



## **BORROWING CAPACITY SIMULATOR - [WWW.DECOURTIER.LU](http://WWW.DECOURTIER.LU) 04/2023**

Our borrowing capacity tool automatically calculates the maximum amount you could borrow based on the borrowing term chosen and directly indicates the purchase price of a property that you could buy. The required capital is calculated according to the type of purchase you are considering (1st purchase or not). The calculator takes into account your financial and family situation, and considers your monthly income as well as your fixed monthly expenses.

The rate may be modified manually and in no case indicates an acquired rate, each simulation must necessarily be reviewed and validated by one of our brokers either by e-mail on [info@decourtier.lu](mailto:info@decourtier.lu) or by our contact form on the website [www.decourtier.lu](http://www.decourtier.lu) .

### Assumption

Our model is based on a debt ratio of maximum 45%, a ratio generally accepted by our partner banks. The financial margin (residual to live) is the difference between household income and all household expenses such as monthly payments of existing debts, cleaning costs (flat rate of €700 for a single person and €1,800 for a couple ), child expenses of 7% of household income, household expenses of 6% of the income and car expenses of 9% of the income (per car). This financial margin (stressed at 3% if variable rate) should for any credit request be greater than €700 for a single person and greater than €1,500 for a couple.

Regarding the down payment, banks generally require a contribution of at least 5% of the purchase price (plus notary, registration and insurance costs) if it is the very first purchase for a primary residence. , where applicable, a 10% deposit (plus ancillary costs) for the purchase of a principal residence. If it is a rental investment, the contribution often amounts to more than 20% and the loan term is usually revised to 20 years.

We take into account that the tax credit for registration fees is fully used, a recalculation is obviously possible, please contact one of our brokers for a precise calculation. Notary fees in the Grand Duchy are regulated and fixed by the State, our simulator retains flat rates, but which may vary depending on the complexity of your file. However our provision is not too far from the actual price that the notary will charge.

The bank charges correspond to the single commission that the financial institution takes on the day of the notarial deed. Generally this commission can be estimated at €2,000 depending on the financial institution.

Outstanding balance insurance is similarly simulated according to age and based on an interest rate of 4%, covers death & total and permanent disability, the rate is therefore an average indication received from our 3 main Foyer partners , Baloise and LaLux. We indicate a single premium for tax purposes, but the premium could be provided as a split payment (monthly, quarterly, semi-annually or annually).

Our tool does not make it possible to calculate financing up to a repayment period of 30 years, some banks exceptionally offer a repayment which can go up to 40 years, the age at maturity of the loan should not exceed in most cases the 70 years of the oldest borrower.