



# Terms & Conditions

## NIBC Direct Extra Mortgage

Everything you need to know about the NIBC Direct Extra Mortgage

## **Translation**

This is a translation of the original Dutch text. This translation is furnished for the customer's convenience only. The original Dutch text will be binding and will prevail in the case of any inconsistencies between the Dutch text and the English translation.

## **A warm welcome to NIBC Direct**

You have applied for a mortgage loan from NIBC Direct. You have bought a new house, renovation plans or you want to change or refinance your loan. We can just imagine that you want to arrange the finances as soon as possible. A mortgage loan entails obligations. It therefore is important that you have due consideration to the agreements that we make together.

These General Terms and Conditions apply to the NIBC Direct Extra Mortgage. Our general terms and conditions provide a simple and transparent as possible description of the agreements we make with you about your mortgage loan. As it should be! You read what you need to know before you sign the offer. You will also find information about matters that are important during the term of the mortgage loan, for example what we expect from you if your personal situation changes or what you can do if you want to repay the loan sooner. Read the conditions carefully. Do you have any questions? Please contact us or your financial advisor.

## **Good advice is needed when taking an important step!**

We try to make everything as simple and clear as possible for you, but we cannot give you any advice. See a financial advisor for advice on your loan and everything related to it (for example, tax matters). This advisor works on your behalf, for your account and is not connected to NIBC Direct. The advisor is therefore also responsible for the advice provided. The costs for the advice will be charged directly to you.

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## General conditions

### 1. GLOSSARY

<b>Administration costs</b>	The costs that we can charge for dealing with changes to your loan.
<b>Repayment</b>	You must repay your loan to NIBC Direct during or at the end of the term. This referred to as repayment.
<b>Repay from own means</b>	Repay the loan from own means. For example with your savings, a gift, or an inheritance.
<b>Interest-only mortgage</b>	A mortgage type where you only pay interest on the loan every month. You do not repay anything during the term. You must repay the loan in one go at the end term of the loan.
<b>Annuity mortgage</b>	A mortgage type where you pay the same amount every month. Initially, you pay a lower amount to repay your loan and a higher amount in interest. Later, you pay a higher amount to repay your loan and a lower amount in interest. Your loan has been repaid at the end of the term.
<b>Building fund account</b>	A building fund account is an account where we deposit (part of) the money from your loan. You can pay the invoices for the construction or renovation of your house with the money on this account.
<b>Final offer</b>	The mortgage offer is the mortgage offer provided or to be provided in writing by or on behalf of NIBC Direct in which NIBC Direct makes a binding offer to provide a mortgage loan under the conditions included in the final offer and the general terms and conditions.
<b>Mortgage loan</b>	A loan is a mortgage loan when your house serves as collateral for the loan. To this end, a mortgage security right is or will be established for the benefit of NIBC Direct. This arrangement is recorded by a civil-law Notary in a mortgage deed. From that moment on we can exercise the "right of mortgage" if you do not fulfil your obligations.
<b>Mortgage deed</b>	The mortgage deed is an agreement that we conclude with you. This, among others, includes the agreements we make with you about your loan, the mortgage right and the collateral. You sign the mortgage deed at the Notary.
<b>Linear mortgage</b>	A mortgage from where you pay a fixed amount every month to repay your loan. You will pay a lower amount of interest because the loan becomes lower. Your monthly amount constantly decreases. Your loan has been repaid at the end of the term.

<b>Term</b>	The term of the loan indicates the duration of your loan. The term can vary per loan component. You must have fully repaid the loan component at the end of the term.
<b>Market value</b>	The market value is the value in free sale of your house and can be found in the valuation report. If there is no valuation report in case of a new house, we calculate the market value based on the purchase/contract sum, the loss of interest during construction and the additional work. The market value of your house can also be found in the final offer.
<b>National Mortgage Guarantee (NHG)</b>	NHG [Owner-Occupiers Guarantee Fund] gives you and us more security. Stichting Waarborgfonds Eigen Woningen guarantees the loan under certain conditions. You pay one-off one amount for this to the Foundation. You (often) pay lower interest rates in exchange for this. For more information, go to <a href="http://www.nhg.nl">www.nhg.nl</a> .
<b>Collateral</b>	We require collateral for the loan. This collateral is always the house that you buy or already own. The house used for your own occupation. You give NIBC Direct a first mortgage right on the collateral. The collateral is precisely described in the mortgage deed.
<b>Interest rate proposal</b>	The mortgage interest offer is an informative offer made by or on behalf of NIBC Direct in writing for the level of the interest rate that will apply to the mortgage loan applied for during the period referred to, if the mortgage loan can be granted.
<b>Fixed-interest period</b>	The fixed rate period is the period for which the interest rate remains the same. The fixed rate period can vary per loan component.
<b>Rate class</b>	The interest rate for your loan is determined based on the rate class. The rate class, among others, depends on the ratio between the amount of your loan and the value of the collateral.
<b>Valuation report</b>	A valuation report is a report that states the value and state of maintenance of the house for which you take out a loan. The valuation report may only be prepared by a recognised Appraiser. We must approve the Appraiser.
<b>Compensation-exempt amount</b>	Each calendar year, you may repay a maximum of 20% of the original principal of each loan component without paying a compensation for this. You do not pay a compensation if you repay the loan with own means entirely.
<b>Security</b>	We ask collateral for the loan from you, such as a mortgage right and a lien. You can find this in the mortgage deed.

## **2. Interest rate proposal and mortgage offer**

You have applied for a loan from us for the financing or renovation of your house. For this, we send you a mortgage interest offer. This mortgage interest offer states the interest rate that applies to your loan and the period for which the offer and the interest rate are valid. This mortgage interest offer is without further obligations.

### **2.1 Do you accept the interest rate proposal?**

- i. Will you sign the mortgage interest offer? Then we guarantee you the interest rate referred to in the mortgage interest offer and the terms and conditions up to the end date of the validity of the mortgage interest offer. The fact that the interest rate is secured does not mean that your mortgage application has already been accepted. You cannot request a new mortgage interest offer from us if the mortgage interest offer is valid.
- ii. The mortgage interest offer specifies the deadline for returning the signed mortgage interest offer to us. Should you exceed that deadline? The mortgage interest offer is no longer valid. You can then apply for a new mortgage interest offer.
- iii. We will gladly receive all necessary information and supporting documents from you after you have returned the signed mortgage interest offer to us. We will evaluate your mortgage application after we have received all necessary documents. You will receive a final offer from us if we decide to accept the mortgage application after assessing the received information and supporting documents.
- iv. You will be duly informed if we decide not to accept the mortgage application after assessing the received information and supporting documents. We may anyway reject the mortgage application if you have provided incorrect information or have omitted certain relevant information.

### **2.2 Do you agree with the final offer?**

- i. Will you sign the final offer? Then you agree with the provisions in this final offer and the interest rate referred to therein. We then have an agreement.
- ii. The final offer specifies how long it is valid for and the deadline for returning the signed offer to us. Should you exceed that deadline? The mortgage interest offer and the final offer are then no longer valid. You can only request a new mortgage interest offer when the final offer is no longer valid. You will then receive a new mortgage interest offer and final offer.
- iii. The entire application process and acceptance process for your mortgage loan (including signing the final offer and the notary passing the mortgage deed) must be completed within the validity period of the final offer.
- iv. We may revoke or change a final offer at any time, even after you have accepted it, if you have provided incorrect information or have omitted certain relevant information.



- v. The general terms and conditions apply from the moment you receive a mortgage interest offer. The general terms and conditions are part of the mortgage interest offer, the final offer and the mortgage deed. If you sign the final offer, you also declare that you have received and read the general terms and conditions and have agreed with their contents.

### **2.3 Trust and liability**

- i. We trust that the required information and evidence you provide is accurate and complete.
- ii. We are not liable for any damage that you may experience because of the rejection of your application for a mortgage loan or for the cancellation of an interest offer or final offer or having these cancelled.

## **3. The loan**

### **3.1 Do you accept the interest rate proposal?**

You may only use the money from the loan to buy, build or renovate a house or to repay an existing mortgage loan. In certain situations, you may also use the loan for costs related to the purchase, construction or renovation of the house, for example costs for obtaining a building permit. You may only use the money from the loan for other (consumer) purposes if you have applied for this and this has been included in the final offer.

