



FINDING OPTIMAL MORTGAGE CONDITIONS

Some years ago, credit institutions were offering variable mortgage rates at disclosed and non-negotiable rates. Since the turn of the century, the situation has radically changed: variable mortgages have remained more expensive while fixed-rate mortgages now offer much better value.

Apart from this change, you also have the possibility to discuss your mortgage conditions: every credit institution offers conditions particular to each customer. They are based on different criteria: debtor situation, the mortgaged property, mortgage based on estimated market value, amount, mortgage model.

A straightforward comparison of rates, on the internet for example, is thus not sufficient to find the best available conditions. The rates given are just indicative, in fact some institutions don't even publish them anymore. If you want a specific offer, you have to prepare a complete dossier and approach various credit institutions.

Understanding all the issues is a complex and laborious process, it can be time-consuming and stressful, especially if you aren't familiar with the process.

So how should you go about finding the best conditions and arranging some objective mortgage advice?

Francesco Canonica, mortgage expert at Assidu SA, replies:

Assidu SA can support the client with preparing all the documentation and presenting it to the various institutions. A mortgage expert is available, on request, to present the dossier on the client's behalf, the client would then simply have to wait for a report with details of the different offers and benefit from our expert advice to select the solution that works best for them.

Credit institutions often advise setting rates over different terms.

Example:

Mortgage at CHF 750 000.00, divided into 3 tranches of CHF 250 000.00,

1.a tranche for three years (matures in 2019)

2.a tranche for five years (matures in 2021)

3.a tranche for 7 years (matures in 2023).

When tranches 1.a and 2.a are due for renewal, the only way to complete the renewal is through the same institution as you can't have different tranches with different providers. You will therefore not be able to press for better rates at renewal as you don't have the option of cancellation, so you will have to accept whatever they offer you. If you want to work with Assidu SA and find out what the market has to offer, you need to wait until the 3.a tranche matures in 2023 and, in the meantime, refrain from renewing the other two tranches.

This option doesn't offer the client a lot of room for manoeuvre, whereas the credit institution has the advantage of binding the client.

Assidu SA therefore recommends just having one maturity date, leaving you fully free to negotiate better conditions.

Assidu SA acts exclusively in its client's interests and the client benefits from the certainty of receiving the best conditions and not having to deal with all the bureaucracy. The final decision rests solely with the client.