GENERAL INFORMATION ON MORTGAGE CONTRACTS

The purpose of this document is to provide consumers[1] with the general information about the mortgage agreements offered by ING Luxembourg, in accordance with the provisions of the Consumer Code in effect.

1. Contact details of the lender (hereinafter referred to as the "Bank")

ING Luxembourg S.A.
26, Place de la Gare
L-2965 Luxembourg

Trade and companies register of Luxembourg B.6041
contactcenter@ing.lu

www.ing.lu

2. Possible uses of the loan

A home loan may be offered to finance:

- the acquisition of land to build on;
- the acquisition or construction of a real estate asset, for residential or rental use, or to maintain property rights on a real estate asset;
- any other type of financing where the loan is secured by a mortgage or comparable security on residential property.

3. Types of collateral

In order to protect against potential repayment default, the Bank may be required to request different types of collateral guarantees.

These guarantees requested from the borrower are generally:

- a first-ranking mortgage on the property to be purchased or built;
- repayment protection insurance in favour of the bank to cover the outstanding loan balance in the event of the death of the insured;
- wage assignment.

Depending on the case, other collateral may also be requested such as:

- A bank guarantee;
- A mortgage on another real estate asset;
- A pledge of assets (securities or cash);
- The transfer of the benefit of a life insurance policy or a home savings policy;
- A joint and several guarantee by a natural person.

Depending on the case, and subject to the Bank's approval, the collateral may be under the jurisdiction of another Member State (France or Belgium in particular).

[1] A natural person acting for purposes that fall outside the scope of his/her commercial, industrial, craft or professional activity.

4. Maximum term of a mortgage loan

The maximum term of a mortgage loan entered into with the Bank is 30 years, at the Bank's discretion.

In the case of adjustable fixed-rate mortgages, a distinction must be made between the term of the contract and the term of the fixed rate, which is shorter than the former: at the end of the fixed rate period, the borrower can choose a new type of rate, fixed or variable, according to the rates in force at the time of their choice and in accordance with the agreed contractual provisions.

5. Types of interest rates on the loans

In return for the financing granted, the borrower must pay loan interest, which will be added to the borrowed capital. The frequency of calculation and payment of interest is determined in the loan agreement.

The Bank offers different types of interest rates to its customers:

Fixed rate

A fixed rate is a rate that does not change over the term of the loan (or during the fixed-rate period agreed in the case of an adjustable fixed-rate loan). The rate is set at the start of the loan and remains the same for the entire term of the contract. This therefore allows the borrower to know in advance how much the loan will cost.

However, the borrower will not be able to benefit from any future decrease in market rates and any early repayment would be subject to payment of an indemnity (under the conditions detailed below).

Variable rate

A variable rate is a rate that can fluctuate over the term of the contract. An increase in the rate will increase the amount of the instalments, while, conversely, a decrease in the rate will decrease their amount.
The variable interest rate is based on market rates and therefore changes in accordance with the change in market rates.

The variable rate can be:

- a benchmark index for a given maturity plus the commercial margin negotiated on a case-by-case basis with the Bank;
- or a variable rate that the Bank may modify, at any time, in writing and in accordance with the money market conditions. These market conditions notably include the cost of financing or refinancing of the Bank for the type of credit in question, the trend of rate changes on financial markets in the short, medium and long terms, its functioning costs, its balance sheet position and that of the group to which the Bank belongs, its level of equity, the risks inherent to the loans in question, its marketing policy, its positioning on the market concerned, etc.

This rate allows the borrower to benefit from periods of lower interest rates and to make a partial or total repayment at no charge.

Conversely, when interest rates rise, the amount of the instalments will be higher.

The Bank generally uses the EURIBOR benchmark (abbreviation of the *Euro Interbank Offered Rate*). This is the average interest rate at which a panel of top-tier European banks with an excellent solvency standing (consisting of 19 banks of the eurozone and major international banks) lend to each other in euros.

The Administrator of the Euribor is the European Money Markets Institute (EMMI), 56 avenue des Arts B-1000 Brussels, registered in Belgium under identification number 1768/99.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and Regulation (EU) No 596/2014 (the "Regulation"), the Bank has a procedure for monitoring the benchmarks used describing the measures to be implemented in the event that a benchmark materially changes or ceases to be provided.

