

A guide to Portuguese mortgages

Eligibility and criteria

- We only arrange loans in Euros
- Available on a Capital & Interest repayment basis (Interest Only is available but on limited schemes for maximum of 5 years)
- The maximum loan to value for a purchase is 80%.
- The maximum loan to value for a remortgage is 70%.
- The maximum term of any mortgage is 30 years (to age 80 maximum) however this varies depending on the type of loan.
- The minimum loan amount is €50,000 with no maximum
- Mortgages can also be obtained for land purchase and stage payments where the relevant planning permissions/building licenses have been obtained.

Affordability

To qualify for a mortgage in Portugal, 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 won't 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 Portuguese mortgage payments. All this must not typically exceed 35% of your joint monthly net income. For example if your joint net income is £2500, 35% of this equates to £875. If your only liability is your current UK mortgage payment of say £300 per month, this would leave a balance of £575 for your Portuguese 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 an employers reference
- Your last six month's personal bank statements

If you are self-employed:

- Your last three year's Audited Accounts and Tax returns (some lenders will accept just two years).
- Your last six month's personal and business bank statements

Other documents will be required and will be confirmed when application forms are sent to you.

For our latest rates and to see the different types of Portuguese 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.