CONDITIONS AND NORMS

2027-1

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NHG CONDITIONS AND NORMS

GENERAL INFORMATION

Please note: This English translation of the Conditions and Norms 2027 is for reference purposes only. In the event of any discrepancy between the Dutch original version and this English translation, the Dutch Conditions and Norms will prevail.

For whom is this document intended?

These Conditions and Norms are intended for the following parties:

- The lender with whom the Home Ownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*) has entered into a contract of suretyship (*overeenkomst van borgtocht*). In the rest of these Conditions and Norms we will refer to the lender as 'you'.
- The Home Ownership Guarantee Fund. In the rest of these Conditions and Norms we will refer to the Home Ownership Guarantee Fund as 'we' or 'us'.

Who are we?

We are the Home Ownership Guarantee Fund, also known as the National Mortgage Guarantee (*Nationale Hypotheek Garantie*, hereinafter referred to as: NHG). We offer consumers:

- Access to responsible finance for buying and making improvements to a home
- Help in managing and keeping the home
- A safety net in vulnerable situations

To achieve these aims, we have entered into a contract of suretyship with you. This is a contract in accordance with Section 7:850 of the Dutch Civil Code (7:850 BW). We record the agreements contained in this contract of suretyship in these Conditions and Norms.

What is the National Mortgage Guarantee?

The National Mortgage Guarantee (*Nationale Hypotheek Garantie,* hereinafter referred to as: NHG) is the guarantee we give you. You grant the consumer a loan to buy, improve or keep a home. When doing so, there is the risk that the consumer does not repay you the loan or pay the interest. NHG can help you if necessary in order to keep the loan affordable for the long term. That way we ensure together that the consumer can continue to keep the home.

It may be that the home has to be sold after all. In that case the proceeds of the sale may be less than the amount you receive back from the consumer. This guarantee gives you the assurance that you will get almost

the full amount back. The advantage to the consumer of an NHG-backed loan is that the remaining debt will possibly be written off.

Who do we mean by 'consumer'?

By consumer, we mean:

- The person or persons who have applied for an NHG-backed loan from you.
- The person or persons to whom you make a binding offer for an NHG-backed loan.
- The person or persons to whom you have granted an NHG-backed loan.

What do we mean by 'home'?

By home, we mean a building yet to be built, an existing building or part of it. This may also include:

- The land on which the building stands, or the mooring for a floating home.
- Other structures on the same land or mooring, such as a garage or pier.
- Buildings that belong to the home but are not immediately adjacent to it, such as a garage.

An NHG-backed loan can be obtained for various types of homes. These could be terraced houses, apartments, mobile homes, tiny houses or floating homes. The conditions that a home must meet to obtain an NHG are set out in these Conditions and Norms.

What do we mean by 'the loan'?

By loan, we mean a mortgage loan.

To what do these Conditions and Norms apply?

These Conditions and Norms apply from 1 January 2027 and replace the 2026-1 Conditions and Norms.

- These Conditions and Norms apply to NHG-backed loans for which a binding offer has been made to the consumer on or after 1 January 2027. If the contract of suretyship is entered into on a condition precedent, in that case too the date of the binding offer will determine which version of the Conditions and Norms apply.
- A few parts of these Conditions and Norms also apply to existing NHG-backed loans for which a binding offer is made before 1 January 2027. These are the parts that deal with the management of the loan. These parts often affect the consumer's position and we may change them unilaterally in the future. These changes will then apply to all existing NHG-backed loans.

  It concerns these parts:
  - D.1.2
  - D.1.3
  - D.1.4
  - D.1.5
  - D.4
  - D.5
  - D.6
  - E

- The documents 'Work Processes' and 'General Conditions for Data & ICT' are part of these Conditions and Norms. We are permitted to change the contents of these two parts unilaterally. These changes will then apply to all existing NHG-backed loans.
- We will announce on our website any changes to these Conditions and Norms no later than 2 months before they take effect. This also applies to the changes to the documents 'Work Processes' and 'General Conditions for Data & ICT'.

Exceptions are possible

We may depart from the rules in these Conditions and Norms in the following situations:

Hardship clause

If a rule in these Conditions and Norms leads to disproportionate consequences for the consumer, you can ask us if you can depart from this rule. We may agree to such a departure if the application of the rule would be very unreasonable or go against the purpose of the rule.

Request for a management exception

You may be trying to keep the home for the consumer or limit a loss, and you believe that in order to do so it would be useful or necessary to depart from a rule in these Conditions and Norms. In that case you can ask us to make an exception, but you can only do this if the consumer is willing to cooperate with this solution.

How do you appeal to the hardship clause or make a request for a management exception?

If you or the adviser wants to appeal to the hardship clause, or make a request for a management exception, the document 'Work Processes' explains how. You must give good reasons for the request.

PART A | THE SURETYSHIP

This part explains our conditions for standing surety. We also describe the scope of the suretyship, when we will pay any loss and what you need to do at the start of the suretyship.

CHAPTER A.1 | WHAT DO WE STAND SURETY FOR?

We stand surety for the loss following the sale of the home. In this chapter we will explain how we calculate the loss. The result of this calculation is lower than the claim you have on the consumer. This is partly due to the fact that you pay the first 10% of the claim (the 'excess').

A.1.1 WHAT IS THE SCOPE OF THE SURETYSHIP?

We stand surety for the loss. We calculate the loss by adding up the items shown below. These items we refer to as 'loss items'. From the total of the loss items we first deduct the proceeds of the home. We then deduct 10% from that subtotal. This 10% is your excess, and so the loss is the total of the loss items, less the excess.

If you have not kept to the agreements we have made with you, this may have consequences for the sum to be paid out. The consequences are described in A.3.

Loss items

- The remaining principal. How we calculate this is explained in A.1.2.
- The overdue interest. The period to which the overdue interest can apply is given in A.1.3.
- The interest you are owed by the consumer because the consumer was late paying interest and making repayments. You can include this up to a maximum of 12 months from when the payment arrears began.
- The insurance premiums against fire and storm damage to the home. These are the premiums you have paid because the consumer has not paid them.
- Reasonable costs that were necessary to avoid a sale or to limit the loss according to the document 'Work Processes'.

A.1.2 HOW DO WE CALCULATE THE REMAINING PRINCIPAL?

The remaining principal is a loss amount that we calculate. This loss amount might be lower than the amount that the consumer has not yet repaid on the NHG-backed loan.

The remaining principal for which we stand surety is the lowest of the following two amounts:

- The principal still outstanding based on the actual repayments.
  - This is the principal less the repayments the consumer has already made.

- If the consumer has an accumulation product that is linked to the NHG-backed loan, this amount is the outstanding principal less the surrender value of the accumulation product.

- The outstanding principal that would exist if the consumer had taken out an annuity loan. We calculate it like this:
  - We take the original principal of the loan. We reduce it each month by the amount that the consumer would have paid:
    - If the consumer had repaid the loan in full as an annuity.
    - If the consumer had done this within the agreed term.
    - If the consumer had repaid this amount monthly in arrears.

    If the agreed term of the loan is longer than 30 years, we will assume a term of 30 years.
  - We calculate the annuity decrease, taking the nominal interest and term for each loan element. We take account of interest rate changes during the term of the loan.
  - The monthly reduction stops at the moment the consumer fails to pay the first full monthly instalment. If you receive a payment from the consumer, we assume when making the calculation that this is used to repay the oldest overdue instalment.

A.1.3 TO WHAT PERIOD CAN THE OVERDUE INTEREST RELATE?

If the home has been sold privately or under a forced private sale, calculate the overdue interest up to a maximum of 24 months from the start of the payment arrears.
If the home is sold by foreclosure, calculate the overdue interest up to a maximum of 12 months from the start of the payment arrears.
It may be that an attempt has been made first to sell the home privately. There may also be payment arrears at the moment the home is put up for sale. In that case, include the overdue interest for the months during which the home was for sale, up to a maximum of 12 months.

It means that you can never have more than 24 months of overdue interest counting towards the loss. It can only be otherwise if we have decided in a particular case to permit the overdue interest to be counted for a longer period. We can do this if it is clear to us from the information we have been given that you have done all you can to limit the loss, and that this has resulted in a higher amount of overdue interest.

Please note: If you have agreed on an interest payment holiday with the consumer, we will stand additional surety under certain conditions. We call this a 'Housing Costs Facility' (*Woonlastenfaciliteit*). The rules governing the Housing Costs Facility are explained in D.5.6.

A.1.4 HOW LONG DO WE STAND SURETY?

We stand surety for the duration of the term of the NHG-backed loan. But the suretyship is not longer than 30 years from the initial start date of the NHG-backed loan. But even after these 30 years have passed, NHG still wants to work with you to make it possible to keep the home for the consumer.

A.1.5 WHEN DOES THE SURETYSHIP CHANGE?

If the consumer refinances an NHG-backed loan with you, or if you have made it possible for the consumer to keep the home, this will affect the amount for which we stand surety. It can also affect the term of the suretyship. Below follows an explanation of the relevant rules in the different situations.

A.1.5.1 The consumer already has an NHG-backed loan with you

In this situation, we stand surety for an existing loan that you have granted a consumer and you lend the same consumer a new loan for the same home. If the purpose of that new loan is to repay the existing loan for which we are already standing surety, we will then stand surety for the new loan.

In that case, the amount we stand surety for is the total of these two portions:

- The amount we would have stood surety for if the existing loan was not repaid with the new loan. How you calculate this amount is explained in A.1.2.
  The term of the suretyship for this portion of the new loan is equal to the remaining term of the original loan.
- The amount of the addition to the loan. This is the principal of the new loan less the repaid portion of the original loan. How you calculate this second portion is also explained in A.1.2. The term of the suretyship for the addition is equal to the term of this new portion, up to a maximum of 30 years.

A.1.5.2 The consumer refinances with you a loan taken out with another lender

In the case below we calculate the amount we stand surety for according to the method in A.1.2, taking the principal of the new loan as the starting point:

- You grant an NHG-backed loan for a home that the consumer already has *and*
- All or a portion of this new loan is intended to repay an existing loan *and*
- It concerns an existing loan with another lender *and*
- The consumer repays it in full.

We calculate the monthly reduction, taking the annuity and the nominal interest on the new loan.
It is not important whether or not the old loan is backed with NHG.

For the new loan a new initial start date applies, and with it a full term of the suretyship. We stand surety for the duration of the term of the NHG-backed loan up to a maximum of 30 years.

A.1.5.3 You have kept the home for the consumer

If you have adjusted the loan to make it possible for the consumer to keep the home in accordance with the rules in D.5.3, we will adjust the scope of the suretyship. We calculate the annuities according to A.1.2, taking the amount of the loan at the moment of adjustment and the new term. But the suretyship does not continue for longer than 30 years from the moment you have adjusted the loan.

CHAPTER A.2 | CLAIMING THE LOSS

If the consumer has sold the home and you still have a claim on the consumer, you are required to submit the claim to us. We then calculate the amount for which we stand surety and what you will get back from us.

You may still have a claim on the consumer but the amount is not very large, or under the terms of the Conditions and Norms you are not entitled to payment from NHG because, for example, your claim is less than the excess. In such situations you still need to submit a loss claim. In that case we can assess whether to write it off. We do this in the interests of the consumer.

If you have complied with the rules of D.5.6, and therefore a Housing Costs Facility is in place, state in the loss claim the overdue repayments and interest to which the Housing Costs Facility applies. Those overdue repayments and interest do not form part of the loss but will be dealt with by us at the same time as the loss.

A.2.1 HOW DO YOU COLLECT THE LOSS FROM US?

Within one month of the transfer of ownership of the home, you must ask us to pay you the loss. A loss claim can therefore still be submitted to us after the end of the suretyship. You must do this in the manner described in the document 'Work Processes'.

A.2.2 WHEN WILL YOU RECEIVE THE LOSS FROM US?

We will pay you within 2 months. If it takes longer than 2 months and the delay is not your fault, we will also pay you statutory interest from that moment until we pay you.

CHAPTER A.3 | WHAT HAPPENS IF YOU HAVE NOT COMPLIED WITH THE AGREEMENTS?

If you have asked us to pay the loss, we will check a few things. If you have not complied with certain Conditions and Norms, we will not pay the entire loss. We will always check whether this is reasonable.

A.3.1 WHEN WILL WE NOT PAY ANYTHING?

We do not need to pay out anything in the following situations:

- If you have not notified us within 14 days that you have granted an NHG-backed loan.
- If you have not reported that there may be a loss.
- If you have not complied with the rules for a sale by foreclosure and a forced private sale. These rules are set out in Part E.

A.3.2 WHEN DO WE DEDUCT 10% FROM THE LOSS?

We deduct 10% from the loss each time in the following situations:

- If you should have notified us of something and have not done so.
- If you did not notify us correctly.

- If you have not asked us on time for payment. 'On time' is within one month of having received the proceeds of the collateral. For each month that you exceed the deadline we will deduct 10% from the loss.

A.3.3 WHEN DO WE DEDUCT A DIFFERENT AMOUNT FROM THE LOSS?

We deduct a different amount from the loss in the following situations:

- If you have not complied with the rules governing a private sale. These rules are set out in Part E.
  The amount that we deduct is the difference between the following 2 amounts:
  - 95% of the market value, unencumbered by tenancy and use
  - The offer that you have accepted

A.3.4 WHAT HAPPENS IF THE LOSS TO US IS GREATER?

We may suffer loss because you have not complied with the Conditions and Norms. If that loss is greater than the amount we have deducted from the loss, we will have a claim on you for the difference.

A.3.5 HOW DO WE ASSESS A HOUSING COSTS FACILITY WITH A LOSS CLAIM?

If you have complied with the rules under D.5.6 and we have provided a Housing Costs Facility, state in the loss claim the overdue repayments and interest to which the Housing Costs Facility applies.
What we have to pay you under the terms of the Housing Costs Facility we will determine according to the rules of D.5.6. For example, you have complied with the rules under D.5.6 but have not complied earlier with a rule in Part C, D or E. Even though the rules of A.3 state that we do not pay the entire loss, the amount for which we stand surety under the Housing Costs Facility will be paid in full.

CHAPTER A.4 | REMISSION

The suretyship scheme contains the option that the consumer's debt will be written off. We assess whether or not this will be done, and refer to this as the remission assessment. We make the assessment after you have submitted a loss claim. This assessment is separate from the assessment of the loss claim. We decide whether to write off the whole debt or only part of it.

A.4.1 WHAT CRITERIA DO WE USE IN THE REMISSION ASSESSMENT?

The consumer does not need to repay the debt in the following situations:

- The consumer was genuinely unable to repay the loan and we accept that this is a bona fide reason.
- The consumer has 'fully cooperated' in trying to repay the loan as far as possible and to achieve the highest possible return on the home.

If the consumer has or had sufficient income, savings or other assets to repay the loan in full or in part, the consumer must contribute to repayment of the debt.

What do we mean by 'bona fide' and 'fully cooperated'?
Go to www.nhg.nl/kwijtschelding for an explanation of the regular procedure for the remission scheme.

A.4.2 WHAT IS THE CONSEQUENCE FOR YOU OF THE REMISSION ASSESSMENT?

If we decide that the debt cannot be written off, you are permitted to collect the debt from the consumer.

If we decide to write off the debt, you cannot claim the following debt from the consumer:

- The loss that we have not paid to you because you have not complied with the Conditions and Norms.
- The amount that we have not paid to you because this did not come under the loss, for example because:
  - It is your 10% excess.
  - The total of the repayments you have received from the consumer is less than the amount for which we stand surety according to the annuity calculation in A.1.2.

A.4.3 WHAT HAPPENS AFTER THE REMISSION ASSESSMENT?

We will notify you if we have made a remission assessment. If you do not agree with our decision you must let us know within 6 weeks from the date of the decision.

CHAPTER A.5 | CONDITIONS OF THE SURETYSHIP

This chapter explains the rules that must be complied with in order for the suretyship to be arranged. It also states the period for which we stand surety.

A.5.1 WHAT CAN YOU DECIDE ON OUR BEHALF?

We authorize you to decide on our behalf whether you make a binding NHG-backed offer. You can give this authorization to another party who will act on your behalf.

A.5.2 THE CONSUMER PAYS FOR NHG

- You are only permitted to grant consumers a loan from us if they pay the suretyship fee.
- We authorize you to collect the suretyship fee on our behalf. You can give this authorization to another party who will act on your behalf.
- You ensure that the consumer pays the suretyship fee to you on time, no later than on the day that the consumer receives the loan.
- You give us permission to collect the amount from an account held with a Dutch bank.
- If the collection is successful, it serves as proof that we have officially registered the suretyship.

A.5.3 SURETYSHIP FEE

A.5.3.1 Starting principles for the suretyship fee

- The consumer pays a suretyship fee of 0.4% on the principal of the full loan in the following situations:
  - If the consumer takes out an NHG-backed loan to buy the home.
  - If the consumer has a home and refinances a non-NHG-backed loan with an NHG-backed loan.
  - If the consumer has a home and a non-NHG-backed loan and increases this with an NHG-backed loan.
- In the following situations the consumer pays a suretyship fee of 0.4% on an increase:
  - If the consumer increases an NHG-backed loan with an NHG-backed loan.
  - If the consumer refinances an NHG-backed loan with an NHG-backed loan and increases it.

In those situations, we calculate the suretyship fee on the difference between two amounts:
    - The principal of the new NHG-backed loan
    - The outstanding portion of the existing NHG-backed loan
- If the consumer has built up value in an accumulation product that is linked to the NHG-backed loan, the consumer will not pay suretyship fee on the accumulated value.
- If all or part of the suretyship ends, the consumer will not be refunded any suretyship fee.
- If the consumer buys a home subject to a ground lease arrangement or with buyer support without additional capital risk, the consumer will only pay a suretyship fee on the full loan, i.e. not on the value of the land or the support portion.
- If the consumer buys a home subject to a ground lease arrangement or with buyer support with additional capital risk, the consumer will pay a suretyship fee on the full loan and on the value of the land or the support portion.
- If the consumer buys a floating home subject to a ground lease arrangement, the consumer will always pay a suretyship fee on the full loan.

Go to www.nhg.nl for a list of all the ground lease arrangements and buyer support options accepted by NHG, and what arrangements have additional capital risk. You can also find more information there on the meaning of the terms used.

A.5.3.2 Exceptions for the suretyship fee

- The consumer has a home and an NHG-backed loan, and the consumer refinances this with an NHG-backed loan without increasing it. In that case the consumer will not pay a suretyship fee for this new loan. It makes no difference whether or not the consumer had taken out the original loan with you.
- The consumer increases the NHG-backed loan in order to repay an SVn starter loan. In that case the consumer will not pay a suretyship fee for this increase.
- The home is subject to a ground lease arrangement or with buyer support with additional capital risk and the consumer wants to increase or refinance an NHG-backed loan in order to buy the land or repay the support portion. In that case the consumer will not pay a suretyship fee for this. The binding offer for the existing loan must have been made after 1 January 2023.
- The consumer increases the NHG-backed loan to consolidate debts in accordance with D.5.5. In that case the consumer will not pay a suretyship fee for this increase.
- A Housing Costs Facility according to D.5.6 is in place. In that case the consumer will not pay a suretyship fee for this additional surety.

A.5.4 UNDER WHAT CONDITIONS DO WE STAND SURETY?