### **3.2 When does the loan start?**

- i. We deposit the money from the loan into the bank account of the notary where you sign the mortgage deed. If you have also applied for a building fund account, part of the loan will be transferred to the building fund account, see chapter 1 1.
- ii. We deposit the money from the loan a few days before you sign the mortgage deed. The mortgage deed specifies that we have a first right of mortgage to the collateral.
- iii. You will pay interest and make repayments from the moment we deposit the money of the loan.
- iv. Your loan may consist of one or more loan components, with various agreements about the amount, the repayment, the term, the fixed rate period and the interest rate. This is specified in the mortgage interest offer and the final offer.
- v. The term of a loan component is a maximum of 30 years. The term starts on the first day of the month following the month in which we had deposited the money of the loan into the Notary's account.

### **3.3 Can you increase the loan?**

- i. You can apply to have your loan increased. To this end, you must submit another application for a loan, please contact your financial advisor in this regard.
- ii. The value of your home and your income must be high enough for an increase. You can increase the loan by at least EUR 15,000. The value of your house is specified in the Appraiser's new valuation report.
- iii. We will forward a mortgage interest offer to you if we approve the loan increase. You can read the details of what you can do with this mortgage interest offer in chapter 2 of these terms and conditions. You can also read what you must do if

you agree to the mortgage interest offer and would like to receive a final offer.

- iv. If your loan exceeds the so-called registration in the existing mortgage deed because of the increase you must then sign a new mortgage deed with the Notary. It is specified in the new mortgage deed that, in addition to a first mortgage right, we also have a second mortgage right to the collateral.
- v. Please note that you will bear all costs related to the increase of your loan.

### **3.4 What is the interest rate on the loan?**

- i. The interest rate and the fixed rate period are specified in the mortgage interest offer and the final offer. The level of the interest rate depends on five factors:
  - a. the amount of the loan,
  - b. the mortgage form,
  - c. the value of your house,
  - d. the fixed-interest period,
  - e. any NHG [National Mortgage Guarantee Fund] from the Stichting Waarborgfonds Eigen Woning [Home-owner's Guarantee Fund].
- ii. It is possible that the interest rate in the mortgage interest offer does not correspond with the interest rate in the final offer, this may be because of changes in the loan applied for.

### **3.5 How do we calculate how much interest you pay?**

- i. We calculate how much interest you pay at the end of each month. We calculate this on the principal amount of each loan component at the beginning of the month and the interest rate associated with the loan component. In the calculation we assume that a year consists of 360 days and a month of 30 days.
- ii. You owe interest from the day that we transfer the money of the loan to the Notary's bank account.

### **3.6 How long is my interest rate fixed for?**

- i. The interest rate is fixed during the fixed rate period.
- ii. The period for which the interest rate remains the same from the beginning of a loan component is specified in the final offer.

### **3.7 When will administration costs be charged?**

We can charge administration costs for changes to your loan. For example, for adjusting your mortgage or repayment method, adjusting the interest rate in the interim, increasing your loan or processing the severance of joint and several liability of one of the Borrowers. On [www.nibcdirect.nl](http://www.nibcdirect.nl), you can find a summary of the changes for which we charge administration costs and the amount of these costs.

### **3.8 Are you moving to another house?**

- i. If you are selling the house and do you want to buy a new house, then you can apply for an mortgage interest offer to finance the purchase of the new house with your existing loan. To this end, please contact your financial advisor. We may

change the terms and conditions of the loan when you decide that you want to use the loan to finance the new house.

- ii. The rate class of your loan, the fixed rate period and the amount of interest due and payable by you are specified in your new mortgage interest offer and final offer. The amount of interest you pay depends on four things:
  1. the interest rate of your old loan,
  2. the amount of the new loan,
  3. the mortgage type, and
  4. the value of your new house.
- iii. We may decide that you cannot use your current loan to finance the new house. This, for example, is the case if the new home does not meet our conditions or if the provision of the loan is not justified in view of your financial situation.
- iv. You must buy the new house within nine months after repaying your old loan.

## **4. Interest rate, fixed rate period, and tariff classes**

### **4.1 What happens to the interest rate at the end of the fixed rate period?**

You will receive an interest rate revision proposal from us three months prior to the expiration of the fixed rate period. You will find the new interest rate for the fixed rate period is equal to the previous period in this proposal. You will also receive a change form. The various fixed rate periods are specified on this. There is a different interest rate for each period.

### **4.2 How do you choose a new fixed rate period at the end of the fixed rate period?**

- i. You can tick the fixed rate period you want on the change form. Sign the form and return it to us. Do you have the loan together with someone else? The other person must then also sign this form. We must have received the signed form no later than fourteen days before the expiration of your current fixed rate period.
- ii. The change form may also specify that new terms and conditions apply if you change your fixed rate period.
- iii. We will change the fixed rate period as indicated by you after we have received the form on time.
- iv. Should we not receive a form from you? Your new fixed-rate period will then be equal to your previous fixed rate period. The new interest rate is specified in the interest rate revision proposal.

### **4.3 What happens if you want to change the fixed rate period at another time?**

- i. If you want to change the fixed rate period at a different time than at the end of the fixed rate period you may have to pay a compensation. This is because it might cost us money if you want to change the fixed rate period in the interim. The compensation compensates for financial loss.
- ii. You will receive a final offer from us at your request. It contains the new interest rate, the fixed rate period and any due and payable compensation. Chapter 6 contains an explanation of how we calculate the compensations.

#### **4.4 What happens if the loan falls into another rate class by paying it off or increasing it?**

- i. Your interest rate consists of several components, including costs for the risk that you will not fully repay the loan. The risk costs become lower when we run less risk, for example because you repay the loan.
- ii. We have divided this risk into several classes. These are referred to as tariff classes. Is your loan high when compared to the value of the house? Your loan then falls into a higher rate class because the loan is riskier to us. Is your loan low when compared to the value of the house? Your loan then falls into a lower rate class because the loan is less risky to us.
- iii. By repaying the loan, the risk to us becomes lower once your loan reaches a lower rate class. We then automatically calculate less risk costs. This will lower your interest rate, possibly to the lowest rate class. The decrease in your interest rate depends on the differences in interest rates between the tariff classes on the date on which the interest rate was last set. This may be when you took out your loan or the date on which your new fixed rate period commenced.
- iv. The risk to us increases as soon as your loan reaches a higher rate class by increasing the loan. If, for example, you borrow extra for a renovation, this may mean that your loan falls into a higher rate class. We then automatically calculate more risk costs. The increase in your interest rate depends on the differences in interest rates between the tariff classes on the date on which the interest rate was last set. This may be when you took out your loan or the date on which your new fixed rate period commenced.
- v. The value of the house is determined when the loan is granted. The value used is the market value from the valuation report. We may always have the house revalued by an Appraiser during the term of the loan. We decide on the Appraiser. You bear the Appraiser's costs. We may then use the market value from the new valuation report to determine your rate class. It may be that you then enter a higher or lower rate class.
- vi. The tariff classes are rendered on the website [www.nibc.direct.nl](http://www.nibc.direct.nl). Please bear in mind that we may change the tariff classes. Example:

You have a loan of EUR 200,000 and the value of your house is also EUR 200,000. The ratio of the loan is when compared to the value of the house is 100%. You fall in the highest rate class of up to and including 106%. See the table with the different tariff classes. These were the interest rates per tariff class when you concluded the loan.

Rates classes	
Up to and including 65%	4.10%
Up to and including 80%	4.30%
Up to and including 95%	4.45%
Up to and including 106%	4.60%

If your loan decreases to less than EUR 189,000 because of repayments, the ratio of the loan to the value of the house will fall below 95% (EUR 189,000/EUR 200,000 x 100%) and you will fall in the rate class up to and including 95% and, accordingly, the rate of 4.45% applies to you. You pay this lower rate until the end of your fixed rate period, unless you enter an even lower tariff class because of (extra) repayment. Thereafter, the rate is re-established, obviously based on the rate class in which the loan then falls and the interest rates prevailing at the time.

**Take note:** the numbers in this calculation example are fictitious.

#### **4.5 What if the value of the house increases?**

You can request us to adjust the interest rate if the loan is subject to a different rate class because of appreciation of the house. You can only request this five years after your loan commenced and every five years thereafter. You must submit a valuation report approved by us.

#### **4.6 Is a rate class change also possible with an NHG loan?**

It is not possible to fall into another rate class with an NHG loan. There is only one rate class for an NHG loan.

