

FINNIUS

Remuneration rules for change in debit interest rate (mortgage credit)

1 July 2019

 1 MINUTE

As from today (1 July 2019) the Decree amending the BGfo related to the remuneration for the early adjustment of the debit interest rate for mortgage loans ([link](#)) enters into force. From now on, mortgage providers are prohibited to charge a remuneration for an adjustment of the debit interest rate prior to the expiry of the fixed interest rate period that is higher than the financial disadvantage that it suffers as a result of the change in the debit interest rate. This rule is in line with what already applied to the remuneration for early repayment. Furthermore, it is now regulated that, when calculating remuneration for early repayment, no distinction should be made between contracts where the debit interest rate has changed prior to the expiry of the fixed interest rate period and contracts where this has not. The remuneration should be calculated in the same way.

We recommend mortgage providers to consider whether the way in which they calculate the remuneration for interim adjustments to the debit interest rate needs to be adjusted.