We stand surety only if the following rules are complied with:

- We have been able to collect the suretyship fee from you.
- You have the right of first mortgage on the home. If the building is not a property subject to registration (*registergoed*) according to Section 3:10 of the Dutch Civil Code, and the consumer holds the ground lease for the land on which the home is built, you must establish the right of first mortgage on the ground lease. The conditions for the right of mortgage must be as follows:

  - Following the sale of the home, you must use the proceeds first to pay the obligations under the NHG-backed loan.
  - If you have previously granted the consumer a non-NHG-backed loan, and consequently already have a right of first mortgage on the home on the date of the binding offer for the new NHG-backed loan, you can use the proceeds of a sale first to pay the obligations attached to this non-NHG-backed loan.
- If the consumer uses all or a portion of the NHG-backed loan to buy other immovable properties that form part of the home, such as a garage, shed or land, you must also have established a right of first mortgage on those other immovable properties.
- If the right of first mortgage does not provide enough collateral for an additional NHG-backed loan, you must arrange for additional collateral for these loans.
- All your collateral for the NHG-backed loan must be ranked consecutively.
- If the consumer already has taken out a loan for the home, and wishes to increase the loan to buy the land or the mooring, you must arrange for a right of first mortgage on the full ownership of the land or the mooring. This is therefore only possible in the following situation:
  - the consumer owns the home;
  - the consumer already has a ground lease for the land or the mooring, or a tenancy right or permit for the mooring.
- You must impose an obligation on the consumer to insure the home with a recognized insurance company against fire and storm damage. If it is a floating home, the consumer must also insure the home against damage or loss from sinking. The consumer must insure the home at least for its reinstatement value. You must impose an obligation on the consumer to pay the insurance premiums on time.
- If you have granted the consumer an NHG on a condition precedent, or if you should have done so, we will only stand surety if the condition precedent is fulfilled. When a condition precedent is fulfilled is explained in A.7.1.

CHAPTER A.6 | WHAT INFORMATION MUST YOU GIVE THE CONSUMER ABOUT NHG?

Make sure that the text below for the consumer is included in the agreement recording the loan. This text must also be included in the binding offer. Instead of the text below, you can use a differently formulated text that has the same meaning, such as the text from Article A3 of the Conditions and Norms 2023-1.

Text for the consumer

a. The customer has taken out a loan backed by the National Mortgage Guarantee. We refer to this as an NHG-backed loan. NHG is the guarantor for the lender. It is a product of the Home Ownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*). This fund is also known as NHG. The surety is a contract of suretyship. Section 7:850 of the Dutch Civil Code describes precisely what a suretyship is.

b. An NHG-backed loan means the following for the customer:
   If the customer is unable to repay the loan for the home to the lender, even after the home has been sold, NHG will repay the lender a portion of the loan. NHG does this because it stands surety for the loan. But it will do this only if the lender has complied with the agreements. In certain situations NHG will stand surety

only 'subject to a condition precedent'. This means that the surety will only apply when certain conditions have been met. These conditions are described under f.

c. NHG receives all the information and documents from the lender that relate to the NHG-backed loan. NHG therefore also receives the information that the customer has given the lender. The customer has read NHG's statement and can read this privacy statement on www.nhg.nl/privacy.

d. If NHG repays the loan to the lender, the customer must repay NHG the amount paid by NHG. NHG then has a claim on the customer. This follows from Section 7:866 of the Dutch Civil Code. NHG is willing in principle not to call in this amount from the customer. This means that the customer does not need to repay the amount if in NHG's opinion the customer meets all the criteria given below (the 'remission scheme'):
   - The customer was genuinely unable to repay the loan and NHG accepts that this is a bona fide reason.
   - The customer has 'fully cooperated' in trying to repay the loan as far as possible and to achieve the highest possible return on the home.

   If the customer has or had sufficient income, savings or other assets to repay all or a portion of the loan, the customer must contribute to repayment of the debt. Sometimes this will be the entire amount, sometimes a portion of it. NHG follows a fixed procedure for the remission scheme. This fixed procedure can be found on www.nhg.nl/kwijtschelding.

e. NHG may decide that the customer fulfils the criteria for the remission scheme. If the customer is still required to repay the lender a portion of the loan, in certain situations the customer will no longer need to pay the lender's claim in full. The customer does not need to pay the lender the part of the claim that has arisen due to one or more of the situations listed below:
   - The lender has not complied with the Conditions and Norms of NHG. And NHG has therefore not paid the lender, or not paid the lender in full. These Conditions and Norms can be found on www.nhg.nl.
   - NHG has not paid the lender, or not paid the lender in full, because the lender has an excess of 10%.
   - NHG has not paid the lender, or not paid the lender in full, because the lender has agreed with the customer a mortgage form in which the principal is repaid more slowly than with the mortgage form that NHG takes as its starting point. The starting point for NHG is a full annuity mortgage that is repaid within 30 years.

   If one if the above situations applies, NHG may demand that the lender also abides by NHG's remission decision.

f. Sometimes the suretyship of NHG does not take effect immediately after arranging an NHG-backed loan, as first a number of conditions precedent must be fulfilled. If these conditions precedent are not fulfilled, NHG will not stand surety for the loan. This means, for example, that the remission scheme will not apply. In that case, the rules given under d. and e. do not apply.

CHAPTER A.7 | WHEN DOES THE NHG SURETYSHIP TAKE EFFECT LATER THAN AT THE START OF THE LOAN?

A.7.1 CONDITIONS PRECEDENT

Sometimes the NHG suretyship will take effect later because certain conditions must be fulfilled first. This is the case if the NHG suretyship is provided subject to a condition precedent. In all other cases the suretyship of NHG takes effect immediately after you have granted the loan.

In the following situations, you can grant an NHG only under conditions precedent:

- The consumer cannot yet move into the purchased home, for example because it is a new-build that is not yet finished. The consumer can only receive a loan backed by NHG if the home can actually be lived in.
- The consumer has already received an NHG for another home.
- The financing burden for both homes together is too high to obtain an NHG-backed loan.
- The consumer wants to repay an NHG-backed loan with funds from an accumulation product such as a life insurance policy. But the accumulation product is still linked to another loan of the consumer.
- The consumer is to divorce and the court has granted the divorce. However, the divorce still needs to be entered in the municipal registers.
- The consumer has bought a home next door to another home. The consumer wants to join these homes to form a single, larger home, but the work to join the homes is not yet finished.

If a condition precedent first needs to be fulfilled, you must include this condition precedent in the binding offer.

CHAPTER A.8 | AGREEMENTS ON A FILE, NOTIFICATIONS AND INFORMATION USED

A.8.1 YOU MUST KEEP A FILE

You are required to keep a digital file during the term of the loan. We must be able to assess from the information in this file whether the loan complies with these Conditions and Norms on the date of the binding offer. So keep a record of all information and documents that are important for this, and also check whether this information and these documents are correct.

The file must in any case contain the documents in accordance with the 'Checklist file' in the document 'Work Processes', or the relevant source data from the 'Source Data Checklist' in the document 'Work Processes'. This also applies to the request for payment of an expected loss.
You must give us the complete file, including the personal data, should we ask for it, because:

- We want to be able to check it.
- We need it to determine our obligations under the suretyship, and to be able to recover any loss.

The file contains the consumer's personal data. You and we are each data controllers in that respect within the meaning of the GDPR.

A.8.2 NOTIFICATIONS

Any developments that can affect the NHG-backed loan are also developments that are important to us. You must therefore notify us of certain developments, as well as certain steps that you take when providing and finalizing the loan. The document 'Work Processes' sets out what developments and steps you must in any case report to us. It also explains how you should do this. Sometimes we must be notified before you are permitted to incur certain costs or perform certain activities. This is also explained in the document 'Work Processes'.

If you change a data field in your own systems, and it concerns information about which the document 'Work Processes' states that you must provide this via automatic data exchange, we will see this change automatically in our systems. Update the data as soon as possible so that we have the latest information at all times.

A.8.3 THE CONSUMER IS PERMITTED TO USE A DIGITAL SIGNATURE

The consumer's signature can also be a digital signature.

A.8.4 YOU ARE PERMITTED TO USE SOURCE DATA

You decide for which information you will allow the use of source data, and which consumer data supplier you use. The document 'Work Processes' contains the 'Checklist File'. If you can replace documents from this checklist with source data, you are permitted do so. The document 'Work Processes' also contains the 'Source Data Checklist'. This will help you see which documents you can replace. Only use source data if you trust the information. The 'Source Data Checklist' is not exhaustive, and you are responsible for the quality of the source data.

What are source data and what is a consumer data supplier?
Source data are data retrieved direct from the 'source' via consumer data suppliers. The supplier retrieves the data direct from the place where such data are held, such as mijnoverheid.nl, mijnuwv.nl and mijnpensioenoverzicht.nl. You can also use PSD2 data.

A.8.5 COMPARING DATA

You are required to submit a file at least once a year, with the details of all loans granted for which we stand surety. The details you submit are compared with our data. You will be informed within one month of the result of the data comparison. You are required to abide by the results of the data comparison within three months of receiving these results. That way we ensure that we have the correct data at all times.

A.8.6 GENERAL CONDITIONS FOR DATA & ICT AND DOCUMENT 'WORK PROCESSES'

The 'General Conditions for Data & ICT' apply to each transfer of information between you and us under the contract of suretyship. The General Conditions for Data & ICT also apply to all services, tools and other functionalities provided to you digitally by NHG and to their use.

The document 'Work Processes' sets out how data must be provided to us

CHAPTER A.9 | CONTACT WITH YOU AND THE CONSUMER

We may contact you and the consumer if we feel this is necessary for the suretyship.

PART B | PAYMENT OF AN EXPECTED LOSS

Conditions are imposed on an NHG-backed loan in order to qualify as permitted credit protection for banks. For that reason, we have included 'payment of an expected loss' in these Conditions and Norms. This part sets out the rules for payment of an expected loss.

CHAPTER B.1 | PAYMENT OF AN EXPECTED LOSS

We offer you the facility to receive payment of an expected loss if your meet the conditions below. This facility applies to new and current NHG-backed loans.

This facility exists due to European regulations on the capital requirements for banks. Apart from banks, other lenders may also be eligible for payment of the expected loss. The NHG suretyship remains in effect if payment of the expected loss is made. We offset this, however, against the payment under the suretyship to compensate the ultimate loss following the sale.

B.1.1 WHAT IS A PAYMENT OF EXPECTED LOSS?

A payment of an expected loss is a payment we make to you for the amount of the 'expected loss'.

A payment of an expected loss is a separate obligation we have towards you. It is not an obligation under the terms of Part A (in the Conditions and Norms preceding 1 January 2024 these are found in Article A1). It is therefore not a payment under the suretyship.

If you submit a request for payment of an expected loss, we are obliged to make such payment if you have met the conditions in this chapter. This obligation has been in effect since the Conditions and Norms 2020-2 of 31 March 2020. The contents of this obligation and the other conditions in this chapter have not been changed since then. No substantive changes are envisaged either in these Conditions and Norms.

For a loan that you granted before 31 March 2020, your right to a payment of an expected loss arose on 31 March 2020. If you granted loans after that date, the right arose or will arise at the moment the suretyship for the relevant loan was effected or will come into effect.

If you transfer the loan or rights under an NHG-backed loan to a third party, or if you have already done so, the following applies to the right to payment of an expected loss:

- If you have transferred the loan or rights under the loan to a third party, you can no longer claim payment of an expected loss yourself.
- You can transfer to the third party the right to payment of an expected loss for the relevant loan at the same time as transferring the loan or rights under the loan.
- You can still transfer to a third party the right to payment of an expected loss for a loan or rights under the loan that you had already transferred to that third party before 31 March 2020.
- Following this transfer, the third party can claim payment of an expected loss if the conditions of this chapter have been fulfilled.
- If you have transferred the right to payment of an expected loss to a third party, you can reach agreement with that third party that you remain entitled to collect the payment of an expected loss from us.
- If we have already made a payment of an expected loss to you and you transfer the loan or rights under the loan to a third party afterwards, you must repay us the payment of an expected loss within one month of the transfer.

B.1.2 WHAT DO WE REGARD AS 'NON-PAYMENT'?

Non-payment occurs if:

- a consumer has not paid an amount due to you under the terms of the loan, *and*
- this unpaid amount is at least 1% of the total debt and is more than €100, *and*
- this situation has been going on for more than 90 days, *and*
- the non-payment has not been rectified in the meantime.

B.1.3 WHAT DO WE REGARD AS RESUMPTION OF PAYMENT?

'Resumption of payment' is where a period of 90 consecutive days has passed without non-payment occurring. If you are subject to 'prudential requirements', and if another definition of resumption of payment is necessary to comply with these prudential requirements, you can use a different definition.

B.1.4 AGREEMENTS ON PAYMENT OF EXPECTED LOSS

You can submit a request to us for payment of an expected loss in the following situation:

- non-payment has lasted for 20 months or longer, *and*
- the home has not been sold, *and*
- there has been no resumption of payment.

A claim form is used for payment of an expected loss. You request payment of an expected loss by submitting that claim form. It must be completed in full and you must provide us with the file (see A.8).

If you have requested payment of an expected loss and complied with all the conditions in this part, we will pay you the expected loss within one month of you submitting the request to us. We do this only:

- if you have given us all the information that is relevant to be able to assess your request, *and*
- if you have complied with the Conditions and Norms that apply on the date of the binding offer for the loan(s).

When we pay you the expected loss, we will also pay you the costs you have incurred for the valuation of the home. For this we will pay up to a maximum of € 500 plus VAT on this amount.

What conditions do we use when assessing the Request for expected loss?

Certain Conditions and Norms applied on the date of the binding offer in order to obtain an NHG-backed loan. Certain Conditions and Norms also apply during the term of the loan. When assessing whether you have complied with the Conditions and Norms at the moment of the request for payment of an expected loss, we interpret the terms 'suretyship', 'surety' or 'standing surety' as a reference to payment of an expected loss. If you have not complied with the Conditions and Norms, we will not pay out the expected loss to you, except if it would be unreasonable or unfair not to pay.

The following applies as regards non-compliance with the notification obligations referred to in A.8.2:

- If you have not notified us within 14 days of granting the NHG-backed loan that you have done so, we are not required to pay out the expected loss.
- If you have not complied with another notification obligation referred to in A.8.2, or if you have not notified us correctly, payment of the expected loss will be reduced by 10%.

Notify us of a 'resumption of payment' after payment of an expected loss

If we have paid out an expected loss and payment has subsequently been resumed, you must notify us of this within one month. Following this notification you must repay us within one month the amount you received. If non-payment subsequently recurs, we will regard this as a new non-payment.

Do you still receive full payment of interest and repayments?

The situation may arise where we have paid out an expected loss to you and the loan is fully repaid afterwards. This may be because the consumer refinances the loan with another lender. In that case you must repay us the payment of an expected loss within 3 months of the loan being repaid.

Is the home to be sold?

If we have paid out an expected loss to you and the home has subsequently been sold, you must submit to us a loss claim in accordance with A.2 or notify us that you have not incurred any loss. You must do this within one month after receipt of the proceeds of the collateral given for the repayment of the loan, or after receipt of the proceeds of the sale of the home. The loss claim will be assessed in the usual manner.

By submitting the claim form or notifying us that you have not incurred a loss, you become obliged to repay us an amount equal to the payment of an expected loss.

If you haven't incurred a loss, or if we are not obliged to pay you all or part of the loss you have claimed, you must repay the amount within one month.

If we are indeed required to pay all or part of the loss you have claimed, the following applies:

Without being required to issue a settlement statement, we will set off our obligation to pay the loss against your obligation to repay us an amount equal to the payment of an expected loss. We pay out the loss to you by setting off these amounts.
If the amount of the loss we have to pay is higher than the payment of an expected loss, we will pay you the excess. Setoff will take place at the moment of this payment of the excess amount.

If the amount of the loss we have to pay following our assessment of your loss claim is lower than the payment of an expected loss, you will repay us the difference within one month. Setoff will then take place at the moment that we inform you of the outcome of our assessment of the loss claim.

B.1.5 WHAT DO WE COUNT AS THE EXPECTED LOSS?

We count the following as the 'expected loss':

- The principal of one or more loans granted by the lender to the consumer that has not yet been repaid. From this amount we deduct the market value of the home unencumbered by tenancy and use, as shown in the valuation report.
  - In this respect, that stated in part A on the scope of the suretyship also applies to the extent of the obligation to pay out an expected loss. In the Conditions and Norms preceding 1 January 2024, these are found in Article A1 (2) to (4) and Article B7.
  - The valuation report must comply with the requirements in C.5.1.1. The valuation report must not be older than 6 months, counting from the date on which you submit the request for payment of an expected loss.
- The overdue interest, *and*
- The interest on late payment of interest and late repayments. We calculate this interest on the expected loss up to a maximum of 12 months from the moment when the payment arrears arose.

We deduct 10% from the abovementioned amount. This does not apply if you have granted or offered the loan before 1 January 2014.

B.1.6 FOR WHICH LOANS DOES PAYMENT OF AN EXPECTED LOSS APPLY?

For all NHG-backed loans you may rely on the right to payment of an expected loss, regardless of when you have granted or offered them. The above conditions form part of the agreement between you and NHG.

We may amend the Conditions and Norms in the future, but this will not lead to a reduction in:

- The scope or term of the suretyship for existing NHG-backed loans
- The rights to payment of the loss under the suretyship for existing NHG-backed loans
- The rights to payment of an expected loss for existing NHG-backed loans

PART C | ACCEPTANCE OF NHG

Do you want to grant an NHG-backed loan? In this part we describe the conditions the home, loan and consumer must comply with at the moment you make the binding offer.

CHAPTER C.1 | STARTING PRINCIPLES

C.1.1 WHAT ARE OUR GENERAL STARTING PRINCIPLES?

- You are responsible for the loan granted to the consumer.
- You ensure that this loan complies with the laws and regulations.
- At the moment you make the consumer a binding offer, all rules in this Part C must be complied with.
- NHG will be the only suretyship for the loan.

C.1.2 WHEN DO WE NOT REGARD A NEW HOME AS A NEW-BUILD HOME, BUT AS AN EXISTING HOME?

We regard a new home as an existing home in the following situations:

- The consumer acquires a new home through a purchase agreement. There is no building contract or a purchase and construction agreement.
- And at the time of the notarial transfer the home has already been completed and is in fact ready for habitation.

If the consumer buys an existing home that has not yet been lived in and has energy label A++++, the maximum total costs will be € 530,000 and the total NHG-backed loan must not exceed € 530,000.

CHAPTER C.2 | THE NHG LIMIT

If you want to grant an NHG-backed loan you must apply the NHG limit. Until 1 January 2024 we did not use the term 'NHG limit', but the terms 'cost limit' and 'average purchase price'.
We set the NHG limit annually based on a method we agreed on with the central government.

The NHG limits for each type of home are listed below:

Home	Existing or new-build home	€ 500,000
	Increase for additional energy-saving measures	€ 30,000
	Maximum total:	*€ 530,000*
Energy-efficient home	New-build home with an A++++ label	€ 530,000

How you apply the NHG limit depends on the situation. These situations are described in the following chapters:
C.2.1 The consumer buys an existing home.
C.2.2 The consumer buys a new-build home.

C.2.3 The consumer already has a home and an NHG-backed loan and wishes to refinance or increase this loan.

C.2.4 The consumer already has a home but does not yet have an NHG-backed loan and wishes to refinance or increase the existing loan.

C.2.1 THE CONSUMER BUYS AN EXISTING HOME

If the consumer buys an existing home and wishes to take out an NHG-backed loan, check the costs of the home and the loan against the NHG limit. If the consumer buys an existing home at auction, the way you check the costs of the home and the loan against the NHG limit is slightly different.

Read below how this is done.

C.2.1.1 How do you check the costs of an existing home against the NHG limit?

Check the costs of the home against the NHG limit by adding up the items in the list below. The following rules are important in this respect:

- You also add the items if the consumer has costs but does not borrow money. This is different for items 'f. additional costs' and 'g. residual debt finance'. You only add these items if the consumer borrows money for these costs.
- The total of a. to h. must not exceed € 530,000 and
  the total of a. to g. must not exceed € 500,000.