## **5. You repay the loan**

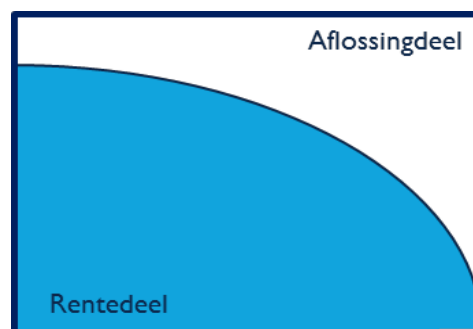
### **5.1 How do you repay the loan?**

The way in which you repay the loan depends on the mortgage type that you choose. The mortgage type can vary per loan component. The different mortgage types offered by us are explained below.

**Take note:** the mortgage type you choose can have consequences for your mortgage interest deduction. You can only deduct paid interest, and no repayments on your loan. In addition, the government may decide that the mortgage interest deduction is reduced or abolished, and you can no longer deduct the paid interest from the tax. We do not have any say in this. Please contact your financial adviser for advice on tax matters.

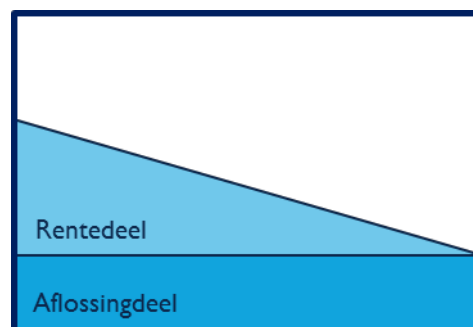
### 5.1.1 Annuity mortgage

- i. An annuity mortgage gives you the assurance that you will fully repay the loan. This will be done in the term selected by you. The term is up to a maximum of 30 years.
- ii. You pay the same monthly amount in case of an annuity mortgage. This applies to the months that the interest rate remains the same. The fixed monthly instalment consists of a part of interest and a part of the loan repayment. Your loan will be lower each month because of this partial loan repayment. As a result, you make less interest and more loan repayments each year.
- iii. In the first few years, the amount you pay each month is mainly interest payment, in the later years, mainly loan repayments. We automatically recalculate your monthly amount if your interest rate changes.



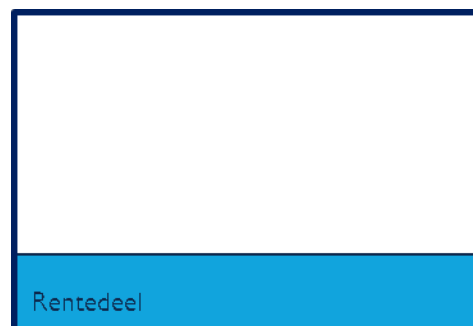
### 5.1.2 Linear mortgage

- i. A linear mortgage gives you the assurance that you will fully repay the loan. This will be done in the term selected by you. The term is up to a maximum of 30 years.
- ii. With the linear mortgage you pay interest and a non-repayable part of the loan each month. Your loan will decrease with a fixed amount every month because you also make an equal share repayment every month.
- iii. We automatically recalculate your monthly amount if your interest rate changes.



### 5.1.3 Interest-only mortgage

- i. You repay nothing during the term in case of an interest-only loan.
- ii. You pay only monthly interest in case of an interest-only loan. Your loan will remain the same every month because you do not make any repayment. You must repay the loan in one go at the end of the loan's term. You can select the term. The term is up to a maximum of 30 years.
- iii. We automatically recalculate your monthly amount if your interest rate changes or if you make voluntary additional repayments.



## **5.2 Can you repay the loan (in part) earlier than agreed?**

- i. You can repay the loan earlier than specified in the mortgage deed. But sometimes you must pay us a compensation. When taking out a loan, you are not the only one to enter into commitments, we do too. We must borrow money to loan money to you. We pay interest on that money. As a result, we may lose interest if you repay more than we had agreed on. In that case, we will charge a compensation as compensation for our financial disadvantage.
- ii. You pay the compensation at the same time as making the additional repayment. The way we calculate this compensation is explained in Chapter 6.
- iii. If you want to fully or partially repay the loan earlier you can send us a letter or e-mail fourteen days before you want to do so. We then calculate whether you must pay us a compensation and we will inform you about this by letter. This is the repayment notice. This repayment notice specifies exactly how much and when you can repay by us at the latest. What if you fail to make the repayment before the date specified in the repayment notice? In that case, the repayment notice will expire, and you can request a new one.
- iv. If you fully or partially repay the loan without prior notification and you must pay a compensation, we will calculate the due and payable compensation at the time of receipt of the repayment. The compensation will be offset against the received amount and you will be charged retrospectively.
- v. Please ask us for an explanation if the repayment notice or the calculation of the due and payable compensation is not clear to you.

## **5.3 In which situations can you repay the loan without having to pay a compensation?**

You do not have to pay a compensation for the early full or partial repayment of the loan in the following cases:

- i. Every calendar year, you may repay a maximum of 20% of the original principal of that loan component without having to pay a compensation. We call this the compensation-exempt amount. The original amount for the loan components is listed in the mortgage offer.
- ii. You do not pay a compensation if you repay your loan with money from your own means. Examples of own means are your savings, a gift or an inheritance.
- iii. Are you selling your house because you are moving? In that case, you have to repay the loan entirely. In such case, we will not charge a compensation.
- iv. On the day your fixed rate period ends, you may repay the relevant loan components without paying a compensation.
- v. If your current interest rate is lower than the current mortgage interest offered by NIBC Direct for a similar loan component, then you do not have to pay a compensation in case you repay additionally. By a similar loan component we intend a loan component which has a comparable mortgage type, rates class and (remaining) fixed rate period as your current loan component.

- vi. Should you die, the loan can be repaid within six months of your death without having to pay a compensation. If you have life insurance and this has been pledged to us, the payment will automatically be used to (partially) repay your loan. In addition, the interest-free period of the (remaining) loan may be changed without having to pay a compensation within six months following decease.
- vii. Has your house been completely destroyed? For example, by fire or an explosion? You can then repay the loan within twelve months without having to pay a compensation.
- viii. If you repay part of the loan with money still in the building fund account you will not have to pay any compensation.
- ix. In all other situations, you may have to pay a compensation for early repayment of the loan.

#### **5.4 Can you change the mortgage type?**

- i. It is possible to change the mortgage type of your loan component under certain conditions. Changing the mortgage type can have tax implications for your loan. Please contact your financial adviser if you want to change the mortgage type.
- ii. It is not possible to switch to another mortgage product from NIBC Direct during the term of the loan.

#### **5.5 Do you have a bridging loan?**

- i. A bridging loan is a temporary loan that you take out because your current house has not yet been sold but you already want to use part of the sales proceeds to purchase your new house.
- ii. The maximum term of a bridging loan is two years. You will only pay interest for the bridging loan if you have not yet sold your current house and the term of the bridging loan has not yet ended.
- iii. You repay the bridging loan in a single payment when your old house is sold or, if your old house has not been sold, in a single payment at the end of the bridging loan's term. The bridging loan may always be repaid earlier and without any compensation.
- iv. We can decide to convert the bridging loan into an annuity mortgage or linear mortgage with a term of up to 180 months. The rate class of your loan can again be determined because of this conversion. Consequently, the interest rates of your loan can change. We may convert the bridging loan when:
  - a. the old house is not sold within the maximum term of the bridging loan, or
  - b. you no longer meet the terms and conditions of the bridging loan during the term of the bridging loan.

## **6. Compensation in case of repayment or change**

This chapter describes how we calculate a compensation when you repay or change your loan. You must pay this compensation to us. We calculate no more than our loss of interest when you owe a compensation. This is referred to as the financial disadvantage. The calculation



below will also be used when you change your fixed rate period before your current fixed rate period has expired. In some cases, you do not have to pay a compensation. This is described in chapter 5.3.

### **6.1 How do we calculate the compensation?**

We calculate the financial disadvantage in five steps:

1. What repayment amount is subject to payment of a compensation?
2. What is the comparison interest rate?
3. What period is the compensation calculated over?
4. What is the difference in interest rates?
5. What is the compensation that you pay for our financial disadvantage?

### **6.2 What amount is subject to payment of a compensation?**

- i. You may repay a part of the original principal amount of every loan component each calendar year without having to pay a compensation. We refer to this as the compensation-free window. You can read more about this in chapter 5.3.
- ii. If you want to repay more than the amount in the annual compensation-free window then you pay a compensation for the amount that exceeds the amount in the compensation-free window.
- iii. If you have already used (part of) the amount in the compensation-free window in the same calendar year we shall deduct the used amount in the compensation-free window from the amount in the total compensation-free window for that year.