In the event of (I) a change affecting the composition and/or definition of the benchmark, (II) substitution with an index of the same type or equivalent, (iii) a change affecting the body publishing the benchmark or methodology of calculation, (iv) or in the event that a benchmark index ceases to be provided or the absence of a benchmark, the Bank shall apply:

· the substitute index as indicated by the administrator of the relevant index, or

· the index indicated by the central bank or the regulatory authority responsible for the supervision of the index concerned, or

· the index as set by law, where applicable, or

· an index that it will determine in good faith, taking into account market practices and circumstances.

The alternative index as previously designated shall automatically apply, after prior written notification by any means by the Bank.

Revisable fixed rate

The revisable fixed-rate loan consists of several periods of the same length ("interest calculation period"), with a maximum loan term of (30) years. The first period has a fixed rate, defined at the time of the loan application; during this period, the instalments are therefore the same.

At the end of each period, the borrower has the option, for the new interest calculation period, to choose:

- either a variable rate (among the rates in force)
- or a fixed rate. A new fixed rate will then be agreed with the Bank.

Outside the fixed-rate periods, the borrower may repay the loan in part or in full, with no penalty charge.

6. The Bank only offers home loans in euros, excluding any other currency

7. Representative example of mortgage financing

Amount borrowed	EUR350,000
Term	300 months (25 years)
Interest rate on the loan	1.50%
APRC[2]	1.58%
Monthly instalment	EUR1,048
Total cost of credit for the borrower, including: - Administrative fees: - Account charges:	EUR73,900 EUR1,500 EUR2/quarter (included in the monthly instalments)
Total amount due by the borrower	EUR423,900

This example is provided for information purposes only and does not constitute a binding offer by the Bank.

8. Other costs not included in the total cost of credit for the consumer, to be paid in connection with the home loan

A mortgage can incur costs other than those related to the interest paid on the loan.

Certain costs, such as account charges and administration fees, are included in the calculation of the APRC (annual percentage rate of charge) and therefore in the total cost of credit for the borrower, but there may be other potential costs, not known by the Bank, which are not included in the total cost of credit.

Depending on the case, this may be:

- premiums for outstanding balance insurance
- mortgage registration fees
- the notary fees

(indicative and non-exhaustive list)

These fees, some of which are one-off fees, payable when the loan is issued, remain at the sole expense of the borrower.

[2] The Annual Percentage Rate of Charge (APRC) is the total cost of the loan expressed as an annual percentage.

9. Possible repayment terms

Amortised loan

The loan is repaid throughout the term of the contract, through periodic payments (usually monthly), according to the agreed schedule, for the entire term of the loan. These periodic payments include both the repayment of the principal and the payment of interest, calculated on the remaining principal due. Over time, the share of the capital in the periodic payments increases while that of interest decreases.

Bullet loan

In a bullet loan, the principal is repaid in full at the end of the loan agreement. Interest on the loan is paid periodically (monthly, quarterly or semi-annually) over the term of the loan, according to the agreed schedule of instalments.

10. Cooling-off period

The borrower has a cooling-off period of fourteen calendar days after receiving the home loan offer. During this period, the Bank keeps maintains the terms of the offer unchanged; the borrower is free to accept it at any time during this period.

11. Conditions directly linked to early repayment

Partial or total early repayment of a home loan before the scheduled maturity is possible at any time during the life of the loan, under certain conditions, depending on the type rate of the loan.

Variable rate

For variable-rate loans, full or partial early repayment is possible at any time and at no additional cost.

Depending on the needs, in the event of partial repayment, the borrower may decide to reduce the overall length of the loan or adjust the amount of the instalments.

Fixed rate

Under a fixed-rate loan, partial or total repayment of the loan may be subject to the payment of an indemnity by the consumer.

In the case of early repayment, the Bank is exposed to the risk of not being able to re-employ the funds initially borrowed, for the initial fixed term and at the same rate level, depending on market trends. The Bank is therefore entitled to fair and objective compensation: it is this potential cost to the Bank that is passed on to the consumer in the form of an early repayment indemnity.

The early repayment indemnity is calculated as follows:

- the sum of the interest that would have been collected by the Bank up to the end of the loan contract less the sum of the interest resulting from the replacement of the principal balance due, on the repayment date, for the remaining duration of the interest period, at the market rate for a corresponding sum and duration. If the sum is negative, no charge is due either by the borrower to the Bank, or by the Bank to the borrower.