Add up the following items:

a. The lowest of the following amounts:
   - The purchase price with costs paid by the buyer, without the costs of movable property. If the home is movable property, the purchase price will include costs paid by the buyer, without the costs for other movable property. The purchase price must be apparent from a purchase agreement signed by the consumer and the seller.
   - 97% of the purchase price with no additional costs payable by the buyer, if the purchasing costs are payable by the seller. The purchase price must be apparent from a purchase agreement signed by the consumer and the seller or from a deed of award (*akte van gunning*).
   - The market value unencumbered by tenancy and use as shown in the valuation report that must comply with our rules.
     - If a ground lease arrangement is in place, enter the value of the ground lease as the market value.
     - If buyer support is in place, enter the value of the home after deducting the support portion as the market value.
     - If it is a floating home and the consumer does not own the mooring but does hold the ground lease, tenancy rights or a permit for the mooring, you must take the sum of the value of the floating home and the value of the right to use the mooring as the market value.

b. The costs of quality improvements.

c. The costs of buying out the ground rent obligations. This only applies if the buyout period is at least equal to the term of the loan.
d. A one-off payment into a maintenance fund for future maintenance work. This payment must be stated in an agreement.
e. If a ground lease arrangement or buyer support with additional capital risk is in place: the value of the land allocated to the consumer under a ground lease or the amount of the support portion.
f. Up to 6% of the sum of items a. to d. for additional costs.
g. The residual debt of the NHG-backed loan for the previous home. And up to 2% of that sum for additional costs.
h. The costs of energy-saving measures.

What are quality improvements?

By quality improvements, we mean:

- Carrying out overdue maintenance
- Carrying out underpinning work
- Improving the home
- Extending the home
- Cleaning up contaminated land. We only regard this as quality improvement, however, if the valuation report shows that cleaning up the soil is necessary to make the home suitable for habitation.

The quality improvements must be part of the home.

What are energy-saving measures?

Energy-saving measures include the following quality improvements:

- Wall insulation
- Roof insulation
- Floor insulation
- Pipe insulation
- High-efficiency glazing, at least HR ++
- Energy-efficient doors
- Frames and comparable building components. Only applicable in combination with high-efficiency glazing, at least HR ++
- Shower heat recovery system
- Energy-efficient ventilation system. Only applicable in combination with other energy-saving measures
- Heat pumps
- Solar panels

These measures are also stated in the Temporary Arrangement for Mortgage Credit (*Tijdelijke regeling hypothecair krediet*).

The list with accepted ground lease arrangements or discount arrangements can be found on www.nhg.nl. This list states which arrangements are 'with additional capital risk' and which are 'without additional capital risk'. You can also find more information there on the meaning of the terms

C.2.1.2 How do you check the loan against the NHG limit if a consumer buys an existing home?

Check the loan against the NHG limit by adding up the amounts the consumer borrows to cover the costs involved. The cost items for which you are permitted to grant an NHG-backed loan are listed in C.6.2.1 and C.6.3.2. The total NHG-backed loan must not exceed € 500,000.

If the consumer also borrows money for energy-saving measures, the consumer will be allowed to borrow an extra amount for those energy-saving measures on top of the € 500,000. In that case the total NHG-backed loan must not exceed € 530,000.

C.2.1.3 How do you check the costs of the home against the NHG limit if a consumer buys a home at auction?

Check the costs of the home a consumer buys at auction against the NHG limit by adding up the cost items in the overview below. The following rules are important in this respect:

- You also add the items if the consumer has costs but does not borrow money. This is different for item 'd. The costs of obtaining financing'. You only add this item if the consumer borrows money for these costs.
- The sum of a. and b. must not exceed the market value unencumbered by tenancy and use.
- The total of a. to e. must not exceed € 530.000, and
  the total of a. to d. must not exceed € 500,000.

Add up the following items:

a. The purchase price according to the deed of sale (deed of award). The deed of sale also shows who the buyer is.
b. The additional costs of the auction according to the applicable auction conditions.
c. The costs of quality improvements.
d. The costs of obtaining financing.
e. The costs of energy-saving measures.

C.2.1.4 How do you check the loan against the NHG limit if a consumer buys a home at auction?

Check the loan against the NHG limit by adding up the amounts the consumer borrows to cover the costs involved. The cost items for which you are permitted to grant an NHG-backed loan are listed in C.6.2.1.

The total NHG-backed loan must not exceed € 500,000. If the consumer also borrows money for energy-saving measures, the consumer will be allowed to borrow an extra amount for those energy-saving measures on top of the € 500,000. In that case the total NHG-backed loan must not exceed € 530,000.

C.2.2 THE CONSUMER BUYS A NEW-BUILD HOME

If the consumer buys a new-build home and wishes to take out an NHG-backed loan, check the costs of the new-build home and the loan against the NHG limit. Read below how this is done.

If the new home has already been completed at the time of transfer, check first whether we regard the home as a new-build home (see C.1.2).

C.2.2.1 How do you check the costs of a new-build home against the NHG limit?

Check the costs of the new-build home against the NHG limit by adding up the cost items in the overview below. The following rules are important in this respect:

- You also add items a. to e. and i. if the consumer has costs but does not borrow money. The consumer may incur costs, for example, to make the home suitable for habitation, such as for installing a kitchen, bathroom or toilet. If these costs are paid from the consumer's own funds, you must also add these costs. This is different for items f., g. and h. You only add these items if the consumer borrows money for these costs.
- The total of a. to i. must not exceed € 530,000, and
  the total of a. to h. must not exceed € 500,000.
- If the consumer buys a home with an A++++ label, the total of a., b. and i. must not exceed € 530,000.

Add up the following amounts:

a. The purchase price or contract sum, or the construction costs estimated by a construction company. These must be apparent from a purchase agreement or building contract signed by the consumer and the seller.
   - If buyer support without additional capital risk is in place, deduct the support portion from the purchase or contract price.
   - If buyer support with additional capital risk is in place, add the support portion to the purchase price or contract sum.

If the amounts under b. to i. below do not form part of the purchase price or contract sum, or the estimated costs, add the following costs to amount a.:

b. The costs of the land or the mooring.
   - If the consumer already owns the land or the mooring, there are two options:
     - the consumer has become the owner or the land or the mooring during the last two years before the date of a binding offer. In that case, take the original purchase price of the land or the mooring.
     - the consumer has been the owner of the land or the mooring for a longer period of time. In that case, take the market value of the land or the mooring.
   - If the consumer buys a new-build home under a ground lease arrangement with additional capital risk, enter the market value of the land as the costs of the land.
   - In other ground lease arrangements, set the market value of the land to zero.

- If it is a floating home and and the consumer does not own the mooring but does hold the ground lease, tenancy rights or a permit for the mooring, you must take the sum of the value of the floating home and the value of the right to use the mooring as the market value.

c. If the ground rent has been bought out, add the resulting increase in the value of the home. C.5.3.1 describes how you calculate the increase in market value.
d. The balance of contract variations.
e. The construction period interest.
f. The loss of interest during the construction period.
g. The costs of connections to mains services.
h. The costs of construction.
i. The costs of additional energy-saving measures.

C.2.2.2 How do you check the loan against the NHG limit if a consumer buys a new-build home?

Check the loan against the NHG limit by adding up the amounts the consumer borrows to cover the costs involved. The cost items for which you are permitted to grant an NHG-backed loan are listed in C.6.2.2.

The total NHG-backed loan must not exceed € 500,000. If the consumer also borrows money for energy-saving measures, the consumer will be allowed to borrow an extra amount for those energy-saving measures on top of the € 500,000. In that case the total NHG-backed loan must not exceed € 530,000. The total loan for a new-build home with an A++++ label must not exceed € 530,000.

C.2.3 THE CONSUMER ALREADY HAS A HOME AND AN NHG-BACKED LOAN

If the consumer already has a home and an NHG-backed loan and wishes to refinance or increase this loan, you do not always need to check the loan against the NHG limit. The situations in which you do have to check and how you do this are explained below.

C.2.3.1 Situations in which you must check against the NHG limit

In the following situations you must check the loan against the NHG limit:

- The consumer refinances the NHG-backed loan by taking out an NHG-backed loan and increases the loan with an NHG-backed loan. There is one exception: this can be found in C.2.3.4.
- The consumer has an NHG-backed loan for part of the loan amount and a non-NHG-backed loan for the other part and the consumer refinances the entire loan by taking out an NHG-backed loan.
- The consumer does not refinance the NHG-backed loan but increases this NHG-backed loan.

If one of these situations applies, you must check the costs of the refinance or increase and the loan against the NHG limit. Read below how this is done.

C.2.3.2 How do you check the costs of refinancing against the NHG limit?

Check the costs of refinancing or increasing the loan against the NHG limit by adding up the items in the list below. The following rules are important in this respect:

- You also add the items if the consumer has costs but does not borrow money.
- The total of a. to j. must not exceed € 530,000 and the total of a. to i. must not exceed € 500,000.

Add up the following items:

a. The amount the consumer must still repay on the old NHG-backed loan. The consumer may have built up value in an accumulation product that is linked to the old NHG-backed loan. In that case, proceed as follows with that value:
   - If the consumer uses the value of the accumulation product or part of it to repay on the old loan, and this is done at the moment the consumer refinances or increases the amount of the loan, you must deduct that amount from the old NHG-backed loan.
   - If you link the accumulation product to the new NHG-backed loan or release it, you must not deduct that amount from the old NHG-backed loan.

b. The amount the consumer must still repay to pay off a tax-deductible loan.
c. The costs to improve the quality of the home.
d. The amount the consumer must pay the departing partner to acquire full ownership of the home. These costs are stated in the notarial deed of division.
e. The amount the consumer must pay the other heirs to acquire full ownership of the home. These costs are stated in the notarial deed of division.
f. The costs to acquire full ownership of the land or the home's mooring.
g. The costs of buying out the future ground rent obligations for at least the term of the loan.
h. The costs of repaying the entire support portion.
i. The costs of consolidating debts.
j. The costs of making a home energy-efficient.

What is a tax-deductible loan?

By 'tax-deductible loan' we mean one or more non-mortgage loans for which the interest is tax-deductible. This is in accordance with the Income Tax Act 2001.

C. 2.3.3 How do you check the loan against the NHG limit if the loan is refinanced or increased?

Check the loan against the NHG limit by adding up the amounts the consumer borrows to cover the costs involved. The cost items for which you are permitted to grant an NHG-backed loan if the consumer refinances the loan are listed in D.2.2. For an increase of an NHG-backed loan, please refer to D.3.2 and D.5.4.

The total NHG-backed loan must not exceed € 500,000. If the consumer borrows an additional sum for energy-saving measures, the consumer will be allowed to borrow an extra amount for those energy-saving measures on top of the € 500,000. In that case the total NHG-backed loan must not exceed € 530,000.

C.2.3.4 Situations in which you do not check against the NHG limit

You do not carry out a check against the NHG limit if the consumer refinances the NHG-backed loan by taking out an NHG-backed loan and the new loan does not exceed the total of the following amounts:

- The amount the consumer must still repay on the old NHG-backed loan. The consumer may have built up value in an accumulation product that is linked to the old NHG-backed loan. In that case, proceed as follows with that value:
  - If the consumer uses the value of the accumulation product or part of it to repay on the old loan, and this is done at the moment the consumer refinances or increases the amount of the loan, you must deduct that amount from the old NHG-backed loan.
  - If you link the accumulation product to the new NHG-backed loan or release it, you must not deduct that amount from the old NHG-backed loan.
- The costs of taking out the new loan.
- The costs of repaying the old loan, such as an early redemption charge.

If the costs of taking out the new loan and repaying the old loan are not yet known, you are permitted to make a reasonable estimate.

C.2.4 THE CONSUMER ALREADY HAS A HOME BUT DOES NOT YET HAVE AN NHG-BACKED LOAN

The consumer may want to refinance the non-NHG-backed loan by taking out an NHG-backed loan. If the consumer then also wants to increase this loan with an NHG-backed loan or wants to increase a non-NHG-backed loan by taking out an NHG-backed loan, you must check the loan against the NHG limit. Check not only the costs of refinancing or increasing the loan and the loan against the NHG limit, but also the market value of the home. Read below how this is done.

C.2.4.1 How do you check the costs of refinancing against the NHG limit?

Check the costs of refinancing or increasing the loan against the NHG limit by adding up the items in the list below. The following rules are important in this respect:

- You also add the items if the consumer has costs but does not borrow money.
- The total of a. to i. must not exceed € 530,000 and the total of a. to h. must not exceed € 500,000.

Add up the following items:

a. The amount the consumer must still repay on the old loan. The consumer may have built up value in an accumulation product that is linked to the old loan. In that case you must proceed as follows with that value:
   - If the consumer uses the value of the accumulation product or part of it to repay on the old loan, and this is done at the moment the consumer refinances or increases the amount of the loan, you must deduct that amount from the old loan.
   - If you link the accumulation product to the new NHG-backed loan or release it, you must not deduct that amount from the old loan.

b. The amount the consumer must still repay to pay off a tax-deductible loan.
c. The costs to improve the quality of the home.
d. The amount the consumer must pay the departing partner to acquire full ownership of the home. These costs are stated in the notarial deed of division.
e. The amount the consumer must pay the other heirs to acquire full ownership of the home. These costs are stated in the notarial deed of division.
f. The costs to acquire full ownership of the land or the home's mooring.
g. The costs of buying out the future ground rent obligations for at least the term of the loan.
h. The costs of repaying the entire support portion.
i. The costs of making a home energy-efficient.

What is a tax-deductible loan?

By 'tax-deductible loan' we mean one or more non-mortgage loans for which the interest is tax-deductible. This is in accordance with the Income Tax Act 2001.

C.2.4.2 How do you check the loan against the NHG limit if the loan is refinanced or increased?

Check the loan against the NHG limit by adding up the amounts the consumer borrows to cover the costs involved. The cost items for which you are permitted to grant an NHG-backed loan if the consumer refinances the loan are listed in D.2.2. For an increase of an NHG-backed loan, please refer to D.3.2.

The total NHG-backed loan must not exceed € 500,000. If the consumer borrows an additional sum for energy-saving measures, the consumer will be allowed to borrow an extra amount for those energy-saving measures on top of the € 500,000. In that case the total NHG-backed loan must not exceed € 530,000.

C.2.4.3 How do you check the market value of the home against the NHG limit ?

- Check whether the market value unencumbered by tenancy and use does not exceed € 500,000.
- The consumer may want to increase the loan for the purpose of alterations. In that case, check whether the market value unencumbered by tenancy and use after the alterations does not exceed € 500,000. You do not take account of the increase in market value due to the energy-saving measures.

- If the consumer also takes energy-saving measures, the market value unencumbered by tenancy and use following all the alterations, including the energy-saving measures, must not exceed € 530,000.
- The market value following alterations may be unknown. In that case, assess whether or not the costs of the home are within the NHG limit by adding the costs to the market value prior to the refurbishment:
  - The sum of the market value unencumbered by tenancy and use plus the costs of the alterations must not exceed the amounts in the first bullet point. You do not take account of the amount of the energy-saving measures.
  - If the consumer also takes energy-saving measures, the sum of the market value unencumbered by tenancy and use plus the costs of all the alterations, including the energy-saving measures, must not exceed the amounts in the third bullet point.

What are alterations to the home?

- Quality improvements
- Energy-saving measures
- Repayment of a support portion
- Buying out the ground rent
- The consumer acquiring ownership of the land or the mooring
- The consumer acquiring full ownership of the home

CHAPTER C.3 | WHAT REQUIREMENTS MUST THE CONSUMER COMPLY WITH?

C.3.1 CHECK THE CONSUMER'S DOCUMENTS

The consumer must possess one of the following documents:

- A valid passport or ID card from a Member State of the European Union or from Switzerland, Iceland, Norway or Liechtenstein
- A valid foreign national's document issued by the Immigration and Naturalization Service (*Immigratie- en Naturalisatiedienst, IND*) or a sticker or an insert sheet from the IND in a valid passport

These documents must show one of the following:

- The consumer is a national of a Member State of the European Union or of Switzerland, Iceland, Norway or Liechtenstein
- The consumer has an EU residence permit for long-term residents
- The consumer has a document 'Permanent residence Citizens of the Union'
- The consumer has a residence permit in the Netherlands for an indefinite period of time
- The consumer has a residence permit in the Netherlands for a non-temporary purpose of stay according to Article 3.5 of the Aliens Decree (*Vreemdelingenbesluit*). This may also be a residence permit for a fixed period.

A situation may exist where several consumers together apply for the loan and one of them does not comply with any of the above requirements. However, if this consumer does have a residence permit for a fixed period with a temporary purpose of stay, you are permitted to offer an NHG-backed loan. You do not take the income

of this particular consumer into account.

C.3.2 MAKE SURE THAT THE CONSUMER IS LIABLE FOR THE LOAN AND THAT THE CONSUMER OWNS THE HOME

Make sure that everyone to whom you make a binding offer for an NHG-backed loan complies with the following requirements:

- The consumer is jointly and severally liable for the loan.
- The home is the consumer's principal residence.
- The consumer is the owner or joint owner of the home.

If the consumer owns the building but does not own the land or mooring, the consumer must hold the ground lease for the land or the mooring. An exception is if the building is a floating home. In that case, the consumer can also hold a permit for the mooring or have a tenancy agreement with the owner of the mooring.

If there is more than one owner of the home, each owner must comply with these requirements.

If you want to grant an NHG-backed loan to a consumer who acquires the home through a *Groninger akte* (type of deed in the event of a sale subject to a resolutive condition of payment of the purchase price at a later date), we will only regard the consumer as the owner of the home after the purchase price has been paid to the seller.

C.3.3 SCREEN THE CONSUMER

If there are signals that require further checks or investigation, you should carry out such checks or investigation.

- Make use of the available internal and external information structures and sources to detect fraud and crime, even in case of suspicions and trends.
- Do this at both individual and aggregate level and in keeping with the applicable legislation and regulations.
- If you feel that the consumer poses a risk to your or our security and integrity, do not grant an NHG-backed loan.

C.3.4 CHECK WITH THE BKR

You must check with the Dutch Credit Registration Agency (*Stichting Bureau Krediet Registratie*, BKR) whether the consumer has registered loans. You do this for every consumer.

BKR has a cooperation agreement with credit information agencies in several other countries, which allows BKR to check in these countries as well whether the consumer has registered loans. If the consumer lives or has lived in or is a national of one of these countries, you must carry out this investigation abroad with BKR.

When are you not permitted to grant an NHG-backed loan?

You are not permitted to grant a consumer an NHG-backed loan in the following situations:

- The consumer has a BKR registration with payment arrears, a payment arrangement, Claim, Remittance, indication 'untraceable' or Preventive payment arrangement (former BKR codes A, 1, 2, 3, 4 or 5).
- If there are payment arrears (former BKR code A) and the conditions below are not met; or
- There is an active case or entry in the debt register for debt assistance (former BKR code SK or SH).
- If the employer's statement or salary slip show an attachment of earnings or a wage assignment, you are not permitted to offer an NHG-backed loan either.

When are you permitted to grant an NHG-backed loan?

You are permitted to grant a consumer an NHG-backed loan in the following situations:

- If there are payment arrears (former BKR code A) or payment arrears with a start date for a payment arrangement (former BKR code A1) subject to the following conditions:
  - The payment arrears have an end date (former BKR recovery code H); or
  - You can see in the BKR registration that the loan has been terminated or repaid. You can also see that the loan has not been repaid by refinancing with a new outstanding loan; or
  - The lender has declared that there are no payment arrears or that the loan has been repaid. No arrears have been refinanced with a new outstanding loan.
- The consumer has one of the following BKR registrations, has a practical final repayment date (*praktisch laatste aflosdatum*, PLA) and NHG has granted full remission:
  - A credit event such as a Claim (former BKR code HY 2) or Remittance (former BKR code HY 3). Payment arrears (former BKR code HY A), whether or not in combination with a payment arrangement, Claim or Remittance, (former BKR codes HY A1, HY A2 or HY A3). No lump-sum arrangement or payment arrangement has been agreed.
- If there is a residual debt on a mortgage credit agreement with NHG indication and remittance (former BKR code RN 3) subject to the following conditions:
  - There is a practical final repayment date (PLA).
  - The registration dates of the PLA and the remittance (former BKR code 3) are the same.
  - The reason for the remittance is that we have granted full remission of the claim. We have confirmed this in writing to the consumer.
- The consumer's BKR registration is removed due to the passage of time. The registration must have been removed no later than on the start date of the loan.
- The consumer has a registration according to the process set out in the Debt Restructuring (Natural Persons) Act (*Wet schuldsanering natuurlijke personen, Wsnp).* This only applies if this process has been completed, the slate has been wiped clean and at least one year has passed since the date of the judgment.