#### **Example:**

You have a loan component with an original principal of EUR 100,000 and you wish to repay an amount of EUR 25,000 additionally and this amount does not derive from own means. You may repay an additional 20% of the original principal of each loan component per year without paying a compensation. Thus is EUR 20,000. You wish to repay EUR 25,000. This amount exceeds the compensation-exempt amount. That means that we calculate a compensation over EUR 5,000 (EUR 25,000 – EUR 20,000).

### **6.3 What is the comparison interest rate?**

- i. We determine the comparison interest rate per loan component based on the interest rate for a similar loan component at the time that the repayment notice is issued or, if you do not request a repayment notice, at the time of receipt of the additional repayment or change. The comparison interest rate is the current interest rate NIBC Direct offers for a similar type of loan component. A similar loan component refers to loan component that has a similar mortgage type, rate class and (remaining) interest rate period as your current loan component.
- ii. We look at how long the remaining term of the fixed rate period of the loan component you are repaying is or your mortgage type or fixed rate period still runs if you want to make a change. This is referred to as the remaining fixed rate period. If we offer a fixed-interest-rate period that is similar to the remaining fixed rate period, the comparison interest rate is similar to the interest rate associated with this remaining fixed rate period and the mortgage type and rate class of your loan

component. Does NIBC Direct not offer a fixed-interest period similar to your remaining fixed-interest period? We will then choose the highest interest rate of the nearest longer and shorter fixed rate period offered by NIBC Direct as comparison interest rate. This is the most favourable to you.

**Example:**

You have a loan component with a (original) fixed rate period of 10 years. The interest rate for this loan component is 4.00%. You will repay this loan after 7 years and 6 months. The remaining fixed rate period is 2 years and 6 months. We do not offer a fixed rate period of 2 years and 6 months. We therefore look at the nearest longer and shorter fixed rate period that is offered. In this case, the nearest longer fixed rate period is 3 years, with an interest rate of 3.00%. In this case, the nearest shorter fixed rate period is 2 years, with an interest rate of 2.90%. The interest rate we use as a comparison rate is 3.00% in this example because this is the most favourable to you.

**6.4 What period is the compensation calculated over?**

- i. We look at how long the remaining term of the fixed rate period of the loan component you are repaying is or your mortgage type or fixed rate period still runs if you want to make a change. This is referred to as the remaining fixed rate period. We calculate the compensation on the remaining fixed rate period.
- ii. If the end date of the loan on which you are making additional repayments is before the end of the fixed rate period of that loan component we will use the end date for that loan component as the period on which the compensation is calculated.

**6.5 What is the difference in interest rates?**

- i. The interest rate difference is determined on the amount of the compensation that you must pay. For this amount, the total interest is first calculated at your current interest rate. The total interest is then calculated at the comparison interest rate. The difference between these two amounts of interest is the amount of interest that we will not receive because you make additional repayments or change your loan component. This is referred to as the interest difference. We assume monthly interest payments for calculating the interest difference.
- ii. Due consideration is had to the course of the contractual repayments on your loan when calculating the interest difference. It is therefore important to know the mortgage type of the loan component on which you make additional repayments or implement a change.
- iii. Is the loan component an interest-only mortgage? You then only pay monthly interest during the term of the loan. We have arranged that you will repay this loan component in single payment at the end of the term of the loan component. You do not repay anything contractually during the term.
- iv. Is the loan part on which you are making additional repayments an annuity mortgage or a linear mortgage? You then pay monthly interest on the loan during the term of the loan. In addition, you will make an agreed repayment on the loan every month. We have due consideration to the course of the contractual future repayments of the amount on which you must pay a compensation. We calculate the total interest based on your current interest rate, and the total interest with the

comparison rate over this course. The difference between them is the amount of interest that we do not receive because of you making additional repayments.

## **6.6 What is the compensation you pay for the financial disadvantage?**

You get a kind of discount on the total interest difference because you are now making a single payment for the total interest difference for the interest payments you would have paid in future. The compensation you pay to us is the total interest amount minus the discount. This is referred to as the present value of the total interest difference. This is our loss of interest.

### **Example:**

You have an interest-only loan component of EUR 100,000 with a remaining fixed-interest period of 2 years and 6 months (30 months). The contractual interest rate for this loan component is 4.00%. The comparison interest rate is 3.00%. You may an additional 20% of the original principal for each loan component per year without paying a compensation.

You want to repay the loan in its entirety. This amount exceeds the compensation-exempt amount. That means that we apply a compensation over EUR 80,000 (EUR 100,000 – EUR 20,000). Over this amount, the total difference in interest will be calculated.

The total difference of interest is calculated by determining the difference of the interest amounts according to the contractual interest rate and the interest amounts according to the comparison interest rate. If you would not repay or change, we would receive for the remaining fixed-interest period (30 months) the contractual interest rate over your loan component. The total interest amount is equal to EUR 8,000 (EUR 80,000 x 4% / 12 x 30).

You repay or change your loan. As a result, the interest we receive will change.

For a comparable loan, we will receive an interest amount of EUR 6,000 (EUR 80,000 x 3% / 12 x 30). The total difference in interest is equal to EUR 2,000 (EUR 8,000 – EUR 6,000).

Because you pay the total difference in interest at once, we calculate the cash value of the difference in interest. Because interest is due in monthly instalments, the difference in interest is rendered cash per monthly instalment. The compensation you pay us is equal to EUR 1,924.52. This is our loss of interest.

## **7. You provide us with collateral**

You enter into payment commitments when we grant you a loan. We require some collateral to ensure that we recover the borrowed money and that you pay the interest and any other costs.

### **7.1 What collateral do we require?**

- i. There are different types of collateral:
  - a. Collateral on the house: that means if you do not fulfil a payment obligation (in time), we get the option of selling your house. This is referred as mortgage right. You also give us a mortgage right to everything that is permanently connected to your house, for example a garage or dormer (the law refers to this as "accession").
  - b. Collateral on other possessions: that means if you do not fulfil a payment obligation (in time), we get the option of, for example, selling your

- furniture. This is referred to as a "lien".
- c. Collateral on insurance: This means that if you do not fulfil a payment obligation (in time),
  - d. we will be entitled to the money you receive from your house insurance, life insurance or other insurance related to the house. This is also referred to as a lien.
- ii. The collateral is described in the mortgage deed. The mortgage deed is drafted by the Notary. By signing the mortgage deed, you agree to the collateral required by us. You sign the mortgage deed at the Notary.
  - iii. The following applies if you sign the mortgage deed:
    - a. You are (jointly) the sole owner of the house.
    - b. You enjoy legal capacity to act.
    - c. There is no one else who has a right to your house as collateral.
    - d. There are no toxic or hazardous substances in the house or in the ground. Anyway, you are not aware of anything.
    - e. You have done nothing that is against the law or other rules of the government that makes the house less valuable.
    - f. Your assets or insurance has/have not been attached. Your belongings are only yours.
    - g. Is there someone else who has a right to your belongings as collateral? We always prevail.
    - h. You have not done anything with the assets and the insurance that is against the law or other government rules.
    - i. You follow the rules applicable to the insurance in question, for example, the timely payment of premiums. You also declare that these insurance policies have not expired.
    - j. You provide us with a lien on your insurance.
  - iv. The land register registration for the mortgage might be higher than the amount you are now actually borrowing. That is useful because you do not have to sign a new mortgage deed later when you want a higher loan (up to the maximum amount of registration) from us.
  - v. If you also want to give someone else the right to your house, belongings or insurance, this will be impossible without our prior written consent.
  - vi. If you make a change, which increases its value, to the house after signing the mortgage deed these changes also become part of our collateral. You may therefore not remove these changes afterwards without prior consultation. This also applies to the belongings related to the house.
  - vii. You maintain the house in good condition and do not damage it.

## **7.2 What if someone else provides us with collateral for your loan?**

If someone else also provides us with collateral for your loan, he or she then also signs the mortgage deed as co-debtor. We agree with both of you that he or she does not get any money from the deal. We determine the order in which we address someone to pay the loan, interest, costs and any compensation.

