

MORTGAGE APPLICATION

How to get a mortgage in Turkey

1. Fill in application form
2. Scan and email or fax application form
3. Scan and email or fax required documents
4. Bank starts the pre approval
5. Bank confirms the pre approval
6. Bank account is opened in your name
7. Bank presents pre term sheet/agreement that you will need to sign
8. 1,5% of the applied mortgage amount is deposited in your own bank account
9. When military clearance arrives and the property is completed, the title deed exchange takes place. A date is set to exchange title deed, pay out the loan and put the mortgage on the title deed at the land registry office. The money is then released to your bank account from where it will be transferred to the sellers account.
10. Monthly mortgage repayments start

Requested documentation for your mortgage application

Employed:

- Application form
- Passport copies
- Official tax statement of the most recent year in the home country (P60)
- Copies of the last 3 pay slips as prove of income
- Copies of bank statements from the last 3 months

Self Employed:

- Application form
- Passport copies
- Copies of bank statements from the last 3 months
- All documents proving ownership of the holding company
- Annual report of the holding company for the last 2 years together with a copy from the shareholder register

Costs Involved

The costs involved are 1.5% of the amount that you would like to mortgage. As an example, if you would like to mortgage € 70.000, then you will need to deposit € 1050 in your bank account which the solicitors will open on you behalf with the power of attorney. This 1.5% covers the valuation costs, 1 year earthquake insurance, 1 year house / building insurance and the file charges for the bank.

Basic Lending Terms

Issue	Feature
Loan to value	Maximum 70% of the appraisal value (not always equal to the sales price)
Credit rating	Not needed, non status mortgage. The guarantee for the bank is against the property.
Debt to income	Maximum net salary to spend to installment for total loan position 50%
Valuation of income	Only salary income transferred to a bank account, average profit of the last 2 years, pension income
Maximum amount	No maximum
Minimum amount	€ 30.000 Euro
Nationalities	All countries that have a reciprocal agreement with Turkey.
Maturity	5,10,15 and 20 years
Mortgage Type	Repayment + Interest Mortgage, not an interest only mortgage
Loan in YTL	Yes
Loan in euro	Yes
Loan in Dollars	Yes

Loan in British pound	Yes
Interest types	Fixed
Early repayment	Possible (2% penalty fee)
Property valuation	Done by Deniz Bank or appointed appraisal by Deniz bank, pre-valuation paid by Deniz Bank
Age of application	25 -70 years
Maximum age at end of maturity	70 years
DASK: nature disaster insurance, House insurance;	To arrange via Deniz Bank,
Life insurance	No obligation
Monthly installment payments	Automatic payment from a Deniz Bank account
Validity of the pre offer	4 months
Extension of validity of the pre offer (except interest rate)	Until 18 months (1% extra commission required)

Interest Rates

Foreign Currency Rates	5 years	10 years	15 years	20 years
EURO (published rate is 0,65%)	6,96%	6,96%	7,80%	7,80%
DOLLAR (published rate is 0,70%)	6,96%	6,96%	7,80%	7,80%
GBP	7,80%	7,80%	8,40%	8,40%
YEN	4,80%	4,80%	5,20%	5,20%
CHF	5,88%	5,88%	6,60%	7,20%

Example 1

EURO			
Loan Amount	Interest Rates Euro	Loan Term	Monthly Payments In Euro
€50.000	6,96%	10 Years	579,51
€60.000	6,96%	10 Years	695,41
€70.000	6,96%	10 Years	811,32
€80.000	6,96%	10 Years	927,22
€82.500	6,96%	10 Years	956,2

GBP			
Loan Amount	Interest Rate Sterling	Loan Term	Monthly Payments In Sterling
£50.000	7.80%	10 Years	601,37
£60.000	7.80 %	10 Years	721,64
£70.000	7.80 %	10 Years	841,91
£80.000	7.80 %	10 Years	962,19
£82.500	7.80 %	10 Years	992,26

Example 2

EURO			
Loan Amount	Interest Rates Euro	Loan Term	Monthly Payments In Euro
€50.000	7,80%	20 Years	386,45
€60.000	7,80%	20 Years	463,74
€70.000	7,80%	20 Years	541,03
€80.000	7,80%	20 Years	618,32
€82.500	7,80%	20 Years	637,64

GBP			
Loan Amount	Interest Rate Sterling	Loan Term	Monthly Payments In Sterling
£50.000	8.40 %	20 Years	430,75
£60.000	8.40 %	20 Years	516,90
£70.000	8.40 %	20 Years	603,05
£80.000	8.40 %	20 Years	689,20
£82.500	8.40 %	20 Years	710,74

Palmtree Projects

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