In the case of a fixed-rate loan, the interest period corresponds to the end of the loan term.

Partial repayment is allowed under the same conditions and an indemnity will be applied that is calculated proportionally to the amount of the early repayment.

In any case, if the loan was contracted with a view to acquire property that will serve as the borrower's primary residence for an uninterrupted period of at least two years, the indemnity applied for early repayment cannot exceed the amount corresponding to six months of interest on the repaid capital for each early repayment, calculated based on the applicable borrowing rate of the loan at the date of the early repayment.

Under current regulation, this ceiling does not apply to the fraction of the cumulated amount of early repayments that exceeds EUR450,000.

It is the consumer's responsibility to produce the documentation attesting to their right to the cap on the indemnity.

Any partial or total early repayment is only permitted subject to 30 days' notice.

Revisable fixed rate

At the end of each interest period (fixed or variable), full or partial early repayment is authorised without indemnity.

During a period of calculation of the variable-rate interest, full or partial early repayment is permitted at no charge at each interest maturity.

For a fixed-rate interest calculation period, full repayment is permitted with 30 days' notice given to the Bank and the application of an early repayment indemnity.

In the case of early repayment, the Bank is exposed to the risk of not being able to re-employ the funds initially borrowed, for the initial fixed term and at the same rate level, depending on market trends. The Bank is therefore entitled to fair and objective compensation: it is this potential cost to the Bank that is passed on to the consumer in the form of an early repayment indemnity.

The early repayment indemnity is calculated as follows:

The sum of the interest that would have been collected by the lender up to the end of the fixed-rate interest period less the sum of the interest resulting from the replacement of the outstanding balance due on the repayment date for the remaining duration of the interest period, at the market rate for a corresponding sum and duration. If the sum is negative, no charge is due either by the borrower to the Bank, or by the Bank to the borrower.

Partial repayment is permitted under the same conditions and an indemnity will be applied that is calculated proportionally to the amount of the early repayment.

If the loan is contracted with a view to acquire property that will serve as the borrower's primary residence for an uninterrupted period of at least two years, the indemnity applied for costs incurred by the Bank directly linked to the early repayment of the loan cannot exceed the amount corresponding to six months of interest on the repaid capital for each early repayment, calculated based on the applicable borrowing rate of the mortgage at the date of the early repayment.

Under current regulation, this ceiling does not apply to the fraction of the cumulated amount of early repayments that exceeds EUR450,000.

It is the consumer's responsibility to produce the documentation attesting to their right to the cap on the penalty.

12. Valuation of the asset

Depending on the credit application file, the Bank may require an appraisal of the property to be financed and/or pledged as collateral. This appraisal must be carried out by a third-party expert appointed by it or mandated by the borrower and for which additional costs would be borne by the borrower.
In all cases, the expert to be mandated must be approved by the bank.

13. Ancillary services

The Bank requires multi-risk insurance to be taken out (including for risks of fire, lightning, explosion and plane crash, as well as civil liability) covering the real estate asset financed or pledged as collateral. The costs relating to this insurance are borne by the borrower. The latter may choose the insurer of their choice.

14. Non-compliance with obligations related to the home loan agreement

If the borrower does not fulfil their commitments, the Bank has the right to terminate the contract without notice, making all sums due (principal, interest, commissions, fees and other ancillary costs) payable by the borrower to the Bank.

In the event of repayment default, the collateral guarantees may be enforced to recover the sums. As a last resort, this could result in the seizure and sale of the real estate asset pledged as collateral.
In the event of difficulties encountered by the borrower in the payment of their loan instalments, the borrower is advised to contact the Bank to study possible solutions.

15. Applying for a loan to acquire real estate abroad

In certain cases the Bank may finance projects abroad. This is subject to analysis on a case-by-case basis with the Relationship Manager.

Disclaimer

This document provides general information only and may not be construed as legal, tax or financial advice or an offer or solicitation to sell or purchase the services mentioned therein. A loan is a commitment and must be repaid.
For all loan applications, please contact our customer centre at +352 44 99 1 or one of our branches.

You can also make an appointment online by following this link:

https://www.ing.lu/public/makeAnAppointment/#/home