## **7.3 Who may sell the collateral?**

- i. Only we have the right to sell the collateral and use the money to meet your payment obligations and repay your loan. That means only we may get the money. You can only do that if we send you a letter specifying that you must receive the money.
- ii. We may give others information about our collateral if necessary, for example, if someone else wants your house, benefits from the insurance or your belongings.
- iii. We may also give the collateral to other Parties.

## **7.4 When may we request additional collateral?**

- i. If we find that the value of the collateral we received from you has become too low, for example, because your home is neglected, we may then ask you for additional collateral. The collateral must be in a reasonable proportion to the amount of the loan.
- ii. We may request additional payment from you if you cannot or will not to provide additional collateral.

## **7.5 When do you not have to provide us with collateral?**

- i. If you repay the loan and pay the interest and all other amounts due and payable by you in terms of the loan, we no longer need the collateral. In that case, we will return all the collateral to you. You also bear the costs incurred for this purpose, such as notarial compensations.
- ii. We can also return the collateral in part at your request. However, we can then agree to new terms and conditions with you.

# **8. Use of the house**

We set several conditions for the use of the house to ensure that the property retains its value.

## **8.1 What can, or must you do with your houses**

- i. You can use the house as residence for yourself.
- ii. You must properly maintain your house and repair damage in the short term.
- iii. You may only use the house in accordance with the law and these terms and conditions.
- iv. If your dwelling is an apartment, there must be an active Dutch Owners' Association (vve) and a current multi-annual maintenance plan (mjop).

## **8.2 What are you not permitted to do with the house without our written consent?**

- i. You cannot demolish the house, not even in part. If there is no house, but only land you may not excavate the soil if this devalues the soil.
- ii. You may not convert the house, split into two or more houses or merge with another house or a plot of land.
- iii. You may not reduce the rights associated with the house, the so-called easements. For example, you may not give up your right of way, which would mean that you can no longer get to your house in the usual way.
- iv. You may not change the house into anything other than a residence, such as a store.
- v. You may not use the house for anything other than for your own habitation. You may not allow others to live in the house.
- vi. Has the house been damaged? And is anyone else claiming money from you because of this damage? You may then not do anything without us giving you written permission to do so.
- vii. You may not store toxic or other hazardous or combustible or explosive substances in the house. You may only do so if you have a government permit and if we have given you written permission.

## **8.3 Are you doing something with the house which is not permitted according to the terms and conditions?**

- i. You may not change anything in the house, which reduces its value. Are you doing something with the house, which reduces its value? You then need to repair it in the short term.
- ii. If you are doing something with the house that is not permissible in terms of these general terms and conditions or you are not doing something that you must do with the house in terms of these general terms and conditions we will do what is needed to restore the value of the house. You will bear the costs for this.
- iii. We may always check whether you comply with these terms and conditions. You must therefore always allow us access to your house. If there is no occupant in the house we can then go in for a check.

## **8.4 What insurances do you need?**

- i. You must insure your house with a home insurance. This insurance covers damage to the property caused by, for example, fire, storm or lightning. You must choose an insurance that will allow you to fully repair any damage to your property. Please contact your financial adviser for advice on insurance matters.
- ii. You may not change or cancel this insurance without our written permission.
- iii. If your dwelling is an apartment and someone else (for example, the owners' association) has taken out an insurance policy that we find inadequate, you must then take out additional insurance.

- iv. You may also need life insurance. You will anyhow need life insurance if the loan exceeds 80% of the market value of the house. This applies to all persons who take out the loan.

### **8.5 What if something happens to your house, belongings, or insurances?**

- i. If anything happens to your house, belongings or insurance, and this event affects our collateral, for example, there is damage to your house and you get money from the insurance, inform us of the damage when you inform the insurance company. This must take place within eight days of you becoming aware of it.
- ii. If it later becomes apparent that the insurance was inadequate, repairing the damage will then be for your account.
- iii. If you incurred damage and you receive a proposal for dealing with the damage from the insurance
- iv. Company, we must then agree to this proposal.
- v. If you receive money from the insurance company, we can then decide if we are going to use this money to repay part of the loan or whether we are going to use this money to repair the damage. If there is any money left after the repairs, we may then decide if we are going to use this money to repay part of the loan or whether you will receive the money.
- vi. If you receive a letter stipulating that the insurance is reduced or cancelled from the insurance company, you must then inform us immediately.
- vii. If you not adhere to the agreements listed above, for example, you do not pay the insurance premiums, we may then decide to pay these premiums. You will then repay the premiums to us or we will take out a new insurance policy. You pay these premiums.
- viii. If the insurance company will not pay for damage and it is then a matter between you and the
- ix. insurance company, you are solely responsible for this. This also means that in this
- x. case you must fully repay the loan to us. You cannot offset the amount you must receive from the insurance company with your loan.

### **8.6 What agreements do you make with the insurance company and us about the insurances?**

- i. You must ensure that the insurance company sends the insurance policies to us within one month of signing the mortgage deed.
- ii. You arrange with the insurance company that we, before anyone else, are first in line to receive money from the insurance. The insurance company must then specify this on the policy. If we want someone else to get the money from the insurance, you must arrange that as soon as possible.
- iii. You also arrange that we receive all other insurance rights. For example, we can stop the insurance or designate someone else to receive the insurance.
- iv. If you are not paying your insurance premiums we can oblige you to repay the loan on a linear basis. That means that we divide the currently outstanding amount on



the loan by the remaining number of months of the loan term. You will repay that amount to us monthly. We can simultaneously decide that you pay the insurance premiums to us. We, in turn, will pay the insurance company.

- v. If you have you fully repaid the loan and have you also paid us all the amounts you had to pay us, for example, interest, costs and any compensations, all the insurance will then revert to you. To this end, we will send a letter to the insurance company.
- vi. We can do anything with the insurance we need for our security. This means that we can take decisions for you and decide regarding insurance with the insurance company, for example, reaching an agreement on an amount to be paid.
- vii. If you take out new insurance policies related to the property after signing the mortgage deed, please send us a letter or e-mail immediately.

### **8.7 Can you let the house?**

- i. You cannot let the house. You may only lease or grant the house as security if we give you
- ii. written permission and you meet the terms and conditions we set. You may not
- iii. change the terms and conditions of the lease afterwards without our written permission.
- iv. If we ask you, you must provide us with all the lease agreements upon request.
- v. We may decide that you must provide us with a pledge on the rental income and/or that you must use the rental income to repay the loan.

### **8.8 We may have your house revalued**

- i. We may investigate the value of your house. We, for example, do this if you do not cooperate in the sale of the property. We decide on the Appraiser. If requested, you allow the Appraiser to do his or her work. You must allow the Appraiser entry to the house. You bear the Appraiser's costs.
- ii. The Appraiser prepares a valuation report. This may contain a value of the house that we deem as being too low in relation to the loan. If so, we may make new agreements with you, for example, that you will repay a part of the loan earlier.

## **9. What and how do you pay us?**

### **9.1 You pay us interest, repayment and other costs**

- i. You pay monthly interest on the loan. If we have arranged as such, you will also make a monthly repayment on the loan. We calculate the amount you must pay.
- ii. We will automatically deduct the amount due and payable by you from your bank account three working days before the end of the month. You therefore ensure that there is always enough money in your bank account. We may change the payment within reasonable limits.
- iii. You give us, or someone else designated by us, permission to automatically deduct the amount from your bank account each month.
- iv. Can we not deduct the amount from your bank account? You must then transfer



the amount to us as soon as possible.

- v. Must you not only pay these amounts but also other amounts, such as costs we paid for you? We will then automatically deduct this from your bank account three working days before the end of the month.
- vi. If the interest rate changes and you going to repay a different amount, or have repaid a part of the loan earlier then we shall recalculate how much you must pay.
- vii. If you have to incur costs to pay us, for example, for making a priority payment these costs will then be for your own account.
- viii. You have paid us if the money reflects in our bank account and you cannot have it returned. This also applies when we automatically have the amount deducted from your bank account. You may not reverse a direct debit payment.
- ix. If you pay us too little, we use your money to pay:
  - a. first, the amounts we paid on your behalf (for example, insurance premiums),
  - b. then other amounts you must pay us (for example costs and fines),
  - c. then the interest you must pay us, and
  - d. lastly, we repay a part of the loan.

We always do this in this sequence. You cannot change this.

