

Forward mortgage

Do you want to hedge against rising interest rates in advance?

With a "forward mortgage" from VP Bank, you can prolong ahead of time your expiring fixed-rate mortgages.

With a forward mortgage, the interest rate for a fixed-rate mortgage is determined in advance. The maximum lead-time is one year.

Characteristics

Minimum amount	CHF 100,000
Commission	None
Terms to maturity	2 to 10 Years
Commencement	Fixed start deadlines: 15.3., 15.6., 15.9. and 15.12. After maturity of the «old» fixed-rate mortgage and until the start of the new forward mortgage, the interest rate for variable mortgages is applicable
Maturity	Upon expiration of the interest rate agreement
Amortization	Possible in agreed amounts for the given fiscal period
Premature termination / (partial) repayment	Possible in exceptional cases with the approval of the Bank and upon payment of a fee for early termination
Account balancing	Semiannually, at the end of the semester

Advantages

- Interest charges remain constant even if going rates increase
- The opportunity to benefit over the long term from low current interest rates
- Clearly plannable interest expense
- No upward adjustment in response to rising interest rates
- Combinable with other VP Bank mortgage products
- Individualized combination of several fixed-rate mortgages with differing terms to maturity

Limitations

- No possibility to benefit from declining interest rates
- No possibility to terminate the loan prior to maturity
- Maturity of the loan can occur in times of high interest rates, in which case it will be more expensive to refinance the mortgage

Interested?



Together, we will find the right financing model for your property

Why VP Bank?

We are a respected and renowned mortgage lender in the Liechtenstein/Switzerland region. We have achieved that reputation thanks to the combination of our flexibility and first-rate financing solutions.