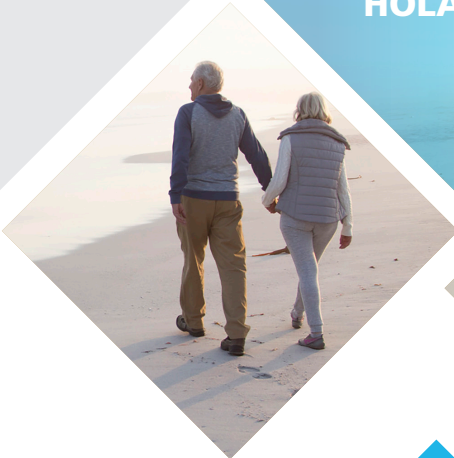
Our aim is to accompany and support you as an international client. We are going to explain all the stages involved in buying a home in Spain - in a clear and simple way - to help you through the process and make it easier.



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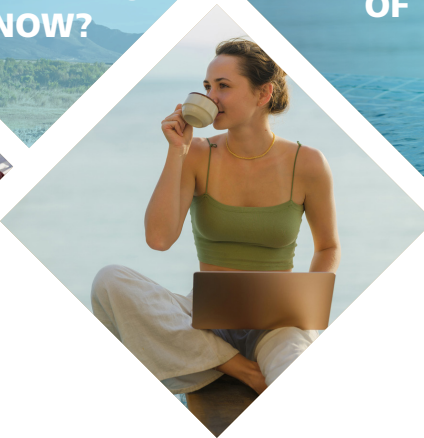
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**WHAT IS
HOLABANK?**



At CaixaBank, we believe that there is nothing more important than feeling at home, wherever you are. That's why we'd like to present HolaBank, a programme for international customers offering high-value financial support, advice and guidance tailored to your needs in Spain.



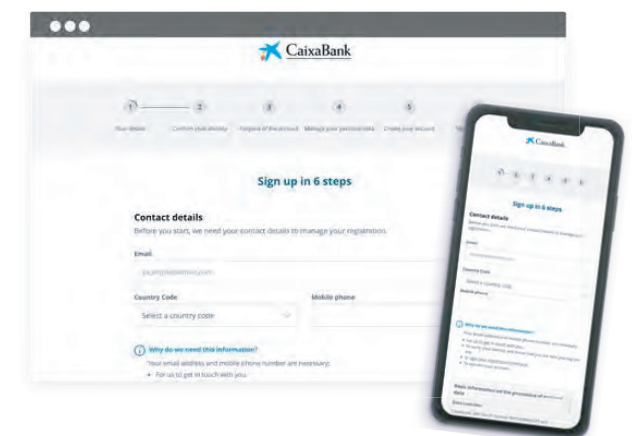
WELCOME TO HOLABANK

HolaBank is CaixaBank's specialist programme for international customers who spend long periods or want to settle in Spain.

Since 2015, HolaBank has offered you a wide range of financial products and services (accounts, loans and investment products) tailored to your day-to-day needs. And it does this in your language with an omnichannel customer service model.

The branches in its network are located in the main tourist areas and staffed by specialist advisors.

You can **do it from anywhere, it is totally secure and only involves five steps**. And then you can benefit from all the advantages of HolaBank.



HOW CAN I BECOME A CUSTOMER?

To become a customer you will need to open an account with HolaBank, which will also be necessary to buy your second home in Spain.

Check out the benefits of the HolaBank account:



www.caixabank.es/particular/holabank/holabank-account.html

When you open a HolaBank account you become a member of the HolaBank Club, which offers you a wide range of services with special conditions that will make your arrival and stay in Spain easier.

For example, **we facilitate the processing of your NIE** (identity document for non-Spaniards), which is essential for you to be able to buy your second home in Spain.


club.holabank.es

CAN I GET A MORTGAGE IF MY CURRENCY IS NOT THE EURO?

Yes, although this depends on the main currency in which you generate the income/assets with which you will pay off the mortgage:

- If it is in euros, your mortgage will be at a fixed rate.
- If it is in GBP, USD, CAD, CHF, NOK, SEK or DKK, you can choose between:
 - Fixed-rate mortgage in your own currency.
 - Euro-convertible variable rate mortgage: The monthly instalment will be in euros. During the term of your mortgage, you can ask to **convert it - only once - into your own currency.**

In addition to the seven currencies mentioned above, we also offer **euro convertible variable rate mortgages for all other currencies: BGN, CZK, HRK, HUF, PLN, RON and MXN.**

You should note that the exchange rate to be used in cases of conversion will be that published by the European Central Bank with respect to the effective date of the relevant conversion. The cost could rise if your currency depreciates against the euro. However, it could become cheaper if the currency appreciates.

You can see the exchange rates we apply at this link:


www.caixabank.es/apl/divisas/in

HolaBank Club benefits that will make your life easier:

Management
IDENTITY DOCUMENT (NIE)

Cost of the available service:
club.holabank.es/en/services/nie

Free
3 TRANSLATIONS OF DOCUMENTS

See conditions *

Free
CONNECTION OF UTILITIES

Unlimited service

€

FIXED RATE IN EUROS

USD

GBP

CHF

DKK

CAD

NOK

SEK

FIXED RATE IN YOUR CURRENCY

BGN

CZK

PLN

HUF

HRK

RON

VARIABLE RATE CONVERTIBLE TO EUROS

01

**BEFORE YOU
BUY**



You've been thinking about it for a while and you think the time has come. Congratulations! You have taken the first step towards buying your second home. Now, it's probably time to start looking, visiting and making a decision. But what do you need to know at this stage? What should your budget be? How much can we finance? It is essential to do your sums and be clear about all this information so you can find the ideal home.



FIRST THINGS FIRST: WHAT IS YOUR BUDGET?

The first thing to do is to **consider your budget** to decide how much you can spend on your home.

With HolaBank, you can **obtain up to 70% financing**. **You must provide the other 30%, together with another 12%-15% of the value of the property** to cover taxes (VAT, property transfer tax) and other costs associated with buying a home. **In total, you should have saved between 42% and 45% of the value of the property you want to buy.**

On the HolaBank website, you can calculate your monthly repayments with the Mortgage Calculator:

HOW MUCH WILL I PAY MONTH TO MONTH?

You need to know the price of the property you want to buy to calculate how much you will pay per month. Choose how big your mortgage needs to be based on the price of the property. Remember: HolaBank **offers up to 70% for second homes in Spain**.

You will also have to choose the term (years) over which you want to repay the mortgage.

Use the simulator as often as you want.



www.caixabank.es/apl/holabank/simulador/index_en.html



70%
maximum **mortgage**
granted by CaixaBank

30%
initial contribution you
will be responsible for


12-15%
VAT/IPT + expenses associated
with the purchase/sale

Percentages based on the purchase price of your second home in Spain

WHAT IS THE PROCESS FOR BUYING A PROPERTY IN SPAIN?

Buying a second home in Spain can be a lengthy process. It involves various procedures. Here is a checklist of the steps to take to prepare everything you need to do and to keep track of what is happening, together with the steps in the mortgage application process.