- x. If we have paid an amount on your behalf, or we are entitled to an amount from you, you must then pay that amount immediately. This is not necessary if we have made other agreements in writing.
- xi. You may not offset amounts that we receive from you against the amounts you receive from us. These are separate from each other.
- xii. You pay us in euros.
- xiii. Would you like to change the bank account number from which we have the money deducted? Please use the direct debit amendment form. You will find this form on [www.nibcdirect.nl](http://www.nibcdirect.nl).

## **9.2 What costs do you pay?**

- i. You pay all costs related to the loan and the collateral you provide us with:
  - a. The cost to grant the loan to you, extend or change it.
  - b. The cost of your financial adviser.
  - c. The cost of the collateral you provide us with, for example, the Notary's costs for preparing, signing and changing the mortgage deed and the deed of pledge, the house valuation costs and the cost for having the collateral returned.
  - d. The cost to ensure that you pay all amounts and that you adhere to the agreements, such as collection compensations, notarial compensations, auction compensations, bailiffs' compensations, compensations we must pay for legal assistance or valuation costs.

- e. The cost of expropriating and cleaning your house, as well as removing your belongings from the house if necessary.
  - f. If you have a conflict with someone else and, for example, someone else attaches your house we may incur costs, such as costs for legal assistance. These costs are for your account.
  - g. All other costs (such as, long lease) and taxes related to the loan and the house.
- ii. If you have not paid any costs due we can pay these costs if we find it necessary. You shall refund us for these costs. If you reimburse these costs and we accordingly incur additional costs, these costs will then also be for your own account.
  - iii. If we pay anything on your behalf you must then pay us interest. The law stipulates the interest rate.
  - iv. We do not request advance permission for incurring costs if that is necessitated by circumstances.

### **9.3 What do we do when we receive an amount on your behalf and must pay it to you?**

- i. Must we pay you an amount? And must we get this amount from someone else? We will only pay if we had received the money from the other person. If we have already paid the amount to you and we have not received the amount from the other person we will then add the amount to your loan. If necessary, we will arrange this afterwards. We will not send you a letter in advance when doing so.
- ii. If we receive the amount from another person in another currency we will then calculate how many euros we must pay to you. We do this calculation based on the exchange rate on the day we received the money.

## **10. Who is responsible for repaying the loan?**

### **10.1 Is more than one Party taking out the loan?**

- i. A loan can be granted to one Party or to several Parties jointly. When "you" is used in these terms and conditions, it refers to all Parties to whom the loan has been granted.
- ii. If the loan is granted to more than one Party, each borrower has the power to receive all communications from NIBC Direct on behalf of the other borrower(s) and to make all communications to NIBC Direct.
- iii. If the loan agreement has been signed by several borrowers, each borrower is authorised to perform all legal acts relating to the loan, the loan agreement, the general conditions and the mortgage deed.
- iv. You are (jointly) responsible for repaying the loan. Every month, you must repay us an amount that you have agreed to. The Parties who jointly take out the loan are jointly and severally liable. By this we mean that we can hold each Party liable for the entire amount of the loan separately.
- v. The other Parties must pay the loan in full if one of you is no longer able to pay.

If one of these Parties gets our permission not to pay for a specified period or the law stipulates that he or she no longer needs to pay the other Parties must then simply pay all amounts of the loan. This also applies if we change our collateral.

- vi. All Parties responsible for the loan must fully repay the loan to us. The Parties responsible for the loan may therefore not demand money, which they owe, us from each other. If they still demand money from each other we must still be paid first. To be sure, you give us a right of pledge on whatever you may demand from each other.
- vii. The Parties responsible for the loan may not agree that they will take over each other's rights and obligations. The law refers to this as "subrogation". If the Parties responsible for the loan still take over each other's rights and obligations the arrangement that we must be paid first then still holds. To be sure, you give us a right of pledge to the rights you have to each other.

### **10.2 Is there a guarantor?**

- i. A guarantor is someone who guarantees that he or she will only pay if you do not pay. We agree that you are jointly and severally liable and therefore there is no guarantee.
- ii. If you or the Court still finds that you are guarantor for the loan we then agree that you cannot use the rights that a guarantor has based on the law.

### **10.3 Does someone else make agreements with us for you?**

- i. If you have given someone else permission to arrange matters about your loan with us on your behalf, you must then inform us about this in writing and all terms and conditions and agreements then also apply to him or her. You must inform him or her about this and you are responsible for ensuring that he or she adheres to all terms and conditions and agreements.
- ii. If you have given someone else permission to arrange matters about your loan with us on your behalf and something in the permission has changed or matters may no longer be arranged by anybody but the Court, you must then inform us in writing immediately. If we have not been informed, the other Party can simply continue arranging matters about your loan with us. Even though the changes were available in a public register.

### **10.4 Death**

- i. Your next of kin must inform us in writing as soon as possible in the event of your death. We will continue acting in accordance with our agreements as long as we have not been informed.
- ii. We may require a certificate of inheritance from a Notary in the Netherlands. We then know with whom we can arrange matters. The costs are for your next of kin's account. Your relatives must also provide us with other documents should we require such.
- iii. We do not have to resend all the information that we had sent prior to the death.

## **11. The building fund account**

### **11.1 How does a building fund account work?**

- i. If you are using part of the loan to construct or renovate your home we shall deposit this part of the loan into the building fund account. You can pay the invoices for the construction or renovation with the money on this account.
- ii. You must also pay the interest and repay the loan to us during the construction or renovation of your home. You pay us monthly interest on the loan. You will also repay part of the loan to us each month if you had agreed to do so.
- iii. If there is money in the building fund account you will then receive interest on this money from us, which will be credited to your building fund account. We use the same interest rate as the one that applies to your loan to calculate the interest. If different interest rates apply to different components of your loan we shall calculate the average of the different interest rates. In doing so, we have due consideration to the amount of the different loan components.

### **11.2 What is the term of the building fund account?**

The term of a building fund account can vary. If you have the building fund account you may then use the building fund account for one year at most. If you have the building fund account for constructing a new house you may then use the building fund account for two years at most.

### **11.3 What if the building fund account ceases?**

We no longer pay any the interest when the building fund account stops. We use the money that is currently on the building fund account to repay your loan.

### **11.4 How do you pay invoices with the money from the building fund account?**

- i. If you want to pay an invoice from a contractor or another person with money from the building fund account you need the invoices for doing so. Sign the invoices and write the number of the loan on these invoices and send them, together with a completed and signed declaration form, to us or to another organisation that does the administration on our behalf. We check the invoices you send to us. We will pay the invoices if they meet our terms and conditions.
- ii. If you want to get money from the building fund account yourself please send us the documentation proving that you have paid a contractor or someone else. Write the number of the loan on the document(s) and forward the document(s) and the original invoice, signed by you, to us. We check the documentary proof and the invoices you send to us. We will transfer the amounts to the payment account you provide if the documentary proof and the invoices meet our terms and conditions. This is always a payment account in your name.
- iii. If we receive an invoice for additional work we will only pay this invoice if it had been provided for in the construction plan, the renovation plan and in the loan offer.

- iv. We only disburse money from the building fund account:
  - a. if you adhere to all agreements,
  - b. if there is enough money in the building fund account,
  - c. if you send us the original invoices with your signature, and
  - d. if the work is done according to the specifications of the construction plan or renovation plan. We must approve these plans and the work in advance.

## **12. What information do we receive from you?**

**Take note:** we assume that all information we receive from you is correct. Even if you send us the information through someone else.

Are you sending information to us? Or you are you receiving information from us? Please ensure that other people cannot do anything with it. For example, ensure you are using a safe Internet connection. We may copy and store the information we receive from you.

### **12.1 Personal information**

- i. We will receive the following personal information from you:
  - a. your name, address, place of residence,
  - b. your date of birth,
  - c. your Citizen Service Number,
  - d. your signature,
  - e. you shall provide us with the conditions of your marriage or partnership if you are married or in a registered partnership. You can do this by sending us a copy of the marital or partnership conditions, and
  - f. if you are jointly responsible for the loan with someone else, you must also provide us with his or her personal information.
- ii. We will check all your further signatures against the signature you provide when applying for the loan. If you change your signature you must send us your new signature as soon as possible.

### **12.2 Are your data or circumstances changing?**

- i. You must also provide us with the information below. Send this information to us in writing. Do this within fourteen days from the moment you have this information.
  - a. Changes to your personal information.
  - b. You are going to live somewhere else.
  - c. You want to receive your mail somewhere else.
  - d. Changes to your rights. For example, you no longer allowed to sign agreements.
  - e. You are going to divorce or there are changes in the conditions of your marriage or partnership.
  - f. Any change in your situation, which may prompt us to request immediate full or partial repayment of the loan.
  - g. Any change or damage to the house or something else that reduces the value of

the house.