CHAPTER C.4 | WHAT REQUIREMENTS MUST A HOME COMPLY WITH?

This chapter sets out the requirements we impose on a home if you make a binding offer.

C.4.1 CHECK WHETHER YOU ARE PERMITTED TO GRANT AN NHG-BACKED LOAN FOR THE HOME

You are permitted to grant an NHG-backed loan for a building yet to be built, an existing building or part of it. This may also include:

- The land on which the building stands, or the mooring for a floating home.
- Other structures on the same land or mooring, such as a garage or pier.
- Buildings that belong to the home but are not immediately adjacent to it, such as a garage.

C.4.2 CHECK WHETHER THE HOME MEETS THE CONDITIONS

The home must meet the following conditions

- The home is located in the European territory of the Netherlands.
- The plot may be used for residential purposes. The designated use must be apparent from the environment plan or from an irrevocable permit that is not person-related. The designated use must not be temporary. There must not be an obligation to use the plot also for a purpose other than residential.
- The home is suitable or can be made suitable for permanent residence.
- The home is suitable as a principal residence.
- The home is not rented out of given in use to a third party.
- The home is not encumbered by usufruct.
- The home is not self-propelled. Exception: if it is a floating home, it can be self-propelled.
- If the home or most of it can be transported intact on the public road, the home will only comply with the conditions if an exemption from the RDW (Netherlands Vehicle Authority) is required.
- If the home is a floating home, it must have a permanent mooring.

C.4.3 THE HOME IS A NEW-BUILD HOME

If the consumer buys a new-build home, the following rules also apply:

a. A new-build home must have a guarantee certificate issued by an institution that has obtained quality certification from the Home Guarantee Approval Mark (*Keurmerk GarantieWoning*). The institutions that have quality certification are listed on www.stichtinggarantiewoning.nl.
b. The guarantee scheme must be included in the purchase agreement or building contract.
c. If the seller is a housing association in accordance with the Housing Act (*Woningwet*), a completion guarantee from the housing association in the purchase agreement or building contract will suffice.

If the home is built by the consumer or under the consumer's own management these requirements do not apply.

If the new home has already been completed at the time of transfer, check first whether we regard the home as a new-build home (see C.1.2).

C.4.4 THE HOME IS A FLOATING HOME

A floating home must comply with the conditions for a home. You must check that a floating home also complies with the following conditions:

- The floating home must be listed in the Key Register for the Cadastre (BRK). If this is not (or not entirely) possible, the home or part of the home must be listed in the shipping register of the Netherlands Cadastre, Land Registry and Mapping Agency (*Kadaster*).
- It must be a floating home that is only moved for maintenance and inspection purposes and in the case of a change of mooring.
- If the consumer rents the mooring, there must be a tenancy agreement directly between the consumer and a government agency.
- If a permit is required for the mooring, a government agency must have issued the permit. The consumer is the permit holder.
- The mooring must be freely transferable. The tenancy agreement or permit must not contain any strict impediments to this.
- If the tenancy agreemtn or mooring permit is not for an indefinite period, there must be no reason to expect that the tenancy agreement or the permit will be terminated.

C.4.5 A GROUND LEASE ARRANGEMENT OR BUYER SUPPORT APPLIES TO THE HOME

In certain situations the consumer is entitled to obtain an NHG-backed loan for a home to which a ground lease arrangement or with buyer support applies. The applicable rules are described below. We distinguish between traditional ground lease arrangements and other ground lease arrangements.

Traditional ground lease arrangements

We allow traditional ground lease arrangements. For a ground lease effected before 1 January 1992, the remaining term of the ground lease must not be less than half the term of the loan. This does not apply if the lease states that the ground lease will be 'extended without conditions'.

What is a traditional ground lease arrangement?

By a traditional ground lease arrangement we mean:

A government body has granted the consumer a ground lease for the land or mooring on which the home stands. This arrangement must meet all the following conditions:

- The ground rent does not depend on the consumer's income.
- The ground rent is not tailored to a specific target group.
- The ground lease is not linked to a specific project but is generic for the government body concerned.
- The consumer is not obliged to buy the land or mooring.
- The ground lease must state the term of the ground lease.

Buyer support, other ground lease arrangements and building rights

If the ground lease of the home is not a traditional ground lease arrangement, or if buyer support applies, we must have accepted this arrangement. A list with the ground lease arrangements and buyer support options accepted by NHG can be found on www.nhg.nl, where you can also find more information on the meaning of the terms used.

If building rights apply to the entire home, you must contact us. We will then assess the situation as much as possible on the basis of our ground lease rules.

CHAPTER C.5 | WHAT RULES APPLY TO THE MARKET VALUE AND CONDITION OF THE HOME?

If you grant an NHG-backed loan, you must calculate the market value of the home. This chapter describes how this is done. In some situations you must also inspect the condition of the home. The relevant rules are also described in this chapter.

C.5.1 CALCULATE THE MARKET VALUE OF AN EXISTING HOME

The market value of an existing home unencumbered by tenancy and use must be apparent from a valuation. We distinguish two types of valuation: a hybrid valuation and a physical valuation. In the following situations you must carry out a physical valuation, as a hybrid valuation is not sufficient:

- The consumer wishes to borrow more than 90% of the market value of the home.
- You wish to calculate the market value following quality improvements or energy-saving measures.
- You wish to calculate the market value after the ground rent has been bought out, or after the consumer has acquired full ownership.
- It is a forced private sale or foreclosure, where the consumer is at risk of being left with a residual debt.
- The consumer buys a home at auction. The home must be vacant and unencumbered by tenancy and use at the time of the auction.

If the home has a high foundation risk (see C.5.2), hybrid valuation is not possible.

C.5.1.1 Check whether the report of a physical valuation complies with the requirements

The valuation report of a physical valuation must comply with the following requirements:

- The report has been prepared by an independent party. This means that the valuer must not have been involved in the purchase, sale, brokerage, structural survey or financing of the home. In addition, the valuer must not have ties with the buyer, seller or lender.
- The valuation report must have been validated by a validation institution accepted by us. More information on these requirements can be found at *Taxatie van een woning* (Valuation of a home, in Dutch only).
- The valuation report must not be older than 6 months, counted from the valuation reference date.
- Following alterations you will need to know the value of the home to be able to grant an NHG-backed loan. In that case the valuation report must include the following elements:

- The market value at the time of valuation
- A list of the alterations that have contributed to this market value
- The market value following the alterations

If a floating home is to be valued and it is not possible to provide a validated valuation report, an EMCI-certified valuer must have drawn up the valuation report. EMCI stands for European Maritime Certification Institute.

What are alterations to a home?

- Quality improvements
- Energy-saving measures
- Repayment of a support portion
- Buying out the ground rent
- The consumer acquiring ownership of the land or the mooring
- The consumer acquiring full ownership of the home

C.5.1.2 Check whether the hybrid valuation complies with the requirements

The hybrid valuation is a valuation based on a sophisticated statistical model. The valuation is approved by a valuer. The hybrid valuation must comply with the following requirements:

- Only permitted products listed on our website www.nhg.nl. can be used for hybrid valuations.
- The criteria for valuers and taxation models can be found in the document 'European Banking Authority's Guidelines on Loan Origination and Monitoring'. The hybrid valuation must meet these criteria.
- The report must not be older than 6 months.

C.5.2 DETERMINE THE CONDITION OF AN EXISTING HOME

If the home is not in a good state of repair or if the municipality has issued a notice concerning the condition of the home, you will be permitted to grant an NHG-backed loan if:

- You have agreed with the consumer that the defects will be repaired without delay.
- You have established that the consumer is financially able to have the repairs carried out without delay.

These two conditions do not apply to foundation risk. If the home has a high foundation risk, you are permitted to grant an NHG-backed loan if you have established that the consumer is financially able to have the underpinning work carried out at a later date. Read in C.7.16.3 how this is done.

What do we mean by 'high foundation risk'?

The valuation report contains information on foundation risk. Among other things, it shows the home's risk category according to the foundation risk assessment. If this is risk category D or E, an exploratory foundation inspection must be carried out. This may also be an extensive foundation inspection.

There is a high foundation risk if:

- the outcome of the exploratory foundation inspection is 'high risk'; or
- the outcome of the extensive foundation inspection is 'unsatisfactory' or 'poor'.

Would you like to know more? An outline explaining the process in further detail can be found on www.nhg.nl.

C.5.2.1 When do you need a structural report?

You will need a structural report if the valuation report shows one of the following situations:

- There is overdue maintenance that must be carried out without delay. Calculate the average of the total direct costs estimated by the valuer. This average is more than 10% of the market value unencumbered by tenancy and use.
- Further structural investigations are required.
- The home is in poor structural condition.

If it is a floating home, the lender will determine what report or additional investigation will be required.

C.5.2.2 What requirements must a structural report comply with?

Check whether the structural report complies with the following requirements:

- The report has been prepared by one of the following parties:
  - a municipality
  - the Association of (Prospective) Homeowners (*Vereniging Eigen Huis*)
  - a construction company registered with the Chamber of Commerce. This may be a firm of architects, a building consultant, a contractor or a firm of loss adjusters specializing in construction.
- The report has been prepared by an independent party. This means that this party must not be involved in the purchase, sale, brokerage, valuation or financing of the home. In addition, it must not have ties with the buyer, seller or lender.
- If the report is prepared by a construction company, this company must use the NHG 'Model Structural Report'. This report can be found in the document 'Work Processes'.
- The report must not be older than 12 months.

C.5.2.3 Determine the costs of overdue maintenance

If one of the situations listed in C.5.2.1 applies and one of the situations below, determine the costs of repair as if the repairs were carried out by a company. This also applies if the consumer carries out the repairs:

- The municipality has informed the consumer that overdue maintenance work must be carried out. This is evident from the valuation report.
- The structural report identifies overdue maintenance that must be carried out without delay.

The consumer is obliged to have this overdue maintenance carried out. This will improve the quality of the home.

C.5.3 CALCULATE THE MARKET VALUE OF A NEW-BUILD HOME

You calculate the market value of the new-build home by adding up a number of cost items.

Add up the following amounts:

- The purchase price or contract sum, or the construction costs estimated by a construction company

If the costs below are not included in the purchase price or contract sum they must be added:

- The costs of the land or the mooring
- The balance of contract variations
- The costs of energy-saving measures
- The construction period interest
- The loss of interest during the construction period
- The costs of connections to mains services
- The costs of construction

If the new home has already been completed at the time of transfer, check first whether we regard the home as a new-build home (see C.1.2).

C.5.3.1 Market value of a new-build home after the ground rent has been bought out

If the home is subject to ground rent and the consumer buys out this ground rent, this may increase the market value of the new-build home. You can show this value increase in a valuation report.
If you do not show the value increase in a valuation report, you can use the basic percentages of the following table for the value increase.

The value increase in the valuation report or the maximum percentage of the buyout sum according to the table below must be added to the costs of the land or the mooring.

Term of the ground rent to be bought out	Maximum percentage of the buyout sum
< 30 years	25%
≥30 years	50%
Perpetual*	100%
Estimated value increase	Up to 100% and not exceeding the buyout sum

*Only a term without an end date is considered perpetual

CHAPTER C.6 | WHAT REQUIREMENTS MUST THE LOAN COMPLY WITH?

How much are you permitted to lend to a consumer? How does that amount compare with the market value of the property? When do you offer a loan for energy-saving measures as a standard? For which cost items are you permitted to lend money? This is explained in this chapter. It also describes how the consumer must repay the amount to you.

C.6.1 CALCULATE THE LOAN-TO-VALUE

The Loan-to-Value or LTV is the ratio between the amount of the loan and the market value of the home. The loan must not exceed the market value of the home. If money is also borrowed to make alterations to the home, the loan must not exceed the market value following the alterations.

If the consumer also borrows money to repay a residual debt, you do not need to take this loan portion into account. What we mean by residual debt is explained in C.6.3.

If the consumer also takes energy-saving measures and borrows money to pay for the costs involved, the loan is permitted to exceed the market value of the home. In that case the loan must not exceed 106% of this market value. The consumer is only allowed to use this additional borrowing ability of up to 6% of the market value of the home only for energy-saving measures.

C.6.1.1 Energy-saving budget and improvement budget

If on the date of the binding offer the alterations to be made by the consumer are not yet known, this also means that it is not yet clear what the costs will be. In that case the amount for the alterations must be held in a home construction or home improvement account and you can make use of the energy-saving budget (EBB) or improvement budget. How this works is explained on www.nhg.nl.

What do we mean by alterations?

- Quality improvements
- Energy-saving measures
- Repayment of a support portion
- Buying out the ground rent
- The consumer acquiring ownership of the land or the mooring
- The consumer acquiring full ownership of the home

C.6.1.2 Loan for energy-saving measures as a standard for energy label E, F or G

If the consumer buys a home with energy label E, F or G, not being an apartment right, you are permitted to offer an NHG-backed loan only if the consumer borrows a minimum of € 20,000 for energy-saving measures.

If the consumer is only able to borrow less than € 20,000 for energy-saving measures, you are permitted to offer an NHG-backed loan only if the consumer borrows this lower amount.

It may be that the consumer has not yet started to improve the home's sustainability two years after the loan's start date, or wishes to close the home construction or home improvement account early. In that case, use the home construction or home improvement account as repayment on the loan.

If the consumer does not wish to borrow the amount and has stated this on the designated form, the consumer is not obliged to borrow the amount.

C.6.2 FOR WHICH COSTS ARE YOU PERMITTED TO GRANT A LOAN?

Not all types of costs paid by the consumer in connection with the home qualify for an NHG-backed loan. For example, you are not permitted to grant a loan for costs paid by the consumer to furnish a home. The list below shows for which costs you are permitted to grant an NHG-backed loan in various situations.

There are certain new homes that we do not regard as new-build homes, but as existing homes. If the new home has already been completed at the time of transfer, check first, on the basis of C.1.2, whether it qualifies as a 'new-build home' or 'existing home'.

C.6.2.1 Types of costs incurred for an existing home

If the consumer buys an existing home, you can include the following types of costs in the loan:

- The purchase price with costs paid by the buyer, without the costs of movable property. If the home is movable property, the purchase price will include costs paid by the buyer, without the costs for other movable property.
- The costs of quality improvements.
- The costs of energy-saving measures.
- The costs of buying out the ground rent obligations. This only applies if the buyout period is at least equal to the term of the loan.
- A one-off payment into a maintenance fund for future maintenance work. This payment must be stated in an agreement.
- Additional costs. These costs must not exceed 6% of the total of the costs stated above.
- The residual debt of the NHG-backed loan for the previous home. These costs are listed in C.6.3.2.

If the consumer buys an existing home at auction, instead of the purchase price with costs paid by the buyer as stated above, you can include the following types of costs in the loan:

- The purchase price according to the deed of sale (deed of award). The deed of sale also shows who the buyer is.

Instead of the additional costs as stated above, if a home has been bought at auction you can include the following types of costs in the loan:

- The additional costs of the auction according to the applicable auction conditions.

- The costs of obtaining financing.

C.6.2.2 Types of costs incurred for a new-build home

If the consumer buys a new-build home, you can include the following types of costs in the loan:

- The purchase price or contract sum, or the costs estimated by a construction company.

If the costs below are not included in the purchase price or contract sum, you can also include the following types of costs in the loan:

- The purchase price of the land or the mooring. If the consumer already owns the land or the mooring, do not include the purchase price in the loan.
- Construction costs.
- Additional work. If there are also contract reductions, only include the balance of these two in the loan.
- The costs of additional energy-saving measures. These measures must be apparent from a contract for additional work.
- The construction period interest.
- The loss of interest during the construction period.
- The costs of connections to mains services.
- The costs of buying out the ground rent obligations. These costs, however, may never exceed the value increase. How you calculate the value increase is explained in C.5.3.1.

C.6.3 DETERMINE WHETHER YOU CAN INCLUDE A RESIDUAL DEBT IN THE LOAN

Sometimes you can include a residual debt in the loan.

What is a residual debt?
This is the amount that the consumer still needs to repay on the old NHG-backed loan.

It is only possible to grant a loan to pay off a residual debt if:

- The consumer has sold the home; and
- The consumer cannot repay the old loan in full using the proceeds of the sale; and
- The amount that the consumer still needs to pay has not been claimed from us. Not even just a part of it.

C.6.3.1 How can you include the residual debt in the loan?

You can include the residual debt in the loan as follows:

- You finance the residual debt and the purchase of the new home with a single loan.
- You make a binding offer within a year of the residual debt arising. The transfer date must therefore not have been more than one year ago.
- You comply with the rules for the term of this loan:
  - The term of the loan for the residual debt is as short as possible. This means that the consumer makes full use of the scope within the maximum permitted financing burden to pay off the residual debt as quickly as possible. In that case you repay the loan on an annuity or linear basis.

- The term of the loan for the residual debt is not longer than the term of the longest loan portion of the NHG-backed loan.

C.6.3.2 How do you calculate the amount of the residual debt that you can include in the loan?

The residual debt must not exceed the sum of the following amounts:

- The principal of the old NHG-backed loan that has not yet been repaid. The consumer might want to continue the accumulation product of the old loan. In that case, link the accumulation product to the new NHG-backed loan. If you do not link the accumulation product, deduct the cash value of the accumulation product from the residual debt.
- The Housing Costs Facility (D.5.6): the overdue interest and repayments on the loan that have arisen because you have agreed a payment arrangement with the consumer.
- The overdue repayments.
- The overdue interest payments. The period to which the overdue interest payments can apply is given in A.1.3.
- The interest you are owed by the consumer, because the consumer was late paying the interest and making repayments. You can include this up to a maximum of 12 months from when the payment arrears began.
- The insurance premiums against fire and storm damage to the home. These are the premiums you have paid because the consumer has not paid them.
- Reasonable costs that were necessary to avoid a sale or to limit the loss according to the document 'Work Processes'
- Additional costs. These must not exceed 2% of the total of the above costs.

C.6.4 GRANT THE LOAN IN EUROS

An NHG-backed loan is in euros.

C.6.5 USE A HOME CONSTRUCTION OR HOME IMPROVEMENT ACCOUNT

You must keep a home construction or home improvement account for all the costs that the consumer borrows for a new-build home or alterations to the home. The funds must be used for a new-build home or alterations to the home.

It may be that the consumer pays some of the costs for a new-build home or alterations from the consumer's own funds. In that case the consumer must pay the costs first from these funds. After that you can pay the costs from the account.

What are alterations to the home?

- Quality improvements
- Energy-saving measures
- Repayment of a support portion
- Buying out the ground rent
- The consumer acquiring ownership of the land or the mooring
- The consumer acquiring full ownership of the home

C.6.6 ENSURE THAT THE CONSUMER PAYS ON TIME

Arrange with the consumer that the repayment and interest payments are made to you each month. The consumer can also pay a lump sum for a longer period if desired, but only if the consumer pays in advance.

C.6.7 ENSURE THAT THE LOAN HAS THE CORRECT FORM OF REPAYMENT

Arrange the following with the consumer:

- The consumer repays the loan over a maximum of 30 years.
- The consumer repays the loan on an annuity or linear basis. In some situations you can grant an interest-only loan. We explain these situations below.
- If you are financing a residual debt, the consumer will repay this on an annuity or linear basis. No exceptions are permitted.

C.6.7.1 When can you grant an interest-only loan?

You are permitted to grant an interest-only, NHG-backed loan in the following situation:

- The portion of the interest-only loan relates to the consumer's existing home acquisition debt (*eigenwoningschuld*).
- The portion of the interest-only loan does not exceed 50% of the market value of the home.