Checklist of necessary steps

- ☐ **1 | Get a mortgage broker**
We recommend that a specialist (mortgage broker) accompanies you through the process to help you with all the paperwork in Spain, so that you don't have to travel.
- ☐ **2 | Conduct a feasibility study with HolaBank**
Fill in a short form, and we will analyse your application. Within 48 hours you will know if the purchase of your second home in Spain is viable.
 www.caixabank.es/apl/formularios/holabankHipoteca/index_en.html
- ☐ **3 | Apply for your NIE (foreign national's identity number)**
It is essential for any economic transaction in Spain. HolaBank Club helps our customers with the process if you have any questions.
- ☐ **4 | Open an account in Spain**
You will need it to be able to make any payment. We explain how to do this on page 31.
- ☐ **5 | Assess the condition of the property**
If you have found a second home that you like, we recommend that you check if it is in good condition. On page 26, we explain how to do this.
- ☐ **6 | Reserve the property**
You must sign a deposit contract to secure the reservation of the property you want to buy. We also recommend that you ask the Land Registry for a summary report on the property (Nota simple) to check all the information related to it. You will see how to apply on page 32.
- ☐ **7 | Prepare the documentation**
CaixaBank will ask you for a series of documents in order to analyse your financial situation. We will provide you with a list of the necessary documents, which you can send in your own language, without translation.
- ☐ **8 | Sign the pre-contractual documentation**
We will give you the mortgage conditions and explain them in detail. After signing these documents, you have a 10-calendar-day reflection period (14 days in Catalonia) in which you can clarify any doubts with your advisor and receive free advice from your notary before you sign.
- ☐ **9 | Choose a notary**
The buyer chooses the notary for signing the mortgage contract.
- ☐ **10 | Contract of sale**
This is an agreement between two parties in which the seller undertakes to sell the property to the buyer in exchange for an amount of money. It is usually signed on the same day as the mortgage.

Steps for buying a property in Spain

Search

Find the home that best suits your needs. Simulate how much you will pay each month and ask us to study your case.

Application

Complete the form so we can study your request. If you live in one of the 15 Western European countries, you can use MortgageNow, an online application through which we can study the viability of your mortgage request. Once you have provided the necessary documents, we will give you an answer within 48 hours.

Study

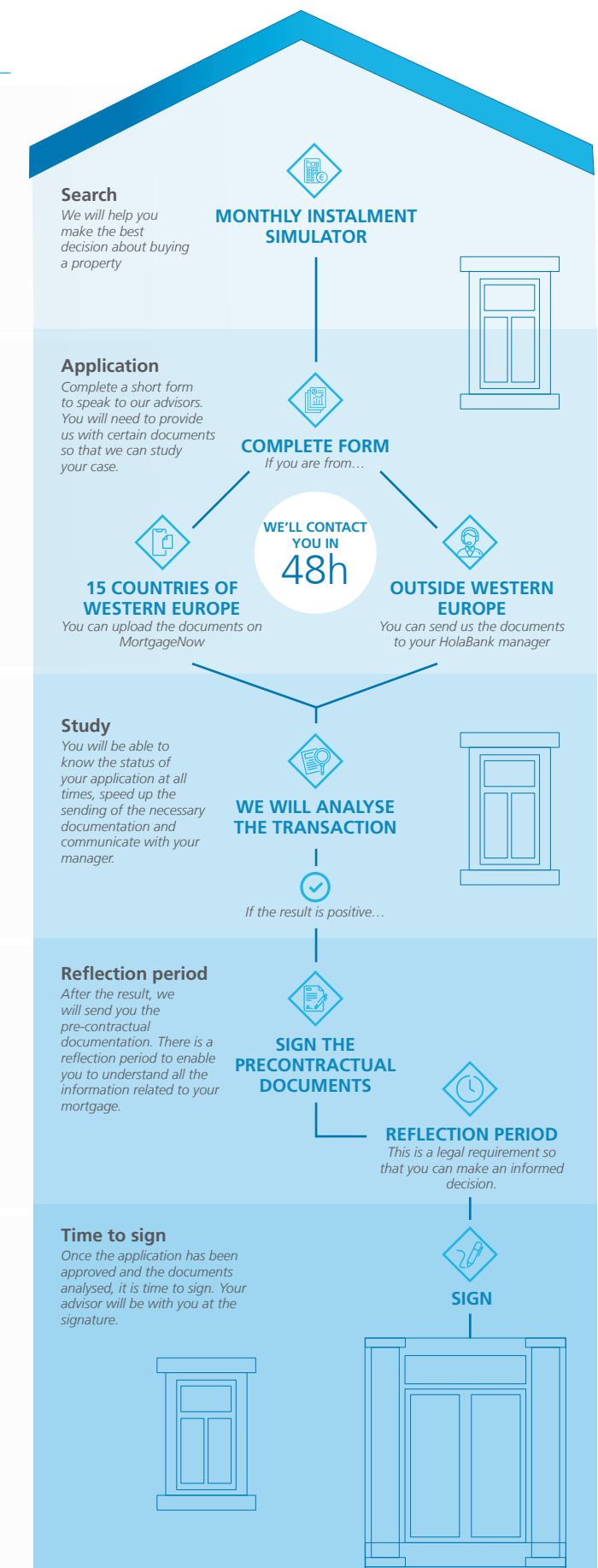
In order to study the feasibility, we will need you to send us a number of documents. If you have accessed through MortgageNow, it will indicate the documents required depending on your country; if not, we will provide you with a list. We will analyse your case based on the information you provide. After this assessment, our branch will contact you to value the property, and we will let you know whether we can grant you a mortgage.

Reflection period

When we agree to grant you a mortgage, you have to sign the pre-contractual documents (ESIS, FiAE and its appendices) with the mortgage conditions. When you sign, a 10-calendar-day reflection period (14 days in Catalonia) starts in which you can address any doubts with your advisor and receive free advice from the notary you have chosen.

Time to sign

At the end of the reflection period, you will be able to sign the mortgage in person. The notary, your HolaBank manager and a representative of your advisor will be present. A few days after signing, we will send you the deeds of sale with the mortgage for your new property.



WHERE DO YOU WANT TO BUY YOUR HOME?

Choose your future home in Spain with virtual tours on the websites of Spanish estate agents and international estate agents that work in Spain.

Get advice from professionals with a wide range of properties available in different parts of Spain, as well as proven experience in real estate brokerage.



02

**VISIT THE
PROPERTY**



If you know where you want to buy your second home or you have seen adverts for properties that would suit you, it is time to visit them! This is a very important step because you will have to consider every aspect.



WHAT SHOULD YOU ASK THE ESTATE AGENT OR OWNER?

You can ask whatever questions you want, but here are some basic questions that will help you find out more about the state of the property:

- Why is the property being sold?
- How long has it been for sale?
- How many viewings have there been?
- How many people lived here before?
- Are all the necessary documents - such as the certificate of fitness for occupation and the energy efficiency certificate - available?
- Are they connected to the water and electricity supplies?
- What are the neighbours like?

- Are there any financial burdens, such as community charges?
- Has the Technical Building Inspection been carried out?

ADVANTAGES FOR HOLABANK CUSTOMERS

Did you know that being a HolaBank customer gives you discounts and benefits when buying properties through Building Center, CaixaBank's real estate portal? Enter to see the homes available at discounted prices:



www.buildingcenter.es/home-eng/

VISIT TO THE HOME: TAKE THIS CHECKLIST WITH YOU.

We recommend you plan a trip to Spain to visit the property in person. We have prepared this checklist to ensure you check all the important points about the property and take them into account when deciding to buy. This way, you won't miss a thing.