- h. Every change in the rights you have to the house.
  - i. Any change or damage to the belongings you provided us with as collateral or anything else that causes a devaluation of the belongings.
  - j. Every change in insurance related to the house or the loan.
  - k. Someone files for a Court bankruptcy order against you.
- ii. You apply to a Court for postponement of payment or for debt restructuring. If you receive documents that are related to the house for example, from the municipality, send them to us within fourteen days of you receiving them yourself or immediately after we request you to do so.

### **12.3 What may we ask of you?**

- i. In some cases, you must provide us with additional information, for example if we have questions about your work, your income, the origin of your own money or why you want the loan.
- ii. If you deposit money into an account with us, pay a part of the house with your own money, make additional repayments on your loan, provide us with securities such as shares or other valuable belongings, we are legally obliged to ask you how you obtained these, and you must then provide us with that information.

### **12.4 Your address**

- i. In principle, we use the address of the collateral as your address. If we cannot reach you at your address we can send your mail to the Notary where you signed the mortgage deed or to any other address known to us. We do this, so that the Court or someone else can always send you mail.
- ii. If you are responsible for the loan together with someone else we will send all mail to the address we have discussed. If you jointly disagree on that address we will determine the address to which we send the mail.

### **12.5 Language**

We receive the information we receive from you in Dutch. If you have other language documents you must have them translated into Dutch by a sworn translator. You shall bear the translator's costs.

### **12.6 We may record conversations with you**

- i. We may record conversations with you. We do so:
  - a. to deliver and improve quality,
  - b. if we find this necessary to do our job properly,
  - c. to collect evidence for the Courts, and
  - d. to fight crime.
- ii. If you want to obtain these recorded discussions and must we give them to you, please let us know exactly when we had these recordings made.

### **12.7 Protection of your personal data**

We treat your personal information carefully and in line with our privacy statement. You

receive the privacy statement with the mortgage interest offer and it forms part of the final offer and these general terms and conditions. The privacy statement can be adjusted from time to time, you can find the latest version on the website [www.nibcdirect.nl](http://www.nibcdirect.nl).

## **13. What information do you get from us?**

### **13.1 You receive the following information from us**

- i. At the beginning of each year you will receive a letter from us specifying the amount outstanding on the loan on 31 December of the previous year. We refer to this letter as the annual statement.
- ii. This letter also specifies how much interest, costs and other amounts you paid or owed us.

### **13.2 Please check the information you receive from us**

- i. If you receive information from us please check immediately whether this information is correct. Also check whether we have implemented your instructions correctly.
- ii. If the information you receive from us is incorrect or you think we did something wrong, let us know and ensure that as little damage as possible occurs. If you let us know within thirty days we will rectify the error. If you not let us know within thirty days, we shall then assume that the information is correct and that you agree. We therefore assume that what we have done everything correctly. We only correct calculation errors after thirty days.
- iii. If we are aware that we have sent you incorrect information or that we did something wrong, we may immediately rectify this without your permission. We will let you know immediately.
- iv. If you did not receive any information from us but you think you should have, please let us know immediately.
- v. If you would like a copy of a letter that we sent you earlier, you can simply request one.

### **13.3 Your information and our records**

- i. Our records show the amount of your loan. They also show how much interest, costs and other amounts must to pay. The information in our records is the complete and compelling proof of the loan and all the rights and obligations associated with it. If we send you letters based on the information from our records you must then follow the instructions in those letters.
- ii. There are three exceptions to this rule:
  - a. You have checked the information and you have discovered that the information is incorrect or that we are doing something wrong. And you did let us know about that within thirty days.
  - b. You have checked the information, you have found a calculation error and you have informed us about this.
  - c. You prove that the information in our records is not correct.
- iii. We do not store the information in our records for longer than specified by law.

### **13.4 Who administers the loan?**

- i. We may ask another organisation to administer of the loan for us.
- ii. If you need to send us information please send this information to this organisation. This also applies to all documents and letters that you must provide us with.
- iii. If that other organisation does something that leads to you incurring damage, you must directly contact the organisation that caused the damage. We are not responsible for the damage.
- iv. If we have deliberately done something or not done something that led to you incurring damage, or we either do or did not do something that we knew for sure would lead to you incurring damage we will pay the damage.

## **14. What happens if you do not comply with the agreements?**

We have several options as to what to do when you do not adhere to the agreements. We do this only after you have been duly informed by us and two months after you stopped paying us. **Take note:** all costs are for your account if you adhere to the agreements (see chapter 9.2).

### **14.1 What may we do if you do not pay on time?**

We may decide the following if you do not pay us in time:

- i. If you have not yet received the full amount of the loan we may decide that you will not receive the rest of the loan.
- ii. We may give you a fine (see chapter 14.5).
- iii. We may exercise our mortgage right and right of pledge. We may sell your house and all belongings that you provided us with as collateral. We may also auction your house and belongings.
- iv. We may request a Court to expropriate your house.
- v. We may decide that you must partially or fully repay the loan immediately.

### **14.2 What if we are forced to sell your house?**

If we are forced to sell your house, the following applies:

- i. We determine how, when, where and under what conditions we sell the house and belongings. We do not need to send you or other Parties a letter stipulating that you have not adhered to the agreements and setting a deadline for adhering to the agreements.
- ii. We determine the amount of the auction costs.
- iii. We can start the auction, stop and restart it.
- iv. We can establish easements. For example, we can grant your neighbour the right to cross your land.
- v. We determine when we sign the act of delivery with the Notary.
- vi. We receive the yields from the sale. We will let you know how much money we have received. The loan is (partly) repaid and other payments due and payable under the loan are paid with this.



- vii. If the buyer does not do what we have arranged the sale will not continue. If necessary, we request a Court not to block the sale.
- viii. If your house is sold by a Notary you must provide the Notary with all the information he or she needs.
- ix. We can do everything that we find necessary with your house at that time to maximise the yield, for example divide the house before selling it. We may also change your rights, for example the right that you may cross someone else's land to reach your house. We will arrange this with a Notary if necessary.
- x. If we sell your property you must cooperate in doing so. For example, you must ensure that potential buyers can view the property. Potential buyers may view the house for three weeks, two days a week, four hours a day. If there is no occupant in the house we may enter the house for this purpose ourselves.
- xi. We may sell the house in full or in part. If we sell a part of the house we may sell the rest later.
- xii. If we have sold the house, you must remove all your belongings from and clean the house. All your belongings must be out of the house on the day that the new owner receives the keys to the house from the Notary. If you did not remove your belongings from the house or did not deliver the house broom clean we shall take care of this. We may also do everything we need to do, for example, guard the house or put new locks on the doors. You must ensure that nobody else's belongings are in the house.
- xiii. If you incur damages because we sell your house for whatever reason, we will not pay for this damage. You are responsible for the damage.
- xiv. If you disagree with us selling your house at auction you must then let us know at least three days before we sell the house. We will then see whether we can comply with your request. You can then no longer request us not to sell the property at the auction. You can also not request us to pay the damage you incurred because of the house being sold at an auction. You may not approach a Court to have your house sold in any other way. Only we may determine how we want to sell the house. You may also not approach a Court to ensure that you get a different price for the house.
- xv. There may be special situations in which we sell the house and the belongings before two months of payment arrears.

### **14.3 What if we ask the court to take the house under our control?**

- i. We may ask the Court to take the house away from you. We will then manage the house. This means that you no longer have a right to the house and that you cannot do anything further with it. We can then do what we find it necessary. You bear the costs we incur in this regard.

- ii. If you incur damage because of the Court taking the house away from you we will not pay. If we or the Court have taken the house away from you, we may then return your right to the house. You will then manage the house yourself again.

#### **14.4 When can we decide you must repay the loan immediately?**

The cases in which we may decide that you must repay the loan in part or in full (including all other claims under the loan) or if we are entitled to decide that you will not receive the remainder of the loan are set out below. We refer to this as grounds for demand. There are also additional grounds for demand. We do not need to send you a letter (a notice of default) stipulating that you have not adhered to the agreements.

