

## A guide to Turkish mortgages

### Eligibility and criteria

For loans in Euros:

- Available to UK residents and Foreign Nationals
- Only available on a Capital & Interest repayment basis
- The maximum loan to value for a purchase is 70%
- The maximum loan to value for a remortgage, including equity release is 70%
- The maximum term of a Euro mortgage is 20 years – available to age 80.
- The minimum loan amount is €50,000 with no maximum
- If it is your intention to 'let' the property then rental income can be taken into consideration when assessing affordability (see below)
- Leaseback arrangements are accepted
- Up to 4 applicants
- There is no requirement for married couples to apply together
- The purchase of multiple properties on the same development is acceptable

For loans in Sterling

- Available to UK residents and Foreign Nationals
- Only available on a Capital & Interest repayment basis
- The maximum loan to value for a purchase is 75%
- The maximum loan to value for a remortgage, including equity release is 75%
- The maximum term of a Sterling mortgage is 15 years – available to age 70.
- The minimum loan amount is £20,000, subject to a maximum of £250,000
- Available to UK residents. Foreign Nationals must have permanent right to reside in the UK.
- Married couples must apply together.
- Maximum of 2 applicants

### Affordability

To qualify for a mortgage in Turkey, a calculation is used to establish whether you can afford to maintain the mortgage repayments. This will automatically happen when you complete our enquiry form, and we will not charge you for this service.

Your existing liabilities, including your UK mortgage or rental payments, loans, credit card payments and maintenance are taken into account, together with the proposed Turkish mortgage payments. All this must not typically exceed 35% of your monthly net income. For example if your net joint income is £2,500, 35% of this equates to £875. If your only liability is your current UK mortgage payment of say £500 per month, this would leave a balance of £1,125 for your Turkish mortgage repayment.

The amount that you can borrow is also restricted by the maximum loan to value as mentioned under Eligibility and criteria.

### Proof of income requirements

If you are employed:

- Your last three month's payslips
- Your latest P60 and/or employers reference
- Your last three month's personal bank statements

If you are self-employed:

- Your last two year's audited accounts or Accountants reference (Euro loans only)
- Your last 3 month's personal bank statements

For our latest rates and to see the different types of Turkish mortgages on offer, please visit our website or speak to one of our advisers. Our 'quick quote' calculator on our website will enable you to find out how much your monthly payments will be or complete our online enquiry form to receive an Approval in Principle certificate and quotation.

PLEASE NOTE THAT AS THE LOAN IS SECURED ON THE OVERSEAS PROPERTY IT IS NOT COVERED BY THE UK CONSUMER CREDIT ACT OR THE FINANCIAL SERVICES AUTHORITY.

## Essential information for buying properties in Turkey



Buying property abroad is not necessarily the same as buying in the UK, there is other essential information you need to be aware of both before and during your property purchase.

- It is of paramount importance to seek independent advice from an overseas solicitor.
- You need to ensure that you will have full title to the property on completion and that you have the appropriate documents available for the lender.
- You will need to obtain a tax ID number (Vergi Kimlik Numarasi), which is required for opening a bank account, contracting goods and services, and dealing with local tax authorities.
- All properties must hold a "use permission certificate" in order to have water, electricity and sewage services.
- Make sure that the size and the location of the property is in compliance with Turkish Law. The properties located in forbidden military zones cannot be registered in a foreigner's name. Purchase of properties larger than 30 acres by a foreigner are subject to the approval of the Council of Ministers.
- The lender must obtain the security for the loan before a Land Registry Officer and all parties to the sales transaction, including the vendor, purchaser, and/or the actual owner. However, a power of attorney may be used to sign on your behalf.
- Unless you understand Turkish well enough to communicate with the Land Registry Officer or notary, Turkish law requires you to have a qualified translator. Alternatively, you may wish to grant a power of attorney to a representative of your choosing.
- You should check with the estate agent and/or your lawyer that you are aware of the costs charged by legal and Government authorities for buying a Turkish property. The lender will also have their own legal costs for assigning the loan, the cost of which they will normally advise you when they issue the mortgage offer. These associated fees/taxes are typically between 10% - 15% of the properties purchase price.
- Earthquake insurance (DASK) is mandatory for any buildings.
- Lenders will not advance funds to purchase or renovate properties that are currently uninhabitable.
- All non-Turkish Nationals must obtain Turkish Military Clearance before the mortgage offer is issued.