Architecture

- ☐ **Exterior**
Take into account the type of street, surrounding shops...
- ☐ **Total surface area of the property** (the usable and the built). Measure the property when you visit it, request the Land Registry filing from the council or look up the measurements with the Land Registry.
- ☐ **Distribution**
Check that the layout of the property is suitable. Does it have a lot of corridors? Is it a long walk from the bedroom to the bathroom? Does it have a day part and a night part? Do you have to go through one room to get to another?
- ☐ **Type of flooring**
This aspect is important for aesthetic reasons but also for maintenance and temperature. Check whether it is marble, terrazzo, porcelain tile, parquet...

Habitability

- ☐ **Natural light**
Is there enough light coming through the window? Does it get direct sunlight?
- ☐ **Thermal insulation**
This prevents humidity and heat transfer from the outside to the inside and vice versa. Check if there is double glazing or if the walls are cold, for example.
- ☐ **Acoustic insulation**
This reduces outside noise, which is very useful in areas with heavy traffic.
- ☐ **Ventilation**
Especially in bathrooms and kitchens. Is there a window or an extractor fan?
- ☐ **Entrance door**
Check whether it is safe or not. How many locks does it have? Does it have an armoured door?
- ☐ **Windows**
Check that they are in good condition. Those with double glazing help to save money.
- ☐ **Water circuit and pressure**
It is important to find out where it comes from, whether it is from the general network, from the irrigation community or from a private well.
- ☐ **Alterations**
Find out what alterations have been made to the property and whether they have been carried out legally. This way you will avoid legal problems.

Facilities

- ☐ **Gas**
Check the type of installation and whether it complies with the regulations. Check whether it uses bottled gas, piped gas, propane or a gas tank.
- ☐ **Electricity**
Check the type of meter and the age of the installation. Check the power rating, the condition of plugs, sockets and switches and whether there are enough sockets in every room
- ☐ **Water**
Check the type of piping: it could be copper, lead, etc.
- ☐ **Services**
i.e. telephone and internet. Check the system or the possibility of installation. Find out whether there is good coverage for the property, with which provider, etc.
- ☐ **HVAC**
Ask what system the property has, how it is maintained and how much it consumes. If there is a chimney, check if it has an extractor fan to remove the air.

DO YOU HAVE MORE THAN ONE HOME IN MIND?

It is not unusual to be torn between various properties. We recommend you make a list of the positive things about each property to help you make the best decision. It will help you to see which of them has more positive points and to make a decision more easily. We have prepared this template so you can compare the properties you visit.

1

2

3

Price			
Address			
Metres			
Flat			
Number of rooms			
Orientation			
Lift			
Parking			
Balcony / Terrace			
Alterations			
Storage room			
Community expenses			
Charges or debts			
Monthly instalment			

Do you know how to calculate your monthly mortgage repayments?

Knowing your monthly mortgage payment will help you make the best decision. You can calculate this using our simulator on the app or by scanning the QR code, or you can visit https://www.caixabank.es/aplnr/holabank/simulador/index_en.html

My new home will be...			
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03

**PREPARE THE
PAPERWORK
FOR BUYING
THE PROPERTY**



You know which property you can afford; you have visited it; and you are clear about your decision. Congratulations! Now it is time to take the plunge and start the paperwork for your purchase. Let us walk you through it step by step. You're nearly there!



WHO CAN DO THE WORK TO BUY THE PROPERTY?

This can be done by the buyers, but we recommend that you **seek advice from a specialist** to save time and money.

A specialist advisor - a solicitor - can sort out the legal and tax formalities for you from the start of the process if you grant them a **power of attorney** to act on your behalf with the bank, public administration, notary, etc.

ONCE YOU FIND THE HOME YOU LIKE, WHAT DO YOU HAVE TO DO?

1. Open a bank account in Spain

All taxes and expenses related to buying a property in Spain must be paid from an account that is open in Spain. **You can:**

- **From your country:** if you live in one of the 15 Western European countries, you can open it online via the HolaBank portal:



www.caixabank.es/apl/holabank/simulador/index_en.html

- **In person:** at any CaixaBank branch in Spain.
- **Power of attorney:** through a representative in Spain to perform the tasks you cannot perform in person or remotely. With an official Spanish translation and official stamp. Certified colour copy of your ID card or passport.

To open the bank account, you will need:

- **Passport or identity document.**
- **TIN (Tax Identification Number):** you will find the TIN in the OECD link:



www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers

- **Proof of economic activity** and income.

We will provide you with the rest of the necessary documentation, depending on your country, during the registration process.

2. Apply for your NIE (foreign national's identity number)

This is a personal, unique and exclusive number that will be assigned to you to identify you in Spain and is essential for all economic transactions. *(See glossary for more information)*

If you need help applying for your NIE, we remind you that, once you are a HolaBank customer, we can manage it for you through HolaBank Club.



club.holabank.es

3. Check the condition of the property

We recommend that you check the condition of the property, even though this is not compulsory. You can ask a specialised company to carry out a qualified inspection of the property prior to its sale.

You can also ask your advisor to request a **summary report (nota simple) from the Land Registry**. This is the document where you will find all the information related to the property. Full information about this and how much it costs is available at:

