

## SPECIALIST MORTGAGES

# OVERSEAS MORTGAGES

Buying a villa in the sun or a chalet in the Swiss Alps is the ultimate dream for many but if you need a mortgage it can be a complex process. Buyers should beware that unlike the UK, the mortgage markets abroad are much stricter and far more limited. Dealing with foreign banks and agents, particularly if there is a language barrier, can also make life tricky, while the property buying process can be very different from the UK.

It is also important to understand currency risk and the repercussions of borrowing in a foreign currency. Exchange rate fluctuations can affect your repayments so if the euro falls in value against the pound, for example, then the debt you have will increase compared to the value of the euro property. However, there are usually fiscal benefits to having a local euro mortgage, such as French Wealth Tax, that you would not have if you obtained finance in the UK.

High loan-to-values are less commonplace abroad than in the UK so you will need a bigger deposit, with a 30 per cent down payment common in Spain, for example. In France and Spain, long-term fixed rates of 20 years or more are common and rates tend to be very competitively priced. All applications require full supporting documents with close scrutiny of bank statements and income is strictly assessed on what is visible on the past three years' tax returns rather than any future or potential income or revenue on which tax has not been paid.

When it comes to arranging an overseas mortgage, SPF Private Clients can help. We have many years of experience in arranging international finance for our clients. Our team of experts can help you find the right mortgage, at competitive rates, and will guide you through the mortgage process from start to finish.

We can advise clients buying in France and Monaco, Portugal, Spain, Switzerland and Italy as well as countries further afield such as Mauritius, the US and Caribbean, on a case-by-case basis.

We will liaise with a list of international lenders as well as private banks to find the most competitive finance for your individual circumstances in the country within which you wish to invest. Whether you are buying a new home abroad, remortgaging an existing overseas property or looking for a holiday home or a holiday let, we can help.

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER DEBT SECURED ON IT. CHANGES IN THE EXCHANGE RATE MAY INCREASE THE STERLING EQUIVALENT OF YOUR DEBT. A fee of up to 1% of the loan amount is payable. For example, if we arrange a loan of €400,000 the fee could be €4,000. The exact fee charged will depend on the amount of work undertaken.



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The FCA does not regulate some forms of buy-to-let, overseas and commercial mortgages.