If the home is subject to a ground lease arrangement or with buyer support with additional capital risk, you are not permitted to grant an interest-only NHG-backed loan. The list of ground lease arrangements or buyer support options we accept can be found on www.nhg.nl. This list states which arrangements are 'with additional capital risk' and which are 'without additional capital risk'. You can also find more information there on the meaning of the terms used.

Existing home acquisition debt

By this we mean an existing home acquisition debt under Section 10bis.1 of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

C.6.7.2 When can you grant a loan with an accumulation product?

For an existing home acquisition debt you can grant a loan linked to an accumulation product. This must comply with the following rules:

- The accumulation product is a life insurance policy, investment contract or savings account for home ownership (*Spaarrekening Eigen Woning*).
- The consumer must use the accumulated capital to repay the loan at the end of the loan term.
- You can allow for a return of up to 8% for the expected final capital in the accumulation product. By return we mean the gross return, that is before deducting all costs.

C.6.7.3 If you grant an interest-only loan together with a loan with accumulation product

You can grant a portion of the loan interest-only and a portion of the loan with an accumulation product. In that case, add the loan with an accumulation product and the interest-only loan together. The sum must not exceed the existing home acquisition debt.

C.6.7.4 If the existing home acquisition debt ends

In this situation, the term of the existing home acquisition debt for the loan or portion of the loan ends during the term of the loan. This may be because the consumer no longer has any mortgage interest relief because the maximum term for it has been reached. In that case you do not need to change this portion of the loan. You can continue it until the end date of the loan.

CHAPTER C.7 | THE FINANCING BURDEN AND MAXIMUM PERMITTED FINANCING BURDEN

An NHG-backed loan must always be a responsible loan. So always check whether the loan is responsible for the consumer to whom you grant the loan. In any case you must follow the basic rules set out in the Temporary Arrangement for Mortgage Credit. Additional conditions also apply to an NHG-backed loan when you calculate the financing burden and the maximum permitted financing burden for the consumer.

C.7.1 RULES FOR THE FINANCING BURDEN AND THE MAXIMUM PERMITTED FINANCING BURDEN

The financing burden of a loan must not be higher than the 'maximum permitted financing burden'. For an NHG-backed loan, you calculate the financing burden and the maximum permitted financing burden by applying Article 3 of the Temporary Arrangement for Mortgage Credit. You are not permitted to use the exceptions to these rules contained in the Temporary Arrangement for Mortgage Credit, unless we say that you can. We also have additional rules which are explained in this chapter.

C.7.2 TOTAL FINANCING BURDEN

You calculate the total financing burden by adding up the following:

- The financing burden of the NHG-backed loan. You calculate this by adding up each loan portion of the financing burden.
- The financing burden of the residual debt finance with NHG
- The financing burden of a non-NHG-backed residual debt or loan. You calculate this by adding up each loan portion of the financing burden.
- The financing burden of a tax-deductible loan.
- The amount of ground rent. The following rules apply here.
  - The consumer may be paying ground rent that is rising, but not due to indexation or a ground rent review. In that case the amount of the ground rent is the average that the consumer must pay during the period of rising ground rent.
  - If the ground rent is refixed within 12 months following the date of a binding offer and the new amount is higher than the existing ground rent, take the refixed ground rent. If the new amount is not yet known, you may make a reasonable estimate.
  - If the consumer is to pay ground rent within 12 months, include the ground rent in calculating the total financing burden. If the new ground rent is not yet known, you may make a reasonable estimate.

What is a tax-deductible loan?
By 'tax-deductible loan' we mean one or more non-mortgage loans for which the interest is tax-deductible. This is in accordance with the Income Tax Act 2001.

C.7.2.1 Exception when calculating the total financing burden

Instead of applying Article 3(1) of the Temporary Arrangement for Mortgage Credit, you can apply Articles 4(3), (4), (5) and (6) when calculating the total financing burden.

C.7.2.2 Financing burden at the end of the mortgage interest relief

- The Income Tax Act 2001 specifies a maximum period for mortgage interest relief. Bear this in mind when assessing what financing burden percentage you will use.
- If a loan or portion of a loan reaches the end of that period within 10 years of the binding offer:
  - Calculate too the financing burden for the period from the moment that the mortgage interest relief has expired.
  - Do this based on the financing burden percentage that applies to loans for which the mortgage interest is not tax-deductible.

C.7.2.3 Financing burden with a term shorter than 30 years

If you want to link an accumulation product to an NHG-backed loan, and the term of the loan is shorter than 30 years, you can also calculate the financing burden based on the principal of the loan less the accumulated value. If this does not work, you can calculate the financing burden based on the principal of the loan and a notional term of 30 years. You therefore calculate the weighted average interest with a term of 30 years.

If the consumer has an interest-only loan and the term is shorter than 30 years, you can also calculate the financing burden based on the principal of the loan and a notional term of 30 years. You therefore calculate the weighted average interest with a term of 30 years.

C.7.3 HOW DO YOU CALCULATE THE MAXIMUM PERMITTED FINANCING BURDEN?

Article 3 of the Temporary Arrangement for Mortgage Credit sets out how you calculate the permitted financing burden. You calculate the maximum permitted financing burden for an NHG-backed loan in the same way.
If the loan has several loan portions, round off the weighted average interest on these loan portions to 3 decimal points.

We also explain below for an NHG-backed loan:

- How you calculate the qualifying income (C.7.4 to C.7.15)
- How you deduct the financial obligations from the maximum permitted financing burden (C.7.16)
- How you deduct the indicative underpinning costs from the maximum permitted financing burden for a home with a high foundation risk (C.7.16.3)

C.7.4 HOW DO YOU CALCULATE THE CONSUMER'S QUALIFYING INCOME?

Article 2 of the Temporary Arrangement for Mortgage Credit explains how to calculate the consumer's qualifying income. You calculate it in the same way for an NHG-backed loan. However, additional rules apply for an NHG-backed loan. Read on to find out more.

To calculate the consumer's qualifying income, you must assess the permanent income. You show this with sources of information that we accept. What sources of information these are will depend on the consumer's kind of income.

Permanent income
Permanent income is the income you can expect the consumer to retain. Wherever we refer to 'income', we mean permanent income. Travel allowances, pension compensation and other expense allowances are not included.

C.7.4.1 Is the consumer's income falling?

In this situation the consumer has a qualifying income and you have information indicating that the consumer's income is going to fall. So, when calculating the qualifying income you must take account of the lower income during this period.

If the consumer's income falls below the social minimum, when calculating the qualifying income you must take account of the social minimum during this period.

C.7.4.2 Will the consumer reach state pension age within 10 years?

In this situation, the consumer will reach state pension age within 10 years of receiving a binding offer. In that case, calculate the consumer's qualifying income for the period before reaching state pension age and the period thereafter separately.

State pension age
By state pension age we mean the age at which a person is entitled to state pension as described in Section 1, paragraph 1, part i. of the General Old Age Pensions Act (*Algemene Ouderdomswet*).

C.7.4.3 Determine which source of information to use

The rules for each source of information are given below. For a quick look at the sources of information you can use with the type of income the consumer has, go to the overview on www.nhg.nl.

C.7.5 THE EMPLOYER'S STATEMENT

You can use an employer's statement to calculate the qualifying income in the following situations:

- The consumer has an employment contract for an indefinite period.
- The consumer has a fixed-term employment contract with a declaration of intent for an indefinite period.
- The consumer has a fixed-term employment contract without a declaration of intent.

This is permitted only if:

- The consumer does not have a probation period, or the probation period has passed.
- The consumer does not hold 5% or more of the employer's shares.

What do we mean by a declaration of intent for an indefinite period?
A declaration of intent for an indefinite period is a statement by the consumer's employer. It will state: 'If the employee's performance remains consistent and business conditions remain unchanged, the fixed-term employment contract will be replaced on termination by a continuing or renewed employment contract for an indefinite period'.
Whether or not the consumer receives an employment contract for an indefinite period must not depend on anything other than performance and business conditions.

C.7.5.1 What are the rules regarding the use of the employer's statement?

If you use the employer's statement to calculate the qualifying income, the following rules apply:

- You also have the consumer's salary slip. This must not be older than 3 months on the date of the binding offer.
- The employer's statement must not be older than 3 months on the date of the binding offer.
- You have checked using the information on the salary slip that the employer's statement is correct. Use the employer's statement according to the NHG model. This model can be found on www.nhg.nl/werkgeversverklaring.

C.7.5.2 How do you calculate the qualifying income using the employer's statement?

- If you are using an employer's statement to calculate the consumer's qualifying income, add up the permanent income portions.
- Additional rules that apply to specific situations are given below.

The consumer's income will increase

If the consumer's income is to increase, use the higher income to calculate the qualifying income. However, you can only do so if all the situations below apply:

- The consumer has an employment contract for an indefinite period and the probation period has passed. Or the consumer has a fixed-term employment contract with a declaration of intent for an indefinite period and the probation period has passed.
- The income will increase within 6 months of the date of your binding offer.
- No conditions are attached to the increase in income. This must be apparent from a statement by the employer.

Employment contract for an indefinite period, first working day is yet to come

In this situation, the consumer has an employment contract for an indefinite period but has not yet had the first working day. You can nevertheless use the income stated in the new employment contract to calculate the qualifying income, but only if all the situations below apply:

- You won't have a salary slip yet. Instead, you must have a copy of the employment contract and an employer's statement.
- The consumer does not have a probation period.
- The consumer starts work at the employer within 6 months of the date of your binding offer.

Employment contract for an indefinite period

In this situation, according to the employer's statement the consumer has an employment contract for an indefinite period. If the probation period has passed, you can include the income in the qualifying income. You can do so for the full term of the loan. If the end date of the employment contract is known, you must take this into account.

Fixed-term employment contract, with declaration of intent for an indefinite period

In this situation, the consumer has a fixed-term employment contract with a declaration of intent for an indefinite period, and the probation period has passed. In that case you can include the income from the employment contract in the qualifying income. You can do so for the full term of the loan. You must not have any reason to believe that the employment contract will end during the term of the loan, with the exception of an imminent pension.

Fixed-term employment contract, without declaration of intent for an indefinite period

In this situation, the consumer has a fixed-term employment contract without a declaration of intent for an indefinite period, and the probation period has passed. In that case you can include the income from the employment contract until the end of the employment contract.

C.7.6 ANNUAL STATEMENTS

In the following situations you can use the annual statements from the preceding 3 calendar years to calculate the qualifying income:

- The consumer has a fixed-term employment contract without a declaration of intent for an indefinite period.
- The consumer has an employment agreement but is still in the probation period.
- The consumer has an employment contract that expires soon.
- The consumer has flexible employment such as seasonal work, temporary employment or on-call work.

C.7.6.1 What are the rules regarding the use of annual statements?

If you use annual statements to calculate the qualifying income, the following rules apply:

- The consumer has had no income for more than one calendar year. In that case you cannot use the annual statements to calculate the qualifying income.
- You need an employer's statement showing that employment is ongoing.
- There must not be a situation of permanent employment.
- The employer's statement must not be older than 3 months on the date of the binding offer.
- Use an employer's statement according to the NHG model. This model can be found on www.nhg.nl/werkgeversverklaring.
- The consumer does not have an annual statement for one or more of the previous calendar years. In that case, use one or more of these 3 sources of information:
  - The most recent salary slip for the calendar year in which the cumulative wage for that calendar year is given
  - The most recent benefit slip for the calendar year in which the cumulative wage replacement benefit is given for that calendar year
  - An income statement from the Tax and Customs Administration. If you use this, you must not use any other sources of income for that year.

C.7.6.2 How do you calculate the qualifying income using annual statements?

If you use annual statements to calculate the consumer's qualifying income, use the method given in the overview below:

Calculating the qualifying income using annual statements from the past 3 calendar years

- Add up the gross annual incomes and divide by 3.
- Include any benefits shown in the annual statements that are wage replacement benefits.

The income must not exceed the gross annual income for the latest calendar year. You can use this income for the full term of the loan.

C.7.7 METHOD TO CALCULATE INCOME FROM SALARIED EMPLOYMENT (*INKOMENSBEPALING LOONDIENST* - IBL)

You can use the IBL calculation tool to calculate the qualifying income with the following forms of employment:

- The consumer has an employment contract for an indefinite period.
- The consumer has a fixed-term employment contract with a declaration of intent for an indefinite period.
- The consumer has a fixed-term employment contract without a declaration of intent for an indefinite period.
- The consumer has an employment contract but is still in the probation period.
- The consumer has an employment contract that expires soon.
- The consumer has seasonal work.
- The consumer has temporary employment.
- The consumer has on-call work.

C.7.7.1 What are the rules on the use of the IBL?

If you use the IBL, the following rules apply:

- You must not use an employer's statement.
- You require a salary slip or other document. This must show:
  - How much the consumer pays into the pension scheme.
  - That the consumer is still employed by the employer.
- You also require a certified UWV insurance statement in PDF format.
- The salary slip and the UWV insurance statement must not be older than 3 months on the date of the binding offer.

C.7.7.2 How do you calculate the qualifying income using the IBL?

If you use the IBL to calculate the consumer's qualifying income, use the method given in the overview below:

Calculating the qualifying income using the IBL calculating tool

- Use the calculation tool on toetsinkomenberekenen.nl. The calculation rules this tool uses can be found on www.nhg.nl.
- Upload the UWV insurance statement in the calculation tool. The calculation tool reads the information automatically.
- If the consumer pays a personal contribution into the pension scheme, enter it here.
- Use the income from the calculation tool as the maximum income to calculate the qualifying income. You can use this income for the full term of the loan.

C.7.8 EMPLOYMENT MARKET SCAN

If the consumer has a fixed-term employment contract without a declaration of intent for an indefinite period, and has had income from employment for at least 12 months during the past 14 months, you can use the Employment Market Scan to calculate the qualifying income.

C.7.8.1 What are the rules for the use of the Employment Market Scan?

The following rules apply when using the Employment Market Scan:

- An expert accepted by us must draw up the Employment Market Scan. Go to *de Arbeidsmarktscan* (the Employment Market Scan, in Dutch only) to check whether an expert has been accepted';
- The Employment Market Scan must not be older than 6 months on the date of the binding offer.

C.7.8.2 How do you calculate the qualifying income with the Employment Market Scan?

If you are using the Employment Market Scan to calculate the qualifying income, proceed as follows:

- Check whether the number of working hours per week in the Employment Market Scan corresponds to the number of working hours shown on the wage slip. If the number of hours on the Employment Market Scan is higher than those given on the wage slip, you must request a new Employment Market Scan.
- Check the consumer's current income on the employer's statement and the earning capacity on the Employment Market Scan. Take the lowest of the two as the qualifying income.
- You can use this income for the full term of the loan.

C.7.9 THE STATEMENT OF EMPLOYMENT PROSPECTS (*PERSPECTIEFVERKLARING)*

If the consumer has temporary employment, you can use the Statement of Employment Prospects to calculate the qualifying income.

C.7.9.1 What are the rules on the use of the Statement of Employment Prospects?

The following rules apply if you are using the Statement of Employment Prospects:

- You are affiliated to *Stichting Perspectiefverklaring*.
- You have an employer's statement that belongs to the Statement of Employment Prospects.
- The employer's statement and the Statement of Employment Prospects are not older than 6 months on the date of the binding offer.
- The employer's statement and the Statement of Employment Prospects have been drawn up by an employment agency that is affiliated to *Stichting Perspectiefverklaring*. Go to www.perspectiefverklaring.nl for a list of affiliated employment agencies.

C.7.9.2 How do you calculate the qualifying income using a Statement of Employment Prospects?

If you use the Statement of Employment Prospects to calculate the consumer's qualifying income, use the method shown in the overview below:

Calculating the qualifying income using a Statement of Employment Prospects
Use the consumer's income as shown on the employer's statement that belongs to the Statement of Employment Prospects. You can use this income for the full term of the loan.

C.7.10 INCOME STATEMENT OF AN ENTREPRENEUR (*INKOMENSVERKLARING ONDERNEMER*, IKV)

If the consumer is a direct or indirect owner of a business and has been conducting a profession or running a business for at least 12 months, use the IKV to calculate the qualifying income.

We consider a consumer to be an 'owner of a business' in the following two situations:

- The consumer is an independent entrepreneur, for example as a sole trader. Or the consumer can be a direct or indirect partner in a general or professional partnership or the managing partner of a limited partnership.
- The consumer is a direct or indirect shareholder of a private limited company (BV) or a public limited company (NV). If the consumer holds less than 5% of the shares in the company, you are not required to use the IKV.

It makes no difference what business or profession the consumer conducts as an independent entrepreneur. This would therefore include, for example, a share fisherman, boatman, harbour pilot or artist, but also an elite sportsperson who receives a stipend.
It also makes no difference whether or not the consumer is registered with the Chamber of Commerce.

Exceptions are consumers who receive income from a personal care budget (*Persoonsgebonden Budget, PGB*) and consumers who are home helps (*alfahulp*). You use the IKV to calculate the qualifying income only if these consumers are registered with the Chamber of Commerce, otherwise the qualifying income must be calculated according to C.7.15.

If the consumer receives a co-working payment, you must also use the IKV to calculate the consumer's qualifying income.

C.7.10.1 What are the rules on the use of the IKV?

If you use the IKV, the following rules apply:

- A calculation expert accepted by us must draw up the IKV. Go to *Inkomensverklaring Ondernemer aanvragen (*in Dutch) to find out whether a calculation expert has been accepted by us.
- The calculation expert will draw up the IKV based on the IKV assessment frameworks. These are published (in Dutch) on *toetskaders-inkomensverklaring-ondernemer-plus-toelichting-2025-2.pdf*.
- The IKV must not be older than 6 months on the date of the binding offer.
- If you use the consumer's income from the IKV as the qualifying income, you can use this income for the full term of the loan.
- It may be that the consumer's qualifying income is high enough without including the income from the business. You then need to decide whether it is wise to grant the NHG-backed loan without including the income. If you feel there is a risk, use an IKV.

C.7.10.2 Income as childminder?

If the consumer is a childminder, this consumer's income can only be included in the IKV if the following conditions are met:

- the consumer has a contract with multiple parents or carers; and
- the consumer keeps proper records; and
- the consumer is registered with the National Childcare Register (*Landelijk Register Kinderopvang, LRK*)

C.7.11 THE ALLOCATION DECISION FOR SOCIAL SECURITY BENEFIT OR OTHER INCOME-REPLACEMENT BENEFIT

If the consumer is receiving social security benefit, use the paying institution's allocation decision to calculate the qualifying income.

This may not be a social security benefit but another income-replacement benefit paid by an insurance company. In that case, 'allocation decision' is taken to include a document provided by the insurance company stating clearly the duration and amount of the benefit.

C.7.11.1 What are the rules on the use of the allocation decision?

If you use the allocation decision, the following rules apply:

- You must have a specification of the benefit. This will show how much the benefit is.
- The specification is the most recent specification that the consumer has received from the benefits agency.
- Use the allocation decision or another written declaration from the benefits agency to determine the duration of the benefit.

C.7.11.2 How do you calculate the qualifying income using an allocation decision?

If you use the allocation decision to calculate the consumer's qualifying income, use the method shown in the overview below:

Calculating the qualifying income using the allocation decision for social security benefit

- Use the consumer's income shown on the specification.
- You can include the benefit income for as long as the benefit lasts.
- Some of the benefit might not be certain. For example, it depends on a re-examination or another benefit. In that case you can only include the portion that is certain. Exception: Income from the Fully Disabled Persons Income Scheme (IVA), the Invalidity Insurance Act (WAO) and the Invalidity Insurance (Self-Employed Persons) Act (WAZ) benefit can be included for the full term of the loan.
- Benefit under the Disablement Assistance Act for Handicapped Young Persons (Wajong) can be included in the qualifying income as follows:
  - If the consumer has no possibility of participating in the labour force, take 75% of the statutory minimum wage.
  - If the consumer does have the possibility of participating in the labour force, take 70% of the statutory minimum wage. You can only do this, however, if the entitlement to a Wajong benefit is permanent.
  - You can also include the portion of the income from work that the UWV does not set off against the Wajong benefit, but only if this is permanent income.
- If the consumer's benefit is increased, you can use the higher income, but only in the situations below:
  - The allocation decision shows the starting date and the amount of the benefit, *and*
  - The benefit is to increase within 6 months of the date of the binding offer.