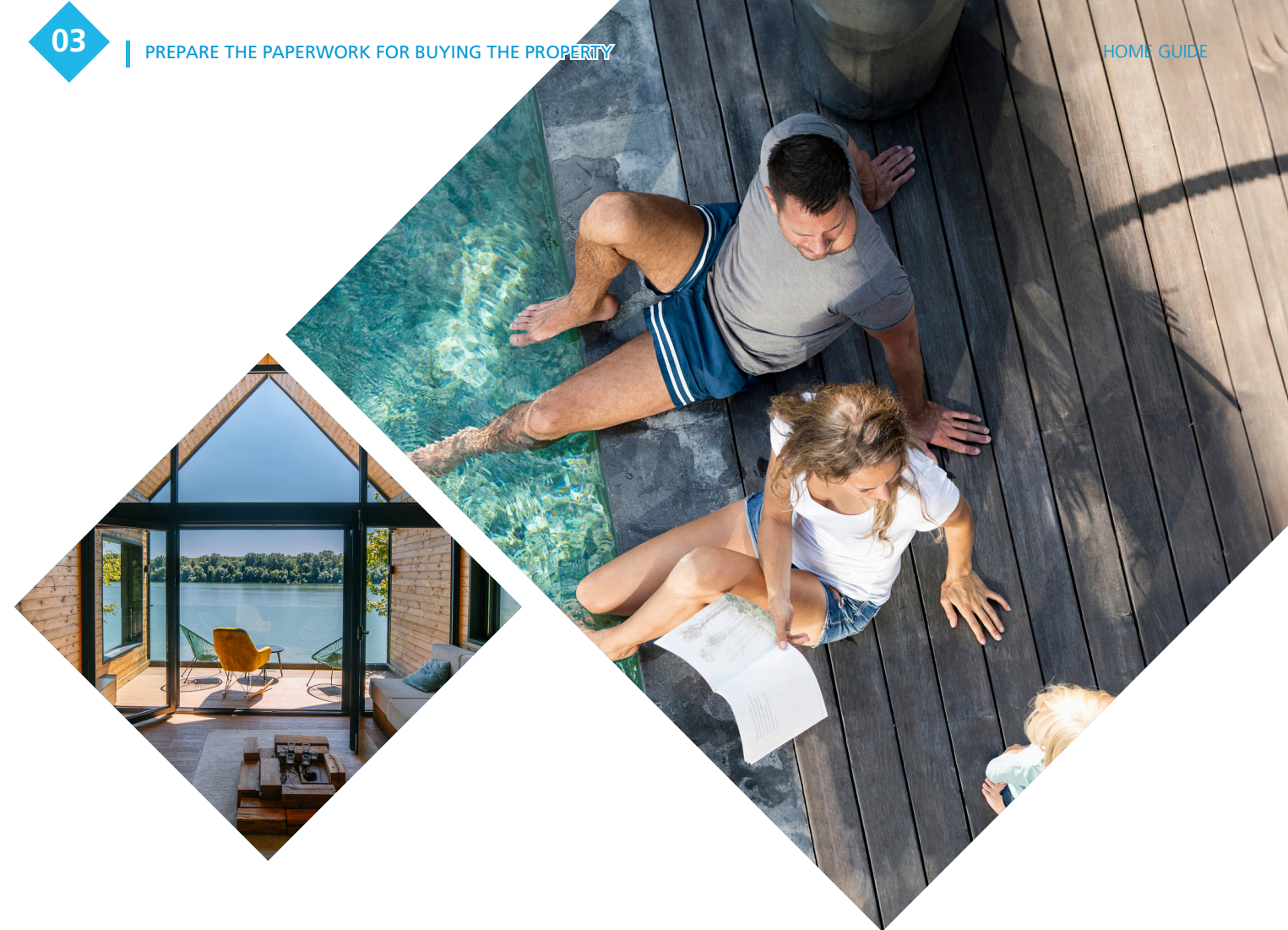


www.registradores.org

This document also indicates **whether the property has any encumbrances or debts**, so that there are no surprises.

4. Reserve the property

You can make an offer to the seller of the property you are interested in or, if you are happy with the price agreed, you can **secure the purchase of the property by signing a deposit contract and paying a percentage of its value** as a deposit. This is usually 10%.



5. Purchase contract

This is an **agreement between two parties** in which the seller undertakes to sell the property to the buyer in exchange for an amount of money. This contract entails a series of obligations and rights for each of the parties and, if either party breaches them, there may be consequences.

The buyer normally chooses the notary public with whom they wish to sign the purchase contract.

WHAT HAPPENS IF YOU DON'T BUY THE PROPERTY NOW?

If there is an earnest money deposit contract or a down payment and the sale does not take place for reasons beyond the seller's control, **you could lose the amount paid on account**. If the seller chooses not to continue with the sale, they have to compensate you with double the amount you paid as a deposit.

IF YOU PAY A DEPOSIT... IS YOUR FINANCE SECURED?

No, sorry. An earnest money deposit is a private contract between the two parties in which the bank is not involved. To be able to recover your earnest money deposit, you can state in the contract that the rejection of financing by the bank is not a reason for losing the deposit.

HOW DO YOU KNOW IF THERE ARE ANY DEBTS ASSOCIATED WITH THE PROPERTY?

Consult the Land Registry summary report (nota simple) of the property. This document includes details of any mortgages, liens, encumbrances or tax attachments on the property.

Make sure that the property is up to date with the community fees: monthly expenses, one-off charges, etc. Ask for a certificate stating that the property is up to date with all charges. Any debts related to the property will be transferred to you when you buy it. Your mortgage broker can obtain it on your behalf.

Verify that all local taxes have been paid, such as property tax (IBI), refuse collection tax, recycling tax... To do this, ask for receipts or proof of payment.

HOW DO I KNOW WHETHER THE PROPERTY HAS A FITNESS FOR OCCUPATION CERTIFICATE?

A fitness for occupation certificate is a document that certifies that the property you want **meets the minimum health and safety requirements. The seller must provide this certificate.** This certificate is required to sign up for water, electricity and gas, and it is obligatory for both renting and selling a property. Ask your advisor or lawyer to check that the fitness for occupation certificate is valid before you buy a property.

HOW DO I KNOW IF IT HAS AN ENERGY EFFICIENCY CERTIFICATE?

The **energy certificate** has been mandatory in Spain since 1 June 2013 in order to be able to rent or sell a property or premises. The obligation to display the energy certificate is regulated in Spain by Royal Decree 390/2021, which sets out the basic procedure for certifying the energy efficiency of buildings. **Responsibility for obtaining the energy efficiency certificate lies with the owner** of the property.



04

FINANCING OPTIONS: HOW TO PAY FOR THE PROPERTY



This is one of the topics that can generate the most uncertainty. We understand that it can be difficult to know which mortgage is best for you and that it is a difficult decision. Here are some facts to help you clear up any doubts you may have.



WHAT DO WE OFFER AT CAIXABANK?

CaixaBank has created HolaBank to help our non-resident customers and make it easy for them:

- **MortgageNow:** this app lets you send the documents we need to analyse the viability of granting your mortgage. This is all 100% online.



www.caixabank.es/apl/formularios/holabankHipoteca/index_en.html

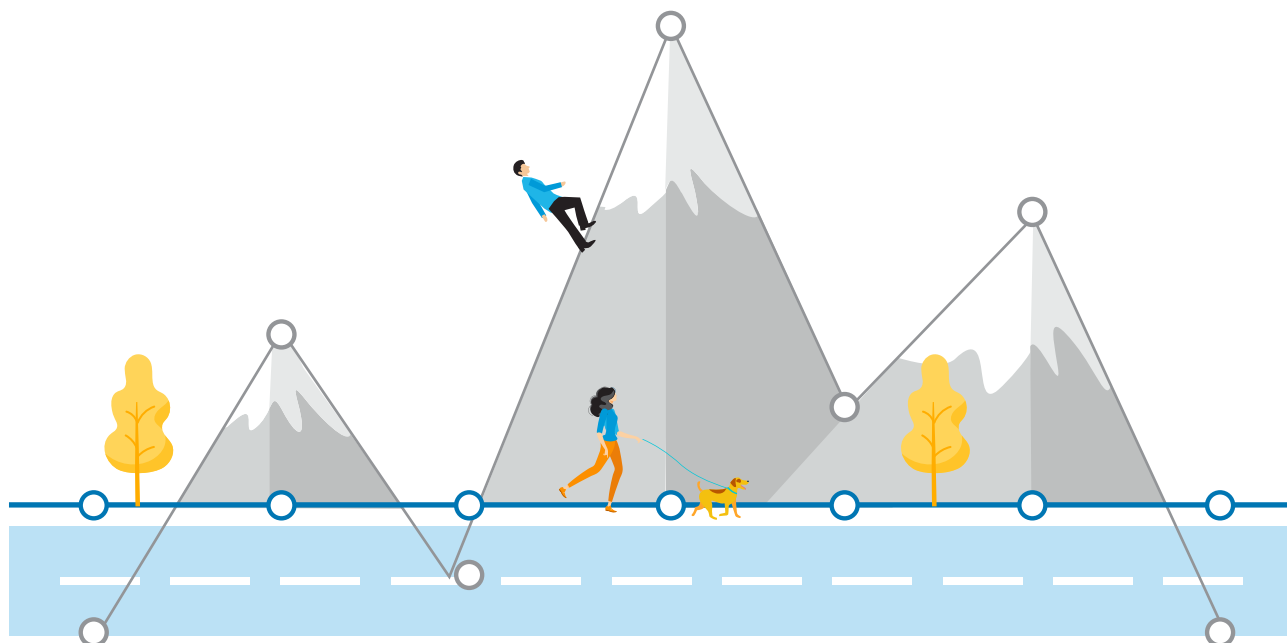
- **100% safe:** we have a completely secure process for sending documents.
- **Quick:** we reply within 72 hours of receiving your documents.
- **Online management:** you can upload your documents online and complete the formalities without leaving your home.
- **Documentation:** you can send us all your documents without the need to translate them.