##### **14.4.1 Grounds for demand**

- i. You must pay us an amount and you do not do so on time or in full.
- ii. The term of your loan is past.
- iii. You do not meet any obligation from these general terms and conditions, the offer, the mortgage deed or any other agreement or you violate a prohibition contained therein.
- iv. Your payment morality no longer gives us confidence that you will fulfil your obligations (in time and in full) in future. This, for example, is the case with persistent payment arrears and non-compliance with payment agreements.
- v. You have borrowed money from someone else and he or she wants you to repay the loan immediately or he or she may ask you to repay the loan immediately.
- vi. You do something that is not allowed, or you do something with the house that is not allowed by these terms and conditions, the offer, the mortgage deed or another agreement or the law or other rules of the government.
- vii. It is sufficiently plausible that you use the house for the prostitution, sale, storage or processing of (raw materials for) narcotics or other illegal activities.
- viii. You do something that you had not received written permission from us to do, although this was required.
- ix. There is something wrong in documents stating that you are the owner of the house or in the documents on our mortgage right or right to pledge. Or you must provide us with a document and you do not do that or the document you provided us with is unacceptable.
- x. You apply for deferral of payment, to be declared or for a debt restructuring scheme from the Court or someone else does so on your behalf.
- xi. You no longer have any say over your money and belongings (for example, because of being placed under guardianship or receivership), you are no longer the owner of the house or belongings that you provided us with as collateral or someone else gets rights to the house, belongings or insurances that you provided us with as collateral.
- xii. You die.
- xiii. You disappear without a trace without having properly arranged your affairs with us.

- xiv. You must provide us with collateral, but you have not done so or not in the way we had arranged. You change the collateral or the ranking of our mortgage right or right to pledge while we had not arranged it this way.
- xv. You provided us with insufficient or incorrect information when we granted you the loan and we would not have granted you this loan or made other agreements with you if we did have the correct information. You must do something with the house, which you and we were not aware of when you were granted the loan.
- xvi. The value of the house decreases because you do not maintain the house properly or because of some other reason (for example, a fire).
- xvii. You approach the Courts to rule you do not have to adhere to agreements related to the loan, or you take another route, for example without approaching the Courts, to not have to adhere to the agreements.
- xviii. The Courts or the government decide(s) that the house is uninhabitable, that the house is (temporarily) closed, that you cannot repair or renovate the house or decide(s) to expropriate the house. The government decides that you have lost your house or land because of land consolidation or you must rebuild the government's house.
- xix. The Court changes something to the house and the house accordingly no longer serves as proper collateral to us or you have no further say over the house. The government changes a law or a rule, giving you less right to the house.
- xx. You receive a letter from a Bailiff stating that your house is being attached by someone. That means that you may not sell the house or provide it to someone else as collateral. This usually happens when someone else receives money from you or if someone else claims that the house belongs to him or her. This also applies to the belongings you had provided us with as collateral.
- xxi. You let the house out without our written permission or not in accordance with our terms and conditions.
- xxii. You do not comply with the obligations from your insurance policies, of which the benefits have been provided to us as collateral or the insurance on the house stops and you do not immediately re-insure the house.
- xxiii. You are no longer a member of a cooperative that the house forms part of.
- xxiv. Something happens to you or the house and we fear that our good name may accordingly be compromised.
- xxv. Something else happens that makes it reasonable for us to stop the loan.

#### **14.4.2 Additional grounds for demand**

- i. The following grounds also apply if your home is on the land that you rent from someone else (building) or from the government (leasehold):
  - a. You do not pay the money for the building or leasehold or you do not adhere to the agreements in respect of the building or leasehold.
  - b. You cannot or can no longer use the land.
  - c. The conditions for the lease or building change.

- d. The Court changes the conditions of the leasehold or building or stops the leasehold or [access to the] building.
- ii. The following grounds for demand also apply if your property is an apartment:
  - a. The rules of the regulations that apply to the apartment or the rules in the deed of division change, the rules of the regulations or the deed of division no longer apply.
  - b. The building in which the apartment is located is partially or fully demolished.
  - c. You do something with the apartment that contravenes the law, other rules of government, our terms and conditions or our Agreement.
- iii. The following grounds for demand also apply if you let out your house with our written permission:
  - a. You have permission from the government or the Court to change the designated use of the house.
  - b. Someone else may lease the house from the Court.
  - c. You reduce the rental price or the lease rate.

#### **14.5 When do we charge a fine?**

If you did not pay us an amount on time you must pay us a fine immediately. To this end, we do not need to send you a letter stipulating that you have not adhered to the agreements and setting a deadline for adhering to the agreements. You must pay interest on the outstanding due and payable amount. The interest rate is the interest rate that remains the same for a month that you do not repay a loan. We add three percentage points to the interest rate. You must pay this interest from the date you did not pay. We continue to reserve the right to demand compensation from you.

### **15. Can either one of us transfer the loan to another party?**

- i. We may grant the loan and all associated rights and obligations to another Party. You give us permission to do so when you sign our offer. You promise us that, if necessary, you will give us your signature. You also cooperate in this. At that time, you also give us permission to provide the other Party with all information about you.
- ii. If you cannot provide us with this permission beforehand we shall make the following arrangement. We may grant the loan and all the associated rights and obligations to another Party when we want to. And you must fully cooperate when we do so. We shall not lose any rights. Neither will you.
- iii. You may not grant the loan and all associated rights and obligations to another Party without our written permission.
- iv. We make the following arrangement if we or you grant the loan to another Party: we will also provide the other Party with the collateral associated with the amount of the loan. It shall remain certain that the person who must pay the money of the loan also does pay that money. And that the person who must get the money of the loan, also gets that money of the loan and has enough collateral for it.
- v. We decide about the amount of collateral we provide the other Party with. The amount of the collateral can be the same as that of the loan, but can also be more or less than this. Moreover, we can also agree that we combine the collateral with

other collateral.

- vi. If we grant the loan to another Party and must accordingly share our collateral (mortgage right and right of pledge) with another Party, we must then decide about that division. You must adhere to these agreements.

## **16. When do these general conditions not apply?**

### **16.1 What happens if a condition is not permitted by law or according to a Court?**

If there is anything in these general terms and conditions or in another document that is not permitted by law, or a Court says something is not permitted, that provision does not apply. We will then adjust the terms and conditions. This does not affect the rest of the provisions or other documents.

### **16.2 What happens in case of contradictory information?**

- i. If there is a contradiction between a provision in these general terms and conditions and the final offer, the offer then prevails.
- ii. If there is a contradiction between a provision in the final offer and the mortgage deed, the mortgage deed then prevails.
- iii. If you have a loan with the NHG [Dutch Mortgage Guarantee Scheme] and there is anything in the mortgage deed, the final offer or these general terms and conditions that is contradictory to the conditions of the Owner-Occupiers Guarantee Fund, the conditions of the Owner-Occupiers Guarantee Fund will then prevail.

### **16.3 Can we change these general terms and conditions?**

- i. We may change these general terms and conditions.
- ii. We are not obliged to use our rights in these general terms and conditions. If we decide not to make use of a right we then retain all other rights in these general terms and conditions.

## **17. Are you dissatisfied with our services?**

- i. We do our utmost to satisfy you as a Customer. Sometimes things can go differently from what you had expected, or it may be that we accidentally made a mistake. Please inform us of the reason for your dissatisfaction. We will try to solve your problem.
- ii. If you have a complaint, please go to the website [www.nibc.direct.nl](http://www.nibc.direct.nl) and complete the complaint form or send us a letter with the following topics:
  - a. your complaint,
  - b. your name, address, date of birth, telephone number and e-mail address,
  - c. the number of the loan, and
  - d. a copy of the documents to which your complaint pertains.

Please send your letter to this address:

Direct Mortgage

for the attention of  
Return address Complaints Management 16077  
2501 VE The Hague

We will contact you soon after we receive your complaint form or letter.

- iii. If you are dissatisfied with the way in which we dealt with our complaint you can submit your complaint to the Klachteninstituut Financiële Dienstverlening [Dutch Financial Services Complaints Authority] (KiFiD). Please send us a letter within three months to:  
KiFiD  
P.O. Box 93257  
2509 AG The Hague
- iv. Would you like more information about KiFiD? Or do you want to know whether KiFiD can deal with your complaint? Please phone the telephone number 070-333 8 999 or go to [www.kifid.nl](http://www.kifid.nl).
- v. If you do not want to approach the KiFiD, you can also approach a Competent Dutch Court.
- vi. The agreement between us is governed by Dutch law. This means that Dutch law will apply in the event of a difference of opinion developing between you and us.