C.7.12 AOW ALLOCATION DECISION, PENSION STATEMENT AND ANNUITY POLICY

You are permitted to use the allocation decision for the state pension (AOW) together with an AOW specification to calculate the qualifying income. If the consumer has a pension or annuity product, use the pension statement or annuity policy to calculate the qualifying income. You can do this in the following situations:

- The consumer has reached state pension age.
- The consumer has reached the pension commencement date.
- The consumer has income from an annuity product.

C.7.12.1 What are the rules on the use of the AOW allocation decision, pension statement or annuity policy?

If you use the AOW allocation decision or the pension statement or the annuity policy, the following rules apply:

- The pension income is apparent from the most recent pension statement. Or from an extract from mijnpensioenoverzicht.nl that is not older than 3 months on the date of the binding offer.
- You are permitted to include the AOW income and any pension and annuity income. When calculating the qualifying income, after the consumer has reached state pension age you can no longer include other types of income. If the consumer's pension commences later than the date on which the consumer reaches state pension age and this leads to a qualifying income that is temporarily too low, you must assess whether the consumer can manage this temporary difference. For example, you can take other sources of income into account such as income from an employment contract or income from a business. However, this can only be for the period from the state pension age until the statutory standard retirement age of 68 years.
- The consumer reaches state pension age within 10 years of the binding offer for the loan. In that case, include both the income until state pension age and the income from state pension age onwards.
- The consumer is not yet receiving state pension, but will reach state pension age within 6 months of the date of the binding offer. In that case you can already use the state pension in the calculation.
- The consumer does not yet receive any pension. However, the consumer will reach the pension commencement date within 6 months of the date of the binding offer. In that case you can already use the pension income in the calculation.
- The consumer is planning on taking early retirement. In that case, when calculating the qualifying income you must take account of the expected change in income.
- You can only include an annuity if it is a policy or bank savings product with a tax-deductible annuity clause.
- The consumer is not yet receiving annuity benefit. In that case you are permitted to include future income from the annuity in the qualifying income. However, the following rules apply to this:
  - It is a policy or bank savings product with a tax-deductible annuity clause.
  - You might want to establish the future income from the annuity, and include the future premiums that the consumer will still pay. You can only do so if the premiums are not higher than the regular premiums that the consumer has paid for at least one year up to the date of the binding offer.
  - Set the future income from the annuity as follows:

- In the accumulation phase, calculate the annuity capital based on a forecast return of up to 4%. If the historic return is lower, take this return to calculate the final capital.
- In the payment phase, calculate the income from annuity capital using a notional interest rate not exceeding the Ultimate Forward Rate (UFR). *De Nederlandsche Bank* publishes the UFR.

C.7.12.2 How do you calculate the qualifying income using the AOW allocation decision, the pension statement or the annuity policy?

If you are using the AOW allocation decision, the pension statement or the annuity policy to calculate the consumer's qualifying income, use the method shown in the overview below:

Calculating the qualifying income using the AOW allocation decision, the pension statement or the annuity policy

- Use the consumer's income as shown on the specification for the term of this benefit.
- If the benefit is for a shorter period than for the loan, include the benefit for as long as it lasts.
- If the consumer has not reached the pension commencement date, state pension age or the annuity commencement date, calculate the consumer's future income manually.
- If the consumer is planning on taking early retirement, when calculating the qualifying income you must take account of the expected decline in income.

State pension age

By state pension age we mean the age at which a person is entitled to state pension as described in Section 1, paragraph 1, part i. of the General Old Age Pensions Act (*Algemene Ouderdomswet*).

C.7.13 SOCIAL MINIMUM

The situation may arise where the consumer's income falls below the social minimum. However, the consumer is entitled to the social minimum. In that case, when calculating the qualifying income take this into account from the moment that the consumer is entitled to the social minimum.

C.7.14 MAINTENANCE

In this situation, the consumer receives maintenance from a former partner, or the consumer pays maintenance to a former partner. Both of these have consequences for the qualifying income.

C.7.14.1 Is the consumer receiving spousal maintenance?

If the consumer is receiving maintenance from a former partner:

- Include the spousal maintenance in the qualifying income for as long as the consumer is entitled to it.
- That entitlement must be apparent from a court order or a notarial agreement. You must not include child maintenance when calculating the qualifying income.

C.7.14.2 Is the consumer paying spousal maintenance?

If the consumer is paying spousal maintenance, deduct this maintenance obligation from the income when calculating the qualifying income for the period that the consumer has this obligation.

C.7.15 INCOME TAX ASSESSMENTS

There are special forms of income where you use income tax assessments to calculate the qualifying income. In these situations you cannot use an IKV. It concerns the following forms of income:

- The consumer receives income from a personal care budget (*Persoonsgebonden Budget, PGB*) and is not registered with the Chamber of Commerce. You are only permitted to include this income if:
  - the consumer provides care to several care recipients;
  - the consumer provides long-term care to a next of kin. For this, there must be a care agreement in place for an indefinite period for a partner or family member. This income can be included until this next of kin has reached the age of 77 years.
- The consumer receives income as an elected government official, such as a member of parliament, mayor or alderman.
- The consumer receives income as a religious official, such as a minister, without being employed as such.
- The consumer receives income as a reservist or fire service volunteer without being employed as such.
- The consumer receives income as a home help (*alfahulp*). You are only permitted to include this income if:
  - the consumer performs private domestic work in and around the house for multiple clients, *and*
  - the consumer works less than 4 days a week for each client.

C.7.15.1 How do you calculate the qualifying income using income tax assessments?

Calculate the qualifying income based on the average income from the last three income tax returns. Of these three years, no more than one year may be without income. The qualifying income must not exceed the annual income in the most recent tax return. You can use this income for the full term of the loan..

C.7.16 FINANCIAL OBLIGATIONS AND THE MAXIMUM PERMITTED FINANCING BURDEN

Under the Temporary Arrangement for Mortgage Credit, when calculating the maximum permitted financing burden you must take account of the consumer's other financial obligations. This applies to all financial obligations, so it includes those not registered with the Dutch Credit Registration Office (Stichting Bureau Krediet Registratie, BKR).

If you have already included financial obligations when calculating the financing burden as shown in C.7.2, do not include those financial obligations when calculating the maximum permitted financial burden.

In addition to the Temporary Arrangement for Mortgage Credit there are further rules that apply when calculating the maximum permitted financing burden with an NHG-backed loan. These rules are given below.

C.7.16.1 How do you deduct other financial obligations?

- The consumer has financial obligations.
  - In that case, establish first the original credit or loan amount.

  - Then deduct 2% of that amount each month from the maximum permitted financing burden. This applies to the remaining term of the financial obligation.
- The consumer has a financial obligation that cannot change during the term. In that case, deduct at least the actual costs the consumer pays for this from the maximum permitted financing burden.
- The consumer has a financial obligation for the residual debt from the sale of the home. In that case, reduce the maximum permitted financial burden by the net monthly payment for this financial obligation.
- The consumer pays rent, mooring fees or an encroachment licence fee (*precario*) for a mooring for a floating home. In that case, reduce the maximum permitted financing burden by this amount. If this amount is refixed within 12 months following the date of a binding offer and the new amount is higher than the existing amount, take the new amount. If the new amount is not yet known, you may make a reasonable estimate.

C.7.16.2 What costs do you not deduct from the maximum permitted financing burden?

Do not deduct costs from the maximum permitted financing burden in the following situations:

- The consumer has costs that will no longer exist on the start date of the loan agreement and will have no new financial obligations on the loan start date. If you have information confirming this, you do not need to deduct these costs from the maximum permitted financing burden.
- If the consumer has financial business obligations, make sure that the costs are included in the IKV. You do not need to deduct these costs from the maximum permitted financing burden.
- You may have granted an additional loan to reduce the monthly costs of the NHG-backed loan. In that case, you do not need to deduct the associated costs from the maximum permitted financing burden if the following applies:
  - The existing NHG-backed loan is not for an existing home acquisition debt as stated in Section 10bis(1) of the Income Tax Act 2001.
  - The interest on the additional loan is no more than 1% higher than the interest on the existing NHG-backed loan.
  - The consumer pays interest and makes repayments on the NHG-backed loan each month. Up to 50% of the repayments will be allowed to be put towards repaying the additional loan.
  - If you have granted the additional loan after the NHG-backed loan, the consumer will have already repaid some of the NHG-backed loan. The consumer can then no longer take up that part of the loan.

Existing home acquisition debt

By this we mean an existing home acquisition debt under Section 10bis.1 of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

C.7.16.3 How do you deduct indicative underpinning costs?

If the home has a high foundation risk, when calculating the maximum permitted financing burden you must take account of the indicative underpinning costs. Read below how this is done.

- Establish the amount of the indicative underpinning costs you are using in your calculations. If the consumer is able to use more than € 25,000 of his own funds for future underpinning work, you can reduce the indicative underpinning costs by the amount of the consumer's own funds that exceeds € 25,000.
- Calculate the financing burden of this amount. For this calculation, assume an annuity loan with a maximum term of 30 years. Use the AFM notional interest rate for mortgages.
- Deduct the calculated financing burden from the maximum permitted financing burden.

Exceptions:

- If the consumer has the underpinning work carried out immediately, the rules in this article do not apply. In that case we regard the underpinning work as an improvement to the quality of the home.
- It may be that the consumer already has an NHG-backed loan for a home with a high foundation risk. If the consumer wishes to refinance or increase this loan to carry out necessary quality improvements, you must assess whether these quality improvements are indeed necessary. If this is the case, it is up to you to decide whether you deduct the financing burden of the indicative underpinning costs from the maximum permitted financing burden.
- It may be that the consumer already has an NHG-backed loan for a home with a high foundation risk. If this consumer wishes to increase this loan to consolidate debts in accordance with D.5.5, it is up to you to decide whether you deduct the financing burden of the indicative underpinning costs from the maximum permitted financing burden.
- The home has a high foundation risk and you want to release a consumer from joint and several liability. In that case it is up to you to decide whether you deduct the financing burden of the indicative underpinning costs from the maximum permitted financing burden. This is also permitted if you grant an additional loan at the same time for the amount that the consumer must pay the departing partner to acquire full ownership of the home.

What do we mean by 'high foundation risk'?

The valuation report contains information on foundation risk. Among other things, it shows the home's risk category according to the foundation risk assessment. If this is risk category D or E, an exploratory foundation inspection must be carried out. This may also be an extensive foundation inspection.

There is a high foundation risk if:

- the outcome of the exploratory foundation inspection is 'high risk'; or
- the outcome of the extensive foundation inspection is 'unsatisfactory' or 'poor'.

Would you like to know more? An outline explaining the process in further detail can be found on www.nhg.nl.

What do we mean by indicative underpinning costs?
By 'indicative underpinning costs' we mean the estimated costs of underpinning the foundations. Use the indicative underpinning costs from the foundation risk assessment taken into account by the valuer when determining the market value. If the valuer has used a different estimate of the indicative underpinning costs in his valuation, you must use these costs. This information can be found in the 'Foundations' section of the valuation report. The indicative underpinning costs are shown as a range between two amounts. Use the average of these amounts. You may also use the amount provided by the Dutch Housing Evaluation Institute (*Nederlands Woning Waarde Instituut, NWWI*).

CHAPTER C.8 | SENIOR CITIZENS SCHEME

For senior citizens, you have additional options for granting an NHG-backed loan. Details are explained in this chapter. All other requirements in this part C continue to apply. A loan based on a senior citizens scheme is always tailored to the individual. You must therefore always assess whether the loan is suitable and responsible for the senior citizen to whom you grant the loan, in order to prevent overindebtedness.

C.8.1 WHICH CONSUMERS ARE SENIOR CITIZENS?

By senior citizens we mean consumers:

- who will reach state pension age under the General Old Age Pensions Act (*Algemene Ouderdomswet*, AOW) within 10 years, *or*
- who have reached state pension age on the date of a binding offer.

If you are making a binding offer to more than one consumer, the rules in this chapter apply if at least one of the consumers is a senior citizen.

State pension age
By state pension age we mean the age at which a person is entitled to state pension as described in Section 1, paragraph 1, part i. of the General Old Age Pensions Act (*Algemene Ouderdomswet*).

C.8.2 THE SENIOR CITIZEN ALREADY OWNS A HOME AND WANTS TO MOVE HOUSE

The situation may arise where the senior citizen cannot obtain an NHG-backed loan to buy a home. This is because when applying Article 3(2) of the Temporary Arrangement for Mortgage Credit the financing burden is higher than the maximum permitted financing burden. In that case, calculate the financing burden based on the following rules.

C.8.2.1 The senior citizen reaches state pension age within 10 years

If the senior citizen reached state pension age within 10 years of the date of a binding offer, calculate the financing burden as follows:

- Over the period from the binding offer until the consumer reaches state pension age: according to the rules of Article 3(2) of the Temporary Arrangement for Mortgage Credit.

- Over the period from the moment the consumer reaches state pension age: according to the rules under C.8.2.2 and C.8.2.3.

C.8.2.2 The senior citizen has reached state pension age

If the senior citizen has reached state pension age on the date of the binding offer, calculate the financing burden based on the actual costs. It means that you don't need to calculate the financing burden based on the gross amount of interest and repayments that would be due under an annuity repayment scheme.

What are the actual costs?

Calculate the actual monthly costs by adding up the following costs:

- The interest
- The repayment (if applicable)
- The contribution to an accumulation product (if applicable)
- The ground rent (if applicable)
- the rent, mooring fees or encroachment licence fee for a mooring (if applicable)

C.8.2.3 Conditions for calculating the financing burden based on actual costs

You can calculate the financing burden based on actual costs if:

- The senior citizen already owns and lives in the home on the date of the binding offer, and wants to move house. However, it may be that the consumer no longer owns a home, as the home has been sold before the date of the binding offer and the consumer is renting a home on the date of the binding offer. If so you can still apply this scheme. You can do so until the end of the year following the year that the consumer has transferred ownership of the former home. To calculate what the actual monthly costs are, check the costs that the consumer had in the month before ownership of the home was transferred.
- On the date of the binding offer the senior citizen has an existing home acquisition debt as stated in Section 10bis(1) of the Income Tax Act 2001.
- The actual monthly costs of the new NHG-backed loan do not exceed the actual monthly costs of the loan for the existing home.
- The actual monthly costs of the new loan do not exceed the maximum permitted financing burden.
- The new loan has a fixed-interest period of at least 20 years. The consumer must demonstrate the ability to bear the interest risk of a shorter fixed-interest period. In that case you are permitted to make the following three exceptions:
  - If the loan portion or the loan has been repaid in full at the end of the fixed-interest period, the fixed-interest period can be shorter.
  - If the youngest consumer is at least 85 years old at the end of the fixed-interest period, the fixed-interest period can be shorter, but not shorter than 10 years.
  - If the residual loan at the end of the fixed interest period is less than 50% of the market value of the home, the fixed-interest period can be shorter, but not shorter than 10 years.

If the loan has an interest-only portion, the fact that this loan portion reaches the end of the term is not a reason to call in the loan.

C.8.2.4 Rules on the maximum permitted financing burden

In this situation a senior citizen, or both senior citizens, have not yet reached state pension age. You want to include the pension income or income from a life insurance product when calculating the maximum permitted financing burden. In that case, instead of the rules set out in C.7.12.1 you must apply the following rules:

- You include only the pension income that the consumer has already built up on the date of the binding offer.
- You include only future income from a life insurance product that the consumer has already built up on the date of the binding offer.

C.8.3 SENIOR CITIZENS WITH A FINANCING BURDEN THAT IS TEMPORARILY TOO HIGH

In this situation, two consumers apply for the NHG-backed loan and at least one of them is a senior citizen. The result of the calculation of the financing burden according to Article 3(2) of the Temporary Arrangement for Mortgage Credit is temporarily higher than the maximum permitted financing burden. In that case, calculate the financing burden based on the following rules.

C.8.3.1 The oldest consumer has reached state pension age

If the oldest consumer has reached state pension age on or after the date of the binding offer, calculate the financing burden temporarily from that moment based on the actual costs. In that case you do not need to calculate the financing burden based on the gross amount of debit interest and repayments that would be due according to an annuity repayment schedule.

C.8.3.2 Conditions for a temporary assessment of actual costs

You are permitted to calculate the financing burden temporarily based on the actual costs in the following situation:

- The NHG-backed loan is applied for by two consumers.
- The oldest consumer is a senior citizen on the date of the binding offer.
- The youngest consumer will reach state pension age later than the oldest consumer.
- From the moment that the oldest consumer reaches state pension age, the financing burden is temporarily too high when applying Article 3 of the Temporary Arrangement for Mortgage Credit.
- This excess will last, at most, until the youngest consumer has reached both state pension age and the statutory standard retirement age of 68 years, but not longer than 120 months.
- Over the period that the excess lasts, calculate the financing burden based on the actual costs instead of the costs relating to the annuity repayment schedule.
- The actual monthly costs do not exceed the maximum permitted financing burden.
- Over the period before the financing burden became too high and the period thereafter, calculate the financing burden in full according to the rules of Article 3(2) of the Temporary Arrangement for Mortgage Credit.

- The fixed-interest period of the NHG-backed loan is at least 10 years on the date of the binding offer and continues at least until the youngest consumer has reached both state pension age and the statutory standard retirement age of 68 years. You are permitted to make three exceptions in this case:
  - A shorter fixed-interest period is allowed for loan portions that already existed before the date of the binding offer.
  - A shorter fixed-interest period, but not shorter than 10 years, is allowed if the loan at the end of the fixed-interest period is less than 50% of the market value of the home.
  - A shorter fixed-interest period is allowed if the loan or the relevant loan portion has been repaid in full at the end of the fixed-interest period.

The consumer must demonstrate the ability to bear the interest risk of a shorter fixed-interest period.

PART D | MANAGEMENT

The consumer's situation or wishes can change during the term of the loan. You might then want or need to modify the agreements you have made with the consumer concerning the loan. This part explains how to modify the loan. It also explains which rules apply if a consumer wishes to refinance a loan.

CHAPTER D.1 | REGULAR MANAGEMENT OF THE NHG-BACKED LOAN

This chapter explains what you can and are permitted to do in certain situations during the term of the loan.

D.1.1 PAYMENT OF FUNDS FROM A HOME CONSTRUCTION OR HOME IMPROVEMENT ACCOUNT

D.1.1.1 Residual balance of the home construction or home improvement account

If the new-build home is finished or alterations, such as quality improvements or energy-saving measures, have been completed and the consumer still has funds in the home construction or home improvement account, you must use these funds as a repayment on the loan.

What are quality improvements?

By quality improvements, we mean:

- Carrying out overdue maintenance
- Carrying out underpinning work
- Improving the home
- Extending the home
- Cleaning up contaminated land. We only regard this as quality improvement, however, if the valuation report shows that cleaning up the soil is necessary to make the home suitable for habitation.

The quality improvements must be part of the home.

What are energy-saving measures?

Energy-saving measures include the following quality improvements:

- Wall insulation
- Roof insulation
- Floor insulation
- Pipe insulation
- High-efficiency glazing, at least HR ++
- Energy-efficient doors
- Frames and comparable building components. Only applicable in combination with high-efficiency glazing, at least HR ++
- Shower heat recovery system
- Energy-efficient ventilation system. Only applicable in combination with other energy-saving measures
- Heat pumps
- Solar panels

These measures are also stated in the Temporary Arrangement for Mortgage Credit.

D.1.2 ADDING A CONSUMER TO THE LOAN

D.1.2.1 Adding another consumer to the loan

In this situation, the consumer has an NHG-backed loan and wants to make another person, such as a new partner, jointly liable for the NHG-backed loan. You are allowed to add this other person to the NHG-backed loan if this person meets the following requirements:

- The other person is jointly and severally liable for the loan.
- The other person is the owner or joint owner of the home.
- The home is the other person's principal residence.