HolaBank

HolaBank Mortgage is now even better, **easier** and in your language.





WHAT IS THE HOLABANK MORTGAGE LIKE?

This depends on the main currency in which you generate the income/assets with which you will pay off the mortgage:

- **If in euros:** we offer fixed rate mortgages, with which you will always pay the same amount.
- **If in GBP, USD, CAD, CHF, NOK, SEK or DKK, you can choose between:**
 - **Fixed-rate mortgage in your own currency.**
 - **Euro-convertible variable rate mortgage:** The monthly repayment will be in euros. During the life of your mortgage, you can ask - **only once** - **to change this to the currency in which you generate your income, so it is easier for you to make your repayments.**

In addition to the seven currencies we have mentioned, we also offer a **euro-convertible variable rate mortgage for other currencies: BGN, CZK, HRK, HUF, PLN, RON and MXN.**

You should note that the exchange rate to be used in cases of conversion will be that published by the European Central Bank with respect to the effective date of the relevant conversion. The cost could rise if your currency depreciates against the euro. However, it could become cheaper if the currency appreciates.

WHAT ARE THE DIFFERENCES BETWEEN A FIXED RATE AND A VARIABLE RATE MORTGAGE?

The main difference is that with a **fixed rate mortgage you will always pay the same interest rate.** This way, no matter what happens, your payment will not change.

With variable-rate mortgages, the interest rate varies with the benchmark index. Therefore, if you have a variable rate mortgage, the interest rate is regularly updated to reflect what is happening in the European interbank market, with your mortgage payments going up or down accordingly.

CAN I ADJUST THE PRICE ON MY CASAFÁCIL FIXED MORTGAGE?

Changes to the price will depend on the creditworthiness analysis, which considers your risk profile and the percentage of discounts based on the products you have arranged, as we explain later. Simulate your monthly mortgage payment and request analysis of your situation.



https://www.caixabank.es/aplnr/holabank/simulador/index_en.html



TERM

How many years can the mortgage be paid off in?

You can pay off the mortgage in the most suitable term for you. **The longer the term of your loan or mortgage, the less you pay each month but the longer you will be paying interest for.**

The maximum term is 20 years if your income is in euros and some other currencies¹ and 15 years for income in the other accepted currencies².

Up to what age can you take out a mortgage?

The limit is set by the sum of the age of the oldest holder plus the term of the mortgage. The sum of the two may not exceed 80 years.

E.g.: If you want to apply for a mortgage with a 20-year term, you can do so up to the age of 60.

DO YOU HAVE TO TRANSFER EVERYTHING TO CAIXABANK OR SIGN UP FOR A PARTICULAR PRODUCT?

You must have a CaixaBank bank account linked to the mortgage to apply for a CaixaBank mortgage. You do not have to have purchased any other products.

However, you do need an **insurance policy covering damage to the property.** You can arrange home insurance - which includes damage insurance and other additional cover - with us. In order to obtain the bonus 1.00% interest rate reduction, we check that you have signed up for products that entitle you to this bonus, as we explain in the next section.

CAN YOU BENEFIT FROM DISCOUNTS?

You can choose between two types of repayments: "normal repayments" or "**discounted repayments**", with which you can **reduce the interest rate by up to 1.00%** depending on the products you sign up for and maintain throughout the term of the mortgage.

Subsidised products:

- If, in addition to transferring your salary, or your recurring income if you are self-employed, to us, **you pay three bills by direct debit and make three card purchases each month**
- **CaixaBank home insurance**
- **CaixaBank life or health insurance** (except Adeslas basic and Adeslas dental)
- **Securitas Direct Alarm**
 - 3 years of finance or subscription
 - Service maintenance

You will find a representative example of the mortgage conditions at the end of the guide in the "Glossary of terms and annexes" section.

Reduce the interest rate by up to **1%**, depending on the products you purchase

1. Euro, pound sterling, Swedish krona, Danish krone, Norwegian krone, Swiss franc, US dollar, Canadian dollar, Mexican peso and Polish zloty.

2. Bulgarian lev, Czech koruna, Hungarian forint, Romanian leu.

WHAT COSTS DO YOU HAVE TO PAY?

Purchase costs:

- **Land Registry summary report (nota simple)**
- **Fees and costs** of the notary public and your advisor
- **Taxes and charges:** VAT, property transfer tax, stamp duty, property tax. (See glossary for more information)
- **Wealth tax:** for owners of properties who are not resident in Spain.
- **Other costs:** the usual costs of owning a home, such as community charges, electricity, water, cleaning, lift maintenance, porters, insurance, etc.

Mortgage expenses:

The total cost of the mortgage, if you contract it without discounts, **is the capital plus the interest over the term of the mortgage, plus the costs of damage insurance, maintaining the account and the survey you are required to pay for.**

The other costs associated with the mortgage will be met by CaixaBank (Land Registry summary report, registry entry, management fees and Stamp Duty).



05





**WHAT WILL
I NEED AND
WHEN WILL IT
BE READY?**



Preparing all the documents is a good way to speed up the whole process as much as possible, as without them we will not be able to do our part. Here is what you will need.

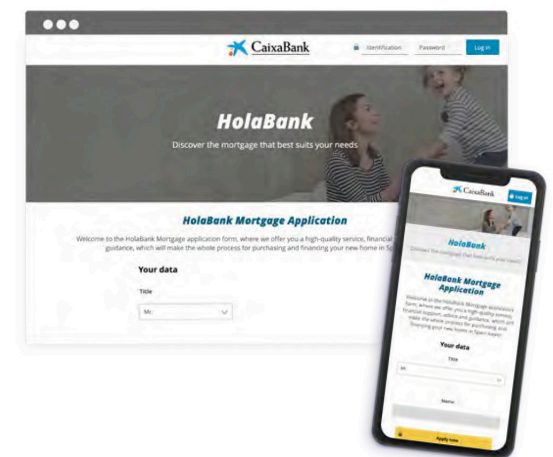
HOW CAN I APPLY FOR A MORTGAGE?

Go to the HolaBank website and fill in a short form to register:

-  caixabank.es/apl/formularios/holabankHipoteca/index_en.html 
-  caixabank.es/apl/formularios/holabankHipoteca/index_fr.html 
-  caixabank.es/apl/formularios/holabankHipoteca/index_de.html 

If you live in Western Europe, the United States or Canada, you can use the MortgageNow online application, enabling us to study the viability of your mortgage. Once you provide us with the necessary documentation, we will be able to give you a response within 72 hours.

If you do not live in any of these jurisdictions, fill in the form and we will contact you within 48 hours.



WHAT DOCUMENTATION WILL YOU BE ASKED FOR?

If you use MortgageNow, the online application will indicate the documents required depending on your country of residence and occupation. The platform is in English, **but the list of documents required will be in the language** of your country of residence.

You can add up to three applicants, with different nationalities, in the application.

