

a.s.r. to introduce Starters mortgage with term of 40 years

On 24 May a.s.r. will be the first party in the mortgage market to introduce the WelThuis Starters mortgage, with a term of 40 years instead of the usual 30 years. The mortgage is intended for starters on the housing market who are buying their first house or apartment. The starters mortgage is of most interest to this group because of its flexibility and security. The introduction follows a successful pilot that took place in recent months and in which the first WelThuis mortgages were taken out.



Flexibility and security are essential criteria for starters on the housing market

a.s.r. has conducted a survey into starters on the housing market. The survey showed that flexibility and security are essential criteria for this group aged up to 40. Security to have more financial room because of lower monthly mortgage payments (compared to a 30-year mortgage). To meet these needs, the WelThuis Starters mortgage was developed. As a result of the longer term, the customer's interest burden will ultimately be higher, but they will have more financial room now. At an average price for a starters' dwelling of € 230,000, this comes down to about € 135 lower monthly expenses, which the customer can spend on other things or save. The Starters mortgage offers a customer flexibility to make the mortgage better suited to his or her retirement age. Moreover, the customer will always be able to make extra penalty-free repayments (15% per calendar year).

What is the difference per month between a 30-year and a 40-year mortgage.

Interest rate as at 14 May 2018.

Principal sum dwelling 235,000 euro				
	Interest rate with National Mortgage Guarantee	Monthly mortgage payment 30 years	Monthly mortgage payment 40 years	Difference
10-year fixed interest rate	2.00%	857	712	- 145
20-year fixed interest rate	2.55%	922	781	- 141
30-year fixed interest rate	2.90%	953	828	- 125
Principal sum dwelling 350,000 euro				
	Interest rate without	Monthly mortgage	Monthly mortgage	Difference

	National Mortgage Guarantee	payment 30 years	payment 40 years	
10-year fixed interest rate	2.30%	1329	1116	- 213
20-year fixed interest rate	2.90%	1438	1233	- 205
30-year fixed interest rate	3.25%	1485	1304	- 181

National Mortgage Guarantee

The WelThuis Starters mortgage can be taken out with and without a National Mortgage Guarantee (*Nationale Hypotheek Garantie*; NHG). The mortgage consists of 2 separate loan portions: a deductible portion with a 30-year term (box 1) and a non-deductible portion with a 40-year term (box 3). The two loan portions together 'behave' as one annuity mortgage with a maximum term of 40 years.

This new mortgage form has been agreed with the tax authorities.

More information on this WelThuis Starters mortgage can be found on www.asr.nl/startershypotheek.