D.1.2.2 Adding a consumer to the loan following the death of the surviving consumer

In this situation, the sole or surviving consumer has died and one of the heirs wishes to continue the NHG-backed loan. You are allowed to add the heir to the NHG-backed loan if this person meets the following requirements:

- The heir is jointly and severally liable for the loan.
- The heir is the sole owner of the home.
- The heir was living in the home as his or her principal residence at the time of the consumer's death.
- The heir will continue to live in the home as his or her principal residence.

If one or more heirs together wish to continue the NHG-backed loan, you are allowed to add these heirs to the NHG-backed loan is the following requirements are met:

- These heirs are jointly and severally liable for the loan.
- These heirs are the sole owners of the home.
- These heirs will all live in the home as their principal residence. At least one of them was living in the home as his or her principal residence at the time of the consumer's death.

D.1.3 MAKING CHANGES TO THE LOAN

Sometimes changes need to be made to the NHG-backed loan.
If you make changes to the NHG-backed loan during the term, nothing will change in the scope and term of the suretyship. The amount for which we stand surety is therefore not increased.

There is one exception: If you make changes to the NHG-backed loan so that the consumer can keep the home, the scope may indeed change. The agreements on this are set out in D.5.4 and in A.1.5.3.

D.1.3.1 What can you modify during the term of the loan?

You can modify the NHG-backed loan as follows:

- You can agree with the consumer to extend the term.
- You can agree a different interest rate with the consumer.
- You can agree a different repayment schedule with the consumer. However, the following two rules apply if making the loan interest-only:
  - You can change only an existing home acquisition debt to an interest-only loan or loan portion.
  - The total interest-only portion must not be more than 50% of the market value of the home. You must take the market value of the home at the moment you make the loan or loan portion interest-only.
- An interest-only loan or loan portion is no longer an existing home acquisition debt because the maximum period of the mortgage interest relief has expired. In that case you can continue this interest-only loan or loan portion unchanged.
- You want to convert a loan with a linked accumulation product into a different method of repaying the loan. In that case the following rules will apply:
  - You must repay the accumulated value on the loan.
  - You can also release the accumulation product without repaying the value on the loan, but only if you are of the opinion that this is appropriate and responsible for the consumer.
  - If you want to make the loan or part of it interest-only, you must comply with the two rules under the third bullet point above. You may only deviate from these rules if you are doing so to improve the consumer's situation and you repay the accumulated value on the loan.
- The consumer has bought a new home with the intention of moving, and as a result temporarily has two homes. If you want to make the loan for the old home temporarily interest-only, this loan temporarily does not need to comply with the two rules under the third bullet above. This applies as long as the following conditions are met:
  - The consumer temporarily owns two homes, and both homes are regarded for tax purposes as 'own home'.
  - The consumer has an NHG-backed loan for the old home and has a loan, with or without NHG, for the new home.
  - The interest-only period is not longer than the current calendar year plus the three following years.

Existing home acquisition debt

'Existing home acquisition debt' has the meaning as referred to in Section 10bis.1 of the Income Tax Act 2001.

D.1.3.2 What should you do with the term life insurance policy?

If the consumer still has term life insurance linked as security to the NHG-backed loan, you can dispense with this security if you judge that this is responsible for the consumer. We do not require term life insurance for an NHG-backed loan.

D.1.3.3 Can you increase the loan with a non-NHG-backed loan?

If the consumer already has an NHG-backed loan, the consumer can increase this loan with a non-NHG-backed loan.

D.1.4 TEMPORARY LETTING OF THE HOME

D.1.4.1 When is the consumer permitted to let the home?

The consumer requires your consent to let the home. You are only permitted to give your consent if one of the following situations applies to the consumer:

- The consumer is temporarily working at a different location, and therefore cannot live in the home. The consumer is permitted to let the home as long as the consumer is working at the different location. The tenancy agreement must contain a diplomatic clause (*diplomatenclausule)*, which states that upon the consumer's return, the consumer can move back into the home. A maximum applies, though, for the first period of the tenancy agreement: the consumer is not permitted to let the home for longer than 3 years. Following this first period, the consumer can extend the tenancy agreement for a maximum of one year each time.
- The consumer has double housing costs because the consumer has bought a new home and has not yet sold the previous home. The consumer also has a landlord permit to let the home as described in Section 15 of the Vacant Property Act (*Leegstandwet*).
- The consumer has started cohabiting in the partner's own home. The consumer also has a landlord permit as described in Section 15 of the Vacant Property Act.

D.1.4.2 What should you arrange with the consumer regarding the letting of the home?

You are only permitted to give your consent if you make the following arrangements with the consumer:

- The consumer arranges a fixed-term tenancy agreement with the tenant.
- The consumer arranges in the tenancy agreement that the tenant will vacate the home at the end of the agreed tenancy period.
- The consumer pledges to you the existing and future claims for payment of the rent, or transfers these claims to you.

D.1.5 A REPLACEMENT HOME OFFERED BY THE AUTHORITIES

There are situations where the government authorities offer a new home to replace the existing home. This is happening, for example, in the province of Groningen where homes have been severely damaged by earthquakes. If the consumer is in such a situation and the replacement home offered is a new-build, we will permit the two homes to be temporarily included in the NHG-backed loan. However, the following conditions must be met:

- The consumer is temporarily the full owner of both homes.

- As long as the consumer owns both homes, you have a first right of mortgage on both homes. This means that the proceeds of the sale of one home can be used first to pay the obligations under the NHG-backed loan.
- If you modify the NHG-backed loan, only take the value of the new-build home into account.
- An increase is permitted if D.3 is complied with.

The value of the new-build home is permitted to be higher than the value of the existing, damaged home and also higher than the NHG limit.

At the moment that the new-build home is delivered, the mortgage on the old home can be cancelled without the consent of NHG.

D.1.6 TERMINATING THE MORTGAGE RIGHT

In a number of cases you are permitted to terminate the mortgage right on the home.

- If the consumer wants you to terminate the mortgage right, you can only do so once the consumer has repaid the NHG-backed loan in full. If you want to terminate the mortgage right earlier, you need our consent. We may attach conditions to our consent.
- If the consumer wants you to terminate the mortgage right on a part of the home, you can only do so once the consumer has repaid the value of this part. A valuer will calculate the market value of that part of the home unencumbered by tenancy and use.

If the part of the home on which you want to terminate the mortgage right is small, the consumer does not always need to repay you first. A valuation is not always required either. The rules on this are given in the overview below.

When do we consider the part to be small?

NHG takes the following starting principles:

Partial cancellation	If the total original land becomes no more than 5 m^2 smaller.	You assess this.
Partial cancellation	If the total original land becomes more than 5 m^2 smaller, but less than 10% of the total land is withdrawn (m^2).	**< 90% LTV;** (Minimum) hybrid valuation of the total collateral is required. You assess this.
		≥ 90% LTV; Valuation of the part to be cancelled is required. Obligatory repayment of the value of this part.
Partial cancellation	Other situations	Valuation of the part to be cancelled is required. Obligatory repayment of the value of this part.
Exchange	New situation is different to the old situation	You must apply the rules of partial cancellation. Instrument of additional security required for the part to be acquired.

CHAPTER D.2 | REFINANCING THE LOAN

The consumer is permitted to refinance an NHG-backed or non-NHG-backed loan. In that case the consumer remains living in the same home, and you grant the consumer a new NHG-backed loan to repay the old loan. It makes no difference whether you or another lender granted the old loan.

D.2.1 FOR WHAT PURPOSES IS THE CONSUMER PERMITTED TO REFINANCE THE LOAN?

The consumer is permitted to refinance the loan only for the following purposes:

- To make quality improvements.
- To take energy-saving measures.
- To improve the consumer's situation. However, this is only permitted if:
  - The old loan was also an NHG-backed loan, the term of which has not yet ended and has not already been running for more than 30 years, *or*
  - You are changing all or a substantial part of the old interest-only loan into a loan with an annuity or linear repayment schedule, *or*
  - You believe that refinancing the loan is necessary for the consumer to be able to keep the home, and to make use of the NHG safety net.
- To transfer full ownership of the home to the consumer after the consumer's relationship has ended. This is only permitted if the notarial deed of division has not yet been entered in the public registers.
- To transfer full ownership of the home to the consumer after the consumer has inherited the home together with others. This is only permitted if the notarial deed has not yet been entered in the public registers.

- If the consumer owns a home with a ground lease arrangement or the consumer has building rights, the consumer can refinance the loan in the following situations:
  - If the consumer becomes the full owner of the land, *or*
  - If the consumer buys out the ground rent. In this situation, the ground lease must continue to exist during the term of the loan. If the ground lease owner is entitled to terminate the ground lease during the term of the loan, the ground lease owner must pay appropriate compensation for the value of the building.
- If the consumer owns a floating home with a ground lease or a tenancy right or permit for the mooring, the consumer can refinance the loan in the following situations:
  - if the consumer becomes the full owner of the mooring, *or*
  - if the consumer buys out the ground rent. In this situation, the ground lease must continue to exist during the term of the loan. If the ground lease owner is entitled to terminate the ground lease during the term of the loan, the ground lease owner must pay appropriate compensation for the value of the building.
- If the consumer has a home with buyer support, the consumer can refinance the loan to pay off the support portion.

D.2.2 Types of costs when refinancing

If the consumer is refinancing the loan, you are permitted to include the following types of costs in the new loan:

- The portion of the old NHG-backed loan or non-NHG-backed loan that the consumer still has to repay
- The amount of the tax-deductible loan that the consumer still has to repay
- The costs incurred to improve the quality of the home or make the home more energy efficient.
- The amount that the consumer must pay the departing partner to acquire full ownership of the home. These costs are stated in the notarial deed of division.
- The amount that the consumer must pay the other heirs to acquire full ownership of the home. These costs are stated in the notarial deed of division.
- The costs incurred to obtain full ownership of the land in the event of a ground lease and building rights.
- The costs incurred to obtain full ownership of the mooring in the event of a ground lease, tenancy right or a permit.
- The costs of buying out future ground rent obligations for at least the term of the new loan.
- The costs of the valuation report and the structural report.
- The costs of an exploratory or extensive foundation inspection.
- Notarial fees.
- Transfer tax.
- The costs of repaying the entire support portion .
- The amount needed to repay the SVn Starter Loan, also the portion of this loan intended for repayment (the Combination Loan).
- The costs of repaying the old loan.
- The costs of taking out the new loan.

What is a tax-deductible loan?

By tax-deductible loan we mean one or more non-mortgage loans where the interest is tax-deductible. This is in accordance with the Income Tax Act 2001.

D.2.3 How do you manage the costs if they are not yet known?

In this situation, you make a binding offer to the consumer who wants to refinance the loan with you, but you do not know precisely what the following costs will be. In that case, make a reasonable estimate of:

- The costs of repaying the old loan.
- The costs of taking out the new loan.
- The costs of any valuation report or structural report.
- The costs of an exploratory or extensive foundation inspection.
- The notarial fees.

D.2.4 Check whether the loan complies with the NHG rules

In this situation, the consumer remains in the same home and wants to refinance the loan. At the moment you make a binding offer, the rules in D.2 and all the rules in Part C must be complied with. Exceptions do apply, though. These are described below.

Exceptions in the case of 'straight refinancing'

You only need to carry out a limited check in the following situation. We refer to this as 'straight refinancing' (*zuiver oversluiten*):

- The old loan was an NHG-backed loan, *and*
- The new loan does not exceed the total of the following amounts:
  - The amount that the consumer still needs to repay on the old NHG-backed loan
  - The costs of repaying the old loan
  - The costs of taking out the new loan
  - The costs of a valuation report and a structural report
  - The notarial fees

  If the costs are not yet known, make a reasonable estimate.

What does a limited check entail?

- Check the consumer's documents. The relevant rules are found in C.3.1.
- Ensure that the correct form of repayment is arranged for the loan. The relevant rules are found in C.6.7.
- Check the BKR. If there are payment arrears on the loan or other financial obligations, the consumer cannot refinance the loan. If a credit event has occurred with respect to the consumer in the 'Claim' category (former BKR code 2) but this has been remedied or repaid, you can ignore it.
- Be sure to screen the consumer, as described in C.3.3.

D.2.5 How do you manage the value of an accumulation product with the old loan?

If the consumer has built up value in an accumulation product that is linked to the old NHG-backed loan, one of the following three things must be done:

1. Use the value to repay all or part of the old loan. The consumer must do this no later than the moment when you refinance the loan.
2. Link the existing accumulation product to the new loan. You must do this within 3 months of executing the deed.
3. Deposit the entire value in a new accumulation product and link this to the new loan. This must be done within 3 months of executing the deed.

If you want to allow the consumer not to use all or part of the value for a repayment, or not to deposit the entire value in a new accumulation product, you must first assess whether this is appropriate and responsible for the consumer.

If you don't know precisely what the accumulated value is at the time of the binding offer, ask the party holding the accumulated value to make a reasonable estimate.

CHAPTER D.3 | INCREASING THE LOAN

If the consumer already has an NHG-backed or a non-NHG-backed loan with you, you are permitted to grant this consumer an additional NHG-backed loan for the same home. But if the consumer already has a non-NHG-backed loan and an NHG-backed loan, you are not permitted to grant an additional NHG-backed loan.

D.3.1 For what purposes can you increase the loan?

You can only grant the additional NHG-backed loan for certain purposes. The consumer must use that loan for the following purposes:

- To make quality improvements.
- To take energy-saving measures.
- To pay the costs of a change to the NHG-backed loan.
- To transfer full ownership of the home to the consumer after the consumer's relationship has ended. This is only permitted if the notarial deed of division has not yet been entered in the public registers.
- To transfer full ownership of the home to the consumer after the consumer, together with others, has inherited the home together with others. This is only permitted if the notarial deed has not yet been entered in the public registers.
- If the consumer owns a home with a ground lease arrangement or the consumer has building rights. In that case the consumer can increase the loan in the following situations:
  - If the consumer becomes the full owner of the land, *or*
  - If the consumer buys out the ground rent obligations. In this situation, the ground lease must continue to exist during the term of the loan. If the ground lease owner is entitled to terminate the ground lease during the term of the loan, the ground lease ownedr must pay appropriate compensation for the value of the building.
- If the consumer owns a floating home with a ground lease or a tenancy right or permit for the mooring, the consumer can refinance the loan in the following situation:
  - if the consumer becomes the full owner of the mooring, *or*
  - if the consumer buys out the ground rent obligations. In this situation, the ground lease must continue to exist during the term of the loan. If the ground lease owner is entitled to terminate the ground lease during the term of the loan, the ground lease owner must pay appropriate compensation for the value of the building.
- If the consumer has a home with buyer support, you are permitted to grant an additional NHG-backed loan to pay off the support portion.
- To repay an SVn Starter Loan.

D.3.2 Types of costs with an additional loan

If the consumer is taking out an additional loan, you are permitted to include the following types of costs in the additional loan:

- The costs incurred to improve the quality of the home or make the home more energy efficient.
- The amount that the consumer must pay the departing partner to acquire full ownership of the home. These costs are stated in the notarial deed of division.

- The amount that the consumer must pay the other heirs to acquire full ownership of the home. These costs are stated in the notarial deed of division.
- The costs incurred to obtain full ownership of the land and the mooring for the home.
- The costs of buying out future ground rent obligations for at least the term of the new loan.
- The costs of the valuation report and the structural report.
- The costs of an exploratory or extensive foundation inspection.
- Notarial fees.
- Transfer tax.
- The costs of repaying the entire support portion.
- The amount needed to repay the SVn Starter Loan, also the portion of this starter loan intended for repayment (the Combination Loan).
- The costs of changing the conditions of the NHG-backed loan.
- The costs of taking out the new loan.

D.3.3 How do you manage the costs if these are not yet known?

In this situation, you make a binding offer to the consumer who wants to take out an additional loan, but you do not know precisely what the following costs will be. In that case make a reasonable estimate of these costs:

- The costs of changing the conditions of the NHG-backed loan.
- The costs of the valuation report and the structural report.
- The costs of an exploratory or extensive foundation inspection.
- The notarial fees.
- The costs of taking out the new loan.

D.3.4 Check whether the entire loan complies with the NHG rules

If you make a binding offer to the consumer for an NHG-backed loan, the rules in D.2 and all the rules in Part C must be complied with at that moment.

Exception in the case of an additional loan for the acquisition of full ownership of the home following release from joint and several liability

If a credit event has occurred with respect to the consumer in the 'Claim' category (former BKR code 2) but this has been remedied or repaid, you can ignore it.

Exception in the case of an additional loan for an SVn Starter Loan

You only need to carry out a limited check in the following situation:
The additional NHG-backed loan is intended for repaying the SVn Starter Loan. The loan consists only of the following amounts:

- The amount needed to repay the SVn Starter Loan.
- The costs of the valuation report and the structural report.
- The notarial fees.
- The costs of taking out the new loan.

What does a limited check entail?

- Check the consumer's documents. The relevant rules this are set out in C.3.1.
- Ensure that the loan has the correct form of repayment. The relevant rules are set out in C.6.7.
- Check with the BKR. If there are payment arrears on the loan or on other financial obligations, you are not permitted to grant the consumer an additional NHG-backed loan. If a credit event has occurred with respect to the consumer in the 'Claim' category (former BKR code 2) but this has been remedied or repaid, you can ignore it.
- Be sure to screen the consumer, as described in C.3.3.

CHAPTER D.4 | RELEASE FROM JOINT AND SEVERAL LIABILITY

If several consumers together have an NHG-backed loan and one of the consumers wants to depart from the home, you are permitted to release the departing consumer from joint and several liability for the loan. The consumer remaining in the home is permitted to continue the loan. This chapter sets out the rules that apply to this.

D.4.1 CONDITIONS FOR RELEASE FROM JOINT AND SEVERAL LIABILITY

You are permitted to release a consumer from joint and several liability under the following conditions:

- There are at least two consumers jointly and severally liable for the loan. At least one consumer remains in the home and continues the loan, and therefore remains jointly and severally liable.
- The consumer you release from joint and several liability is no longer the owner of the home.
- The consumer you release from joint and several liability has permanently moved out of the home before the transfer of title of the home, except in the following situations:
  - If the departing consumer can only move out of the home after the transfer of title. In that case, the departing consumer must sign a declaration confirming that the departing partner will move out of the home. By doing so, the consumer declares that the departing partner intends to move out of the home permanently as soon as possible.
    The declaration results in it being possible to sell the home unencumbered by tenancy and use.
  - If the consumer has a business, and that is the reason to release this consumer from joint and several liability. In that case the consumer who owns a business does not need to move out of the home to obtain release from joint and several liability. This consumer who owns a business cannot have security of tenure or equivalent protection if the home is sold at a later date. You must arrange this.
- There are no arrears on the NHG-backed loan and on other financial obligations.
- If the home falls in foundation risk category D or E, an exploratory foundation inspection must have been carried out. This may also be an extensive foundation inspection.
- The consumer continuing the loan complies with the acceptance rules in C.3.
  Exception: If a credit event has occurred with respect to the consumer in the 'Claim' category (former BKR code 2), but this has been remedied or repaid, the consumer can still continue the loan.
- The loan that the consumer continues must comply with the acceptance rules in C.6.4 to C.6.7.

- The loan that the consumer continues must comply with the acceptance rules in C.7. You are also permitted to do this under the rules in D.4.2.

D.4.1.1 The consumer wishes to continue the loan with another person

In this situation, the consumer remaining in the home wants another person also to be liable for the NHG-backed loan. This could be a new partner. In that case the management rules of D.1.2 apply.

If the income of the other person is required to continue the NHG-backed loan, the following applies:

- The other person must comply with the acceptance rules in C.3. Exception: If a credit event has occurred with respect to the consumer in the 'Claim' category (former BKR code 2), but it has been remedied or repaid, this is not an obstacle.
- The loan that the consumers continue must comply with the acceptance rules in C.6.4 to C.6.7.
- The loan that the consumers continue must comply with the acceptance rules in C.7. You are also permitted to do this under the rules in D.4.2.