If you do not reside in one of the 15 countries listed above, don't worry, the branch will give you a checklist of documents to provide.

WHEN WILL IT BE READY?

Once you have obtained the viability decision, which will be within 72 hours, you will be contacted by the multilingual manager of the branch you have chosen to start the procedures and formalities for studying agreement of the mortgage and to be able to give you an answer within a few days.

Remember that **all the documentation we provide you with during the process will be in English**. All the documents - contracts (ESIS, FiAE and annexes) - will be available in English to make them easier to read.



ONCE THE MORTGAGE IS APPROVED...

What procedures are necessary for agreement of the mortgage?

- **Proof of the purpose of the transaction**
- **A note from the Registry**
- **The valuation of the property**
- **Signature of pre-contractual documentation (FEIN, FiAE and Annexes)**
- **Choose a notary** and receive advice
- Signature of the mortgage agreement before a notary and handing over the keys to the property.

WHO PAYS THE NOTARY?

We pay the notary through the mortgage deed.

WHO PAYS FOR THE VALUATION?

The applicant pays the valuation expenses.

WHEN CAN YOU SIGN THE CONTRACT?

This will depend on the availability of the notary public you choose. You have to choose the notary to schedule the day for the signature and to receive advice.

Please note that, **by law, once you have signed the FEIN**, (binding document containing the mortgage conditions) and its annexes, **you will have 10 calendar days or 14 calendar days in Catalonia, to reflect and review the conditions** of the mortgage, before signing before the notary.

At the time of the advice, the notary issues a declaration that everything is in order for signature, stating the date from which the contract can be signed. As a minimum, the reflection period applicable in your case has to be observed.

You have to
choose the notary to
schedule the day
for the signature
and to receive
advice



06

**ONCE YOU HAVE
THE MORTGAGE...
WHAT DO YOU
NEED TO KNOW?**

Congratulations! At this point in your journey, you are on the verge of buying your property in Spain. We want to tell you everything you need to know once you have taken out the mortgage so that you can take it into account.

DO I HAVE ANY TAX OBLIGATIONS?

Once you are a homeowner in Spain, you should check with your lawyer/administrator/advisor what taxation applies to you, which will depend on whether you are resident or non-resident.

WHAT HAPPENS IF YOU MISS A MONTH'S PAYMENT?

It is important to know the time of the non-payment and to understand the reason why in order to be able to inform you of the available options or solutions.



CAN THE MORTGAGE BE CHANGED TO ANOTHER BANK?

Yes, you can transfer your mortgage to another bank. If you receive a binding offer/FEIN from another financial institution for a mortgage granted by CaixaBank, you can transfer your mortgage to them, in accordance with Law 2/94 of 30 March.

IN THE EVENT OF DEATH, WHAT HAPPENS TO THE MORTGAGE?

The heirs must provide a document demonstrating that this is the case (will, certificate of last will and testament, declaration of heirs ab intestato...). They will be given a certificate showing the status of the mortgage.

Subsequently, they must provide the notarial document of acceptance and division of inheritance, where all the heirs have accepted and divided the inheritance by common agreement, indicating the percentage, amount or fraction that corresponds to each one. They must also provide proof of payment of Inheritance and Donation Tax.

Once these documents have been provided, the bank issues a response identifying the liability and scope of the subrogation of the heirs in the position of the deceased borrower. If you have taken out a life insurance policy covering all or part of the mortgage loan debt, in the event of the death of the holder, the payment must be arranged with the insurer.

CAN THE MORTGAGE PAYMENT ACCOUNT BE CHANGED?

You can change the account linked to your mortgage to another CaixaBank account, as long as all the holders of the mortgage match those of the new account.

CAN THE MORTGAGE BE PAID OFF?

You can repay some or all of the mortgage:

- **Repaying part of the mortgage** reduces the value of the loan and the corresponding interest. When you amortise, you can choose between reducing the term or reducing the instalment.
- **If you repay the full amount of the mortgage**, the life insurance policy associated with the loan is terminated, unless you indicate otherwise.

What is the cost of repaying the mortgage?

If the mortgage is a fixed rate mortgage and it is verified that there is a financial loss:

- **During the first 10 years of the term of the mortgage or from the day the fixed-rate portion starts**, 2% of the capital repaid in advance.
- **After the first 10 years**, 1.5% of the capital repaid in advance.

(See example on page 60)

No fee is charged if there is no financial loss.

A woman with brown hair in a bun, wearing a green tank top and white pants, sits on a concrete pier. She is holding a white cup to her lips with her right hand and has a laptop on her lap. The background shows a calm body of water and distant hills under a soft sky. A blue boat is visible in the water. A large white diagonal shape on the left side of the image contains the title text.

GLOSSARY OF TERMS AND ANNEXES

A

Amortisation

This is the payment of the outstanding debt that is made in each instalment. In loans with the French amortisation system (which is used in 90% of mortgages), more interest and less capital is paid at the beginning of the loan, and the reverse towards the end of the term. You can reduce the debt through amortisation. Partial amortisation is when, in parallel to the monthly instalments, you repay a part of what is still to be paid. If you repay the debt in full, this is early full amortisation.

B

Binding offer

A document that the bank gives to a customer taking out a mortgage loan detailing all of the characteristics, conditions and clauses of the finance. This document ensures the transparency of the information provided by the bank to the customer. The customer must sign this document as a sign of their agreement to it.

Bond

A form of guarantee in which one person (guarantor) undertakes to underwrite the obligation contracted by another (guaranteed) in the event of non-payment.

Borrower

The recipient of the loan. The person who receives the borrowed money and who is obliged to repay it within the contractually agreed period.

Building survey

A technical report on the property's condition and any defects and the cost of repairing them. It is common practice to request this together with the valuation of the property you want to buy.

C

Charges

These are the debts of a property, registered in the Land Registry by means of a Public Document. A charge can be a mortgage, an easement, a right of usufruct or a resolutive condition. A property is understood to be free

of encumbrances if no charges are registered against it in the Land Registry.

CIRBE or CREDIT REPORT

The Bank of Spain Risk Information Centre. It is a database containing all the loans, credits, guarantees and risks collected by Spanish financial institutions. The equivalent in other countries is a "Credit Report", which must be provided in order to purchase the property.

Community of owners

This is the group of all the owners of properties within a particular building or development. It is a legal entity with rules and statutes that dictate that all residents are obliged to share in the common maintenance costs of the property.

D

Deposit

An advance of money that serves as security for the fulfilment of an obligation.

E

Earnest money deposit

In the purchase contract, this is the sum of money the buyer gives to the seller as a guarantee that they will buy the property under the agreed conditions. It is usually 10% of the total value of the property. The most common are the penitential deposits, which allow both the buyer and the seller to release themselves from the fulfilment of the purchase contract before the signing of the deed.

ESIS

European Standardised Information Sheet. This is the document that contains all the mortgage information. The ESIS should be as complete and clear as possible to ensure the customer has no doubts about the conditions of the mortgage they are going to agree with the bank. The data the ESIS should include are:

- Identification of the lender and the commission it charges.

- Amount and currency of the loan to be granted, with information on any fluctuations that may occur if the loan is signed in a currency other than the euro.
- Duration of the loan.
- Interest rate. Providing the amortisation table of the loan.
- Total amount to be repaid.
- Value of the property.
- Percentage of the value of the property agreed as a loan.
- Frequency and number of payments: Whether it is paid monthly or quarterly and the total number of instalments.
- Amount of each instalment: how much is paid in each instalment and when and how this amount can change. If it is a variable rate mortgage, you must specify how long it is fixed and how often the instalments will change.
- Early repayment: the conditions and fees if the loan is repaid before the end of its term.
- Non-fulfilment of the commitments linked to the loan, explaining the consequences for the borrower.
- Borrower's rights: these include rights of withdrawal and portability, which includes subrogation.

When the ESIS is signed, there is a reflection period of 10 calendar days (14 in Catalonia) to seek advice and resolve any questions about the conditions of the mortgage. The mortgage agreement can be signed after this period.

Euribor

This is an acronym for Europe Interbank Offered Rate. This is the price at which Eurozone banks buy and sell money with each other. It is published on a monthly basis.

Expenses of the community of owners

Maintenance, upkeep and repair costs of the property (electricity, water, lift, porter, garage, swimming pool, cleaning, etc.) which are charged to the Community's budget. Some expenses are shared in proportion to the ownership percentage of each property.

F

FIAE

This is the Standardised Warnings Sheet. It informs you about: the official benchmark indices used in setting the interest rate in variable rate mortgages; the consequence

of non-existence of upper limits on the interest rate (no ceiling); details of the costs associated with the mortgage to be met by the borrower(s); the possibility of early termination of the loan; the possibility of arranging hedging instruments for interest rate risk.

Financing of the property

Amount of money borrowed. For property purchases, this is usually between 70% and 80% of the value of the property.

Fixed interest

This is the interest rate that remains constant throughout the life of the loan. The rise or fall of the Euribor does not affect fixed rate loans.

French amortisation method

A system of payment in constant instalments including principal and interest. The interest rate is applied to the total initial balance and spread over the individual instalments. The remainder of the payment corresponds to repayment of the money borrowed.

I

Instalment

This is the amount that the customer agrees to pay, generally on a monthly basis, to the financial institution that has granted the loan, as interest and repayment of the money lent.

Interest rate

The percentage to be paid for having a certain amount of money for a certain period of time.

Intermediary

Financial agent working for the bank.

L

Land Registry

A public registry where the details of properties and liabilities that affect them are registered and modified.

Land Registry summary report (nota simple)

A document requested from the Land Registry or the notary in order to ascertain the charges against the property (mortgages, attachments, arrears, etc.).

Lender

In a loan, the party entitled to collect the debt under the agreed term and conditions, i.e. the financial institution

M

Mortgage broker

Real estate credit intermediary registered with the Bank of Spain. They search the market to find the best mortgage for the customer. They may be connected to a bank (intermediary).

Mortgage stamp duty (IAJD - (Impuesto sobre Actos Jurídicos Documentados)

Stamp duty on mortgages executed in a public document. This is applied to the mortgage liability and varies according to the autonomous community, ranging from 0.50% to 2% at a general level.

Mortgage liability

This is the sum of all the items that are secured by the mortgage: capital, legal costs, normal and late-payment interest and enforcement costs.

Mortgage loan

A loan of money secured by real estate. They are usually used to finance property purchases, with the property being the collateral for repayment of the loan.

N

NIR/APR

The concepts of the Nominal Interest Rate (NIR) and Annual Percentage Rate (APR) are set by the Bank of Spain and are, therefore, official:

- The **NIR** is the percentage agreed with the company without discounting the inflation rate that is charged for lending the money. It does not consider other additional costs, such as service charges or fees.
- The **APR** is the percentage that shows the real annual cost of a loan. It takes into account fees, expenses, costs linked to insurance and other linked products, and the frequency of the payments. It is used as comparative data to choose the best option among several loans.

It is used as comparative data to choose the best option among several loans.

Non-resident

An individual who spends more than 183 days of the calendar year outside Spanish territory and whose main home or place of business or professional activities or economic interests is not in Spain.

Notary

In Spain, a public official and legal professional who guarantees security and legality for both individuals and the state. A public deed for a contract, business or declaration is unquestionable. They are distributed throughout Spain and can be freely chosen.

Notary fees

Expenditure incurred for the execution of the public deed of sale or mortgage. The amount depends on the value of the property and can be increased depending on the notarial procedure.

P

Property sale (contract)

A private contract of a legal nature detailing the characteristics of the property (location, description, land registry reference, encumbrances, encumbered or not with mortgage, no arrears for community charges, etc.), the deposit (amount of the down payment) and the price agreed for the property. It will be formalised before a notary in a public deed in order to be able to register the property in the land registry.

Property tax (IBI)

Real Estate Tax paid by the owner. This is charged annually and is applied according to the registered value of the property.

Property Transfer Tax (ITP)

Tax applied to sales of existing properties. Its amount is a percentage of the deeded price and varies depending on the autonomous community. VAT is not applied to properties that are subject to ITP.

Power of attorney

A public document authorised by a notary enabling a person or company to appoint another as their representative to act on their behalf in particular legal acts.

R

Registry fees

Fees generated by the registration of the sale and purchase at the Land Registry. The amount depends on the price of the property.

Review frequency

This is the periodicity with which the interest rate is reviewed in variable rate mortgages. It can be negotiated with the bank, although the review is generally every twelve months. This is not to be confused with a grace period.

S

Solicitor

Legal professional (lawyer) who advises clients in various fields, drafts legal documents and defends them in court.

Stamp Duty (IAJD - Impuesto sobre Actos Jurídicos Documentados)

This tax is levied on sales and purchases arranged in a public document. This is applied to the amount in the deed. The amount varies according to the Autonomous Community and the value of the property, ranging from 0.1% to 1.5% in general.

Subrogation

This is the legal process of switching a mortgage to another financial institution. Subrogation also exists between individuals, enabling you to keep the financing that may exist on the property you buy when this is appropriate for you.

V

Valuation

Calculation of the value of a property by an independent company accredited by the Bank of Spain.

Value Added Tax (VAT)

This applies to the purchase of new properties. It is levied at the same rate throughout Spain (10% in general) except in the Canary Islands, where the Canary Islands General Indirect Tax or IGIC (7% in general) applies.

Variable interest

This is the interest rate that may vary over the life of the loan according to market fluctuations. The most commonly used reference rate for floating rate loans is Euribor.

T

Term

The period of time you choose for repaying the capital and interest. In a mortgage this can often last for 30 years.

U

Usufruct

The transfer of the right of use and enjoyment of a property to another person, without transferring the ownership of the property.

EXAMPLE OF THE CONDITIONS OF A CASA FÁCIL FIXED-RATE 20 MORTGAGE

We show you a representative example of the financial conditions for the purchase of a second home with a mortgage guarantee.

1) **DISCOUNTED APR:** If all bonus conditions are met, assuming that you qualify for the maximum bonus. (i) amount: 150,000 euros; (ii) maximum duration: 20 years; (iii) 0% arrangement fee; **(iv) interest rate: fixed; discounted NIR: 2.35%; (v) discounted APR: 3.981%; (vi) monthly instalment: 239 payments of 783.94 euros and one final payment of 784.80 euros; (vii) number of payments: 240; (viii) total amount owed (includes costs): €216,059.96. (ix) total cost of the loan: 66.059,96 euros; (x) interest: €38,146.46. French amortisation system¹.**

2) **NON-DISCOUNTED APR:** If the bonus conditions are not met: (i) amount: 150,000 euros; (ii) maximum duration: 20 years; (iii) arrangement fee 0 %; **(iv) interest rate: Fixed, NIR 3.35%; (v) APR 3.938%; (vi) monthly payment: 239 payments of 858.42 euros and one final payment of 856.62 euros; (vii) number of payments: 240; (viii) total amount owed (includes costs): €215,413.10. (ix) total cost of the loan: 65.413,10 euros; (x) interest: €56,019.00. French amortisation system¹.**

The APR may vary depending on the term and amount of the loan and the monthly checks that you continue to meet the discount requirements.

Conditions common to the subsidised APR and the non-subsidised APR

a) Other common financial conditions: compensation or fee for full or partial early repayment, which may not exceed the amount of the financial loss that CaixaBank could incur, subject to a limit of 2% of the principal repaid during the first 10 years, and 1.5% of the principal repaid through to the end of the life of the loan.

b) Preparatory expenses to be paid by CaixaBank:

(i) taxes: €1,215.84 stamp duty (AJD) for a mortgage of €162,112.50; and a tax rate of 0.75%; (ii) land registry search: €10.91; (iii) notary fees: €597.00; (iv) Advisor fees: €363.00; (v) registration: €283,00.

c) Preparatory expenses you will meet, bearing in mind that you can request the appraisal through CaixaBank or provide it yourself: (i) appraisal: **€254.10.**

d) Related ancillary services that you will assume:

the customer must take out and pay for home damage insurance, whether or not they wish to qualify for the discounts on the interest rate. CaixaBank does not sell damage insurance. Therefore, below we show you the premium you would pay under a home insurance policy (which is the most similar type of insurance to the damage insurance that this bank does sell, with the difference being that home insurance offers greater coverage). For the purpose of calculating the non-discounted APR and the discounted APR, the premium resulting from simulating the home insurance will be taken into account. For the discounted APR, the corresponding discount for arranging it will be applied to the interest rate. However, you are free to arrange damage insurance, which is the compulsory insurance product, with any insurance company of your choice.

Home insurance: €317 annual premium. Amount of the annual premium based on the assumption that it will not vary throughout the term of the loan. The amount is merely indicative and is based on home insurance sold by CaixaBank, S.A. (example based on a mortgage loan of €150,000 with respect to a building insurance value of between €100,001 and €120,000 and a floor area of 100 m², where the amount to be paid for this insurance over the entire duration of the operation is €6,340.00). The amount is the result of a simulation based on an example for indicative purposes only and may therefore vary, depending on the exact building insurance value and floor area of the property.

PAYMENT ACCOUNT: an account must be held with CaixaBank over the entire term of the loan. You must pay the maintenance fee for the account, which is **€35.00/quarter**. This maintenance fee will be taken into account when calculating the discounted and non-discounted APR.

Subsidy terms and conditions: meaning the percent that will be deducted from the nominal interest rate if the following products are taken out. (i) direct debit over the last 6 months of salary, pensions or average net income in the case of self-employed workers > €600 month + direct debit of 3 bills + card purchases*** marketed by CaixaBank, S.A., held by the borrower and for which settlements are direct debited to a demand deposit held at CaixaBank, S.A. by the holder, with at least three purchases having been made in the preceding three months: **0.35 percent.**; (ii) home insurance **0.15 percent**; (iii) life insurance (MyBox Vida, MyBox Vida Negocios, Vida Familiar or SEVIAM)* or health insurance (excluding Adeslas Dental and Adeslas Básico), 0.35 or 0.20 percent, mutually exclusive: life insurance equal to or greater than 95% of the financed amount: **0.35 percent.**; life insurance between 50% and 95% of the financed amount: **0.20 percent.** (the discount will not apply if the insured capital is less than 50% of the financed amount) or only health insurance is taken out: **0.20 percent.**; (iv) financing or arranging a "SECURITAS DIRECT Home Alarm" service**: **0.15 percent. The services indicated must always be marketed by CaixaBank, S.A. or Facilitea Selectplace, S.A.U.** A monthly check will be run to ensure the above requirements to apply subsidy conditions have been met. The interest rate can be raised or lowered depending on said monthly check by CaixaBank. The above list of products are optional. Each of them may be purchased or arranged independently, and the price of the above products and services does not vary if they are purchased or arranged together or separately.

***Life insurance** (simulation based on life insurance and amortisation) **265.61 euros annual premium** (under the premise that the premium will not vary for the duration of the loan nor will be updated based on the capital amortised or the age of the contracting parties). The premium is calculated on the assumption that life insurance is arranged to cover 100% of the principal and with the insured party being 30 years-old. The customer will meet the cost of this service if arranged.

**** Subscription or financing of the "SECURITAS DIRECT Home Alarm" service, marketed by Facilitea Selectplace, S.A.U. and/or financed by CaixaBank, understood as financing by means of a loan with an APR of 0% and a NIR of 0% (48 monthly instalments**

of 52.03 euros each, interest free, for the financing of the acquisition, installation and maintenance of the alarm). Total amount owed and retail price: 2.497,44 € total price in instalments. Total amount of credit: 2,497.44 euros. Total cost of credit for the consumer is 0 euros. For the rest of the duration of the mortgage loan, the alarm maintenance service must be maintained at a cost of 52.03 euros per month.

***** Maintenance cost of the card** (simulation of the Visa Electron debit card) marketed by CaixaBank: **€36 per year.** The calculation of the discounted APR will include this maintenance fee. The customer will meet the cost of this service if arranged.

Disclaimers:

(i) Failure to comply with any of the obligations deriving from the loan could have serious consequences for the mortgage holder, for their guarantor or for the owner of the mortgaged property, such as the loss of the property or other assets; **(ii)** CaixaBank reserves the right to refuse to grant the loan or to approve it under the conditions it deems appropriate, after analysing the creditworthiness of the applicant and based on the bank's risk criteria; **(iii)** the APR, in accordance with the law, includes the financial conditions of the representative example, the expenses and additional services under the assumption that the insurance premium will not vary during the term of the contract; and **(iv)** you have the right to provide an appraisal of the asset/assets being secured provided that it is certified by an approved appraisal company and has not expired.

¹ French-amortisation system: payment of a constant monthly fee consisting of part capital amortisation and part interest. The interest included in each monthly payment is obtained by applying the effective interest rate to the outstanding principal at the start of each monthly period. The remaining part of the instalment is the principal to be repaid.

Interest must be paid on the principal that remains outstanding each month. At the beginning of the life of the loan we have a lot of capital to repay, so the interest part of the instalment is higher than the capital repayment part. As we want the monthly instalment to remain constant, the interest part is gradually reduced and the principal part increases as time progresses.

The monthly instalment remains constant: it remains the same as long as the interest rate does not change. For example, if we take a 20-year loan worth €100,000 bearing an interest rate of 3.75%, the monthly instalments would be €592.89. The first payment would be €312.50 in interest and only €280.39 as repayment of the principal. However, 20 years later, the last payment would be just €1.85 in interest and €591.04 in principal.

Arithmetic formula (French fee)

$$ak = Ck * [(r/m) / [1 - [1 + (r/m)]^{-n}]]$$

Where “ak” is the mixed repayment of principal and interest; “Ck” the outstanding principal at the beginning of the period; “r”, the annual nominal interest rate, expressed as a decimal; “m”, the number of loan repayment periods in a year; and “n”, the number of repayment periods (repayment of principal and interest) outstanding”.



