

UNFORTUNATELY, YOUR INCOME IS INSUFFICIENT

Acquisition



Context:

Anna and David fell in love with a house in the canton of Neuchâtel. Their bank and another bank refused to finance the property because they did not have enough income.



Reminder about the conditions to grant a mortgage:

Theoretical charges must not exceed 1/3 of the income and are calculated as follows:

- Interest of 5% on the amount of the mortgage
- Amortisation of the 2nd mortgage in a maximum of 15 years or before retirement (the 2nd mortgage is the difference between the mortgage amount and the 1st mortgage)
- Maintenance costs of 1% of the value of the property

Thus, for a property of CHF 1'000'000 with a mortgage of CHF 800'000:

1st mortgage: CHF 666'666
(i.e. 2/3 of CHF 1'000'000)

2nd mortgage: CHF 133'334
(i.e. CHF 800'000 - CHF 666'666)

Theoretical annual expenses:

Interest of 5% on CHF 800'000	CHF 40'000
Amortization of the 2nd mortgage over 15y	CHF 8'888
Maintenance costs of 1%	CHF 10'000
Total	CHF 58'888

This means that their income must be at least equivalent to 3*58'888, or CHF 176'664 per year.

Strike solution:

As mentioned, the theoretical expenses should not exceed one-third of the income.

- We have therefore identified an **institution with advantageous financing conditions** among our many partners.

→ Thanks to a **different valuation of their income**, our clients were able to finance their favourite property.



Do you need personalized advice?
We are here to help and support you!

[Contact an advisor](#)