D.4.2 EXCEPTION WHERE FINANCING BURDEN IS TOO HIGH

If you want to release a consumer from joint and several liability, the loan must comply with the acceptance rules in C.7.

If the financing burden exceeds the maximum permitted financing burden, we will allow you to apply an 'Explain' if you comply with the rules in Article 4(1) of the Temporary Arrangement for Mortgage Credit. However, when calculating the financing burden and the maximum permitted financing burden, you must take account of the rules in D.4.2.1 and D.4.2.2.

You decide whether or not to apply an Explain and whether the loan is a responsible one for the consumer to whom you grant the loan. You must follow the statutory rules to avoid any overindebtedness. You also assess whether the loan will continue to be affordable for the consumer.

D.4.2.1 In what situation are you permitted to make an exception to the rules?

You are permitted to make an exception to the rules for calculating the financing burden and the maximum permitted financing burden in the following situation:

- You want to release a consumer from joint and several liability.
- The consumer who remains in the home and wants to continue the loan cannot pay the loan because the financing burden based on the rules in C.7 is higher than the maximum permitted financing burden.
- The total loan following release from joint and several liability does not exceed the sum of the following amounts:
  - The principal of the new NHG-backed loan
  - The amount the consumer must pay the departing partner to acquire full ownership of the home. These costs are stated in the notarial deed of division.
  - The notarial fees
  - The costs of the valuation report and the structural report

- The consultancy and brokerage costs
- The transfer tax

D.4.2.2 What are the rules for the exception?

When calculating the financing burden and the maximum permitted financing burden, you must take account of the following rules:

- You are permitted to calculate the financing burden based on the actual costs. You therefore do not need to calculate the financing burden based on the gross amount of interest and repayments that would be due in the case of an annuity repayment schedule.
- The actual monthly costs must not exceed the maximum permitted financing burden.
- If the home has a high foundation risk (see C.5.2), it is up to you to decide whether you deduct the financing burden of the indicative underpinning costs from the maximum permitted financing burden.
- Contrary to Article 3(5) of the Temporary Arrangement for Mortgage Credit, you are permitted to calculate the maximum permitted financing burden based on the consumer's qualifying income and the applicable financing burden percentage in the 'Financing Burden Management' table (*Financieringslasttabel Beheer*). This table can be found in the 'Work Processes' document (*Document werkprocessen*).
  - If the household has four or more children, you must check whether there is sufficient scope for the family to cover its basic expenses as well as the financing burden. These households are particularly vulnerable from a financial point of view.
- The loan must continue to be affordable for the consumer.

It may be that the financing burden after applying this exception still exceeds the maximum permitted financing burden. In that case, contrary to the acceptance rules in C.6.7 you are permitted to make all or part of the loan interest-only if this does not relate to an existing home acquisition debt. It means that you are permitted to make the loan interest-only in box 3. The part of the loan that is interest-only must not exceed 50% of the market value of the home. Only do this if you have established that the consumer must keep the home and it is in the consumer's interests.

What are the actual costs?

Calculate the actual monthly costs by adding up the following costs:

1. The interest
2. The repayment (if applicable)
3. The contribution of an accumulation product (if applicable)
4. The ground rent (if applicable)
5. The rent, mooring fees or encroachment licence fee for a mooring (if applicable)

Existing home acquisition debt

'Existing home acquisition debt' has the meaning as referred to in Section 10bis.1 of the Income Tax Act 2001.

CHAPTER D.5 | MAKING IT POSSIBLE TO KEEP THE HOME

We want to encourage the situation where consumers can keep their homes, even if no loss is to be expected. We feel it is important that consumers can have the opportunity to continue living in their homes, even when financial circumstances change. Sometimes it is simply because the consumer wants to remain living in the home. It could also be because possible alternatives following a sale, such as renting, are not always better for the consumer, whether financially or from a social point of view. You must of course assess whether keeping the home is in the consumer's interests.

We offer you solutions to enable a consumer to keep the home. We refer to these as 'home retention tools' (*woningbehoud-tools)*. The wide range of tools means that you can give tailored help to consumers. You are permitted to use these tools with an NHG-backed loan, but do not have to.

What home retention tools do we offer?

We offer the following home retention tools:

- Make changes to the loan
  - Make it interest-only in Box 1
  - Make it interest-only in Box 3
  - Extend the term
- Adjust the suretyship after making changes to the loan
- Increase the NHG-backed loan to consolidate debts
- The Housing Costs Facility
- Budget coach and job coach

In this chapter we describe how you should apply the home retention tools.

D.5.1 WHEN ARE YOU PERMITTED TO USE THE HOME RETENTION TOOLS?

You are permitted to use the home retention tools once you have established that all the following circumstances have arisen:

- The consumer has payment arrears on the loan, or you anticipate that the consumer will have payment arrears on the loan.
- The payment arrears have arisen or will arise because the consumer is being confronted with an unaffordable NHG-backed loan due to unemployment, occupational disability, the death of the partner or the end of the relationship. It could also be because the consumer needs help in managing higher expenses.
- The consumer has no possibility of resolving the payment problems alone.
- The consumer wants to keep the home.
- The consumer cooperates in preventing and making up payment arrears.

- You have established that it is in the interests of the consumer to keep the home, and the situation can be remedied for the long term.

How do you establish that the consumer can no longer pay the NHG-backed loan?
A loan is not affordable if the financing burden of the NHG-backed loan exceeds the maximum permitted financing burden. You use the NHG management criteria to establish this. Details of these criteria can be found in D.6.

D.5.2 STARTING POINTS FOR THE USE OF THE HOME RETENTION TOOLS

If you are permitted to use the home retention tool according to D.5.1, you can then decide which home retention tool or combination of tools are required for the consumer to keep the home. The following starting points apply to this:

- Collect all the information that is important for assessing which tool or tools you will use.
- After the tool or combination of tools has been used, the financing burden of the NHG-backed loan must be less than the maximum permitted financing burden. Use the NHG management criteria for this. If you are granting an additional loan to consolidate debts, the total NHG-backed loan must be affordable based on the applicable rules. These rules are given in D.5.5.
- You judge that after using the tool or combination of tools the consumer can continue the NHG-backed loan in a responsible manner. Also take account of the condition of the home, other financial obligations the consumer may have and the risk of the situation repeating itself. Follow your own policy in this respect.

D.5.3 MAKING CHANGES TO THE LOAN

The rules on making changes to the loan are given in D.1.3. You are permitted to make the NHG-backed loan interest-only, as well as extend the term of the loan.

In this situation, you are permitted to use the home retention tools according to D.5.1 and the starting points in D.5.2 are met. In that case, in addition to D.1.3.1 you are permitted to make all or a portion of the loan interest-only if it does not relate to an existing home acquisition debt. You are therefore permitted to make the loan interest-only, irrespective of whether this is in box 1 or box 3. The portion of the loan that is interest-only must not exceed 50% of the market value of the home. You may calculate the value of the home according to your own rules.

Existing home acquisition debt
'Existing home acquisition debt' has the meaning as referred to in Section 10bis.1 of the Income Tax Act 2001.

D.5.4 NEW SCOPE OF THE SURETYSHIP FOLLOWING CHANGES TO THE LOAN

If you are to make changes to the NHG-backed loan, this will not change the scope and term of the suretyship in any way. There is one exception, though: If you have made changes to the loan to enable the consumer to

keep the home according to D.5.3, we will recalculate the scope of the suretyship. We will do this in accordance with A.1.5.3.

D.5.5 INCREASING THE LOAN TO CONSOLIDATE DEBTS

If you are permitted to use the home retention tools according to D.5.1 and the starting points in D.5.2 are met, you are permitted to increase the NHG-backed loan to consolidate the debts. By 'consolidation of debts' we mean that you grant a new additional NHG-backed loan, the purpose of which is to refinance in a single loan a consumer's debts or financial obligations.

All the rules in Part C and the rules in D.5.5 must be met at the moment you make a binding offer to the consumer for this additional NHG-backed loan.

D.5.5.1 Types of costs when consolidating debts

You are permitted to include the following types of costs in the additional loan:

- The amount needed to consolidate debts or financial obligations
- The valuation costs
- The notarial fees

D.5.5.2 What debts are you not permitted to consolidate?

You are permitted to consolidate all of the consumer's loans, debts and/or financial obligations in an additional loan portion, with the exception of the following debts:

- Debts arising through fraud
- Debts arising because of or from a crime
- Debts arising from a business

D.5.5.3 What rules apply if you consolidate debts?

If you are consolidating debts in an additional loan portion, the following rules apply:

- You are responsible for ensuring that the debts and financial obligations are paid to the creditors or the parties to whom the consumer has an obligation.
- The amount of the consolidated debts must not exceed 35% of the outstanding principal, after deducting the linked accumulation product.
- The consumer does not pay any suretyship fee for this additional loan.
- The consumer repays this additional loan over as short a period as possible, but within 30 years.
- The consumer repays this additional loan on an annuity or linear basis.
- You check with the BKR whether the consumer has any registered loans.
- Contrary to the acceptance rules in C.3.4, you are permitted to grant an additional loan to consolidate debts despite payment arrears, a payment arrangement, Claim, Remittance, indication 'untraceable' or Preventive payment arrangement (former BKR codes A, 1, 2, 3, 4 or 5). You can only do this if the problem or problems that have resulted in the BKR registration are remedied following the consolidation.

D.5.5.4 The financing burden and the maximum permitted financing burden if you consolidate debts

If you grant an additional loan to consolidate debts, you must carry out a new check against the acceptance rules of C.7. If the financing burden then exceeds the maximum permitted financing burden, we will allow you to apply an Explain if you comply with the rules in Article 4(1) of the Temporary Arrangement for Mortgage Credit. You decide whether or not to apply an Explain and whether the loan is a responsible one for the consumer to whom you grant the loan. You must follow the statutory rules to avoid any overindebtedness. You also assess whether the loan will continue to be affordable for the consumer.

When calculating the financing burden and the maximum permitted financing burden, you must take account of the following rules:

- Calculate the financing burden based on the actual costs. You therefore do not need to calculate the financing burden based on the gross amount of interest and repayments that would be due in the case of an annuity repayment schedule.
- Contrary to Article 3(5) of the Temporary Arrangement for Mortgage Credit, calculate the permitted financing burden based on the consumer's qualifying income and the applicable financing burden percentage in the 'Financing Burden Management' table. This table can be found in the 'Work Processes' document.
  - If the household has four or more children, you must check whether there is sufficient financial scope for the family to cover its basic expenses as well as the financing burden. These households are particularly vulnerable from a financial point of view.
- The loan must continue to be affordable for the consumer.

D.5.6 THE HOUSING COSTS FACILITY

If the consumer can no longer repay the loan, or you anticipate that this will be the case, you can agree a repayment or interest payment holiday with the consumer. You yourself decide how long this holiday can be, also when and how the repayments and interest over that period will have to be paid afterwards. If the starting points we have laid down in D.5.1 and D.5.2 are met, we can stand additional surety for these interest and repayment arrears. This additional suretyship is known as the Housing Costs Facility. However, there are conditions attached to this Facility.

D.5.6.1 Conditions of the Housing Costs Facility

- You arrange with the consumer that the consumer will continue to repay a portion of the NHG-backed loan according to the consumer's means. Taking the NHG management criteria in D.6, you can set the amount that the consumer can reasonably repay each month, to cover both the ongoing monthly amounts and the arrears.
- You must have notified us of the Housing Costs Facility within 30 days of the moment that you want this additional suretyship to start. How to notify us is explained in the 'Work Processes' document.

D.5.6.2 Scope of the Housing Costs Facility

The scope of the Housing Costs Facility has the following features:

- The Housing Costs Facility is available for up to 9% of the original principal of the loan.
- The Housing Costs Facility applies only to payment arrears that have arisen after you have agreed a repayment or interest payment holiday with the consumer.
- Unlike in A.1.2, this suretyship does not decline on an annuity basis. The 10% excess remains applicable.
- The term of this suretyship ends on the same end date of the original suretyship for the NHG-backed loan. If we are standing surety for several loan portions, the term of this suretyship ends on the end date of the NHG-backed loan portion that has the longest to run.

D.5.6.3 How do you submit a loss claim to us for the arrears covered by the Housing Costs Facility?

Specify in your loss claim to us the overdue repayments and interest to which the Housing Costs Facility applies. These overdue repayments and interest do not form part of the loss but are dealt with by us together with the loss.

D.5.7 COACHES

By 'coaches' we mean service providers whose purpose is to support you in the process of enabling the consumer to keep the home. We have two types of coaches in the home retention tools:

- The budget coach. The budget coach helps the consumer who is not financially self-reliant, but is motivated to get the household finances in order. The budget coach's aim is to get the consumer to be financially self-reliant.
- The job coach: The job coach assists the unemployed consumer in finding and keeping a new job.

D.5.7.1 Engaging a budget coach or job coach at our expense

If you are permitted to use the home retention tools in accordance with D.5.1 and the starting points in D.5.2 are met, you can engage a professional budget coach or job coach at our expense under the following conditions:

- The coach you wish to engage is independent from you and therefore not affiliated to you.
- You have asked us whether you can engage a coach and have given us information showing that the coach is needed to enable the consumer to keep the home.
- We have assessed your request and given permission for you to engage the coach. We attach conditions to this permission, at any rate concerning the maximum level of costs we will pay.
- How to ask our permission and how to submit the costs to us is explained in the 'Work Processes' document.

CHAPTER D.6 | NHG MANAGEMENT CRITERIA

You must check whether the consumer can afford a new loan according to the acceptance criteria in the acceptance check. During the term of the loan, sometimes you must also check whether the consumer is still able to afford it. This could be if the consumer's income has fallen. Use the NHG management criteria in the management check for this purpose. Some of these NHG management criteria are the same as the acceptance criteria but differ on a few points. The different rules are explained in this chapter. The rules for the acceptance check can be found in Part C.

D.6.1 WHEN DO YOU USE THE NHG MANAGEMENT CRITERIA?

You *must* use the NHG management criteria in the following situations

- If the consumer is to sell the home at a loss or this situation risks occurring. Do this before we carry out the remission assessment for the consumer.
- Before using the home retention tool: '*making changes to the loan'* according to D.5.3.
- Before using the home retention tool: '*consolidating debts*' according to D.5.5.
- If you want to determine whether the loan is affordable for the consumer after you have made changes to it according to D.5.3.

You *are permitted to* use the NHG management criteria in the following situations

- If you want to determine during the term of the loan whether the loan is affordable for the consumer, such as following a life event. That way you can decide whether your help is needed to make the loan affordable.
- To determine the consumer's means, for example if you want to use the Housing Costs Facility.

D.6.2 NHG MANAGEMENT CRITERIA FOR CALCULATING THE MAXIMUM PERMITTED FINANCING BURDEN

The way you calculate the maximum permitted financial burden differs from that stated in the acceptance rules in C.7:

- Calculate the consumer's qualifying income, following the rules in D.6.3.
- Use the relevant 'Financing Burden Management' percentage. That percentage will depend on the consumer's ultimate situation. The Financing Burden Management percentage can be found in the 'Financing Burden Management' table. You won't find this in the Temporary Arrangement for Mortgage Credit.
    - If the loan is made up of several loan portions, round off the weighted average interest on this loan to 3 decimal points. Also take account of the rules in D.6.5.
    - If the household has four or more children, you must check whether there is sufficient financial scope for the family to cover its basic expenses as well as the financing burden. These households are particularly vulnerable from a financial point of view.
    - The Income Tax Act 2001 states a maximum period for mortgage tax relief. Take this into account when assessing which financing burden percentage to use. If a loan or loan portion reaches the end of that period within 3 years:

  - Also calculate the financing burden over the period from the moment that the mortgage tax relief expires.
  - Do this based on the financing burden percentage that applies to loans where the mortgage interest is not tax-deductible.
- Deduct the the financial obligations from the maximum permitted financing burden, following the rules in D.6.4.
- When calculating the maximum permitted financing burden you do not take the home's foundation risk into account.

D.6.3 NHG MANAGEMENT CRITERIA FOR CALCULATING THE QUALIFYING INCOME

Contrary and in addition to the acceptance rules in C.7, use the following rules when calculating the qualifying income.

D.6.3.1 Income from employment

If the consumer has income from employment, calculate the qualifying income as follows:

- The income that the consumer has from employment is the qualifying income. This is also the case if the consumer has a fixed-term employment contract without a declaration of intent.

Exception

You are not permitted to take the consumer's income from employment as qualifying income only in the following situations:

- The employer has announced that the employment contract will be terminated.
- The remaining term of the employment contract is less than 2 months.

If one or both of these situations apply, calculate the consumer's qualifying income by taking the average annual income of the past 3 calendar years. Do this based on the annual income statements for wage tax and the annual statement for any wage replacement benefit. If the income from the last calendar year is higher than the average income, the income from this last year is the qualifying income.

If the consumer has an employment contract for an indefinite period, or a fixed-term contract with or without a declaration of intent, you can use the 'Income from Salaried Employment' method (IBL):

- If you believe it is responsible to use this income as qualifying income
- If there has been no recent fall in income, nor is this expected
- Also if the consumer expects or has recently had an income increase

You cannot use IBL if the consumer needs an increase in income to be able to pay the loan. In that case you must take this higher income as the qualifying income, which must be apparent from an employer's statement.

D.6.3.2 Income from an independent profession or business

If the consumer has income from an independent profession or business, take the Income Statement of an Entrepreneur (*Inkomensverklaring Ondernemer*, IKV) to calculate the qualifying income.

Please note! In your opinion the consumer's situation may give reason to reach a different assessment. In that case, ask the calculation expert to take account of that situation when he or she calculates the income. You remain responsible for assessing the qualifying income and the NHG-backed loan as a whole.

If according to D.6.1 you have to use the NHG management criteria to determine whether the consumer is still able to pay the loan and you need an IKV for this, we will pay the costs of this IKV.

D.6.3.3 Income from social security benefits

If the consumer receives social security benefit, calculate the qualifying income as follows:

- Include the income from social security and other benefits that are not permanent in nature as qualifying income. Only do so, though, if it is clear what the amount of the benefit will be for the coming 3 years.

D.6.3.4 Income from imminent pension

Only take account of the consumer's expected fall in income due to pension or AOW if the consumer is to reach the pension commencement date or state pension age within 3 years.

State pension age

By state pension age we mean the age at which a person is entitled to state pension as described in Section 1, paragraph 1, part i. of the General Old Age Pensions Act (*Algemene Ouderdomswet*).

D.6.3.5 Income from maintenance

If the consumer receives partner maintenance, and this maintenance has been agreed in writing:

- Include the income from maintenance as qualifying income, but only if the consumer is still entitled to this maintenance for at least three years.
- If the consumer is entitled to this maintenance for less that three years, the income from maintenance may be included as qualifying income for as long as the consumer is entitled to it.

D.6.4 DEDUCT OTHER FINANCIAL OBLIGATIONS FROM THE MAXIMUM PERMITTED FINANCING BURDEN

When calculating the maximum permitted financing burden, deduct as a minimum the actual costs of the consumer's other financial obligations.

If the consumer has financial business obligations, do not include these when calculating the maximum permitted financing burden. You must be able to demonstrate, however, that these are indeed financial business obligations. You can do this using the annual reports or the business name to which the obligations relate.

D.6.5 NHG MANAGEMENT CRITERIA TO CALCULATE THE FINANCING BURDEN

- Calculate the financing burden using the actual costs. This means that you do not use the gross interest and repayments that the consumer would pay based on an annuity repayment schedule.

- When calculating the monthly costs of the loan, assume that the largest possible portion of the loan possible is interest-only. That way you will achieve the lowest monthly costs that are possible according to legislation and regulations.
- It may be that the financing burden, after applying the first two bullets, is still higher than the maximum permitted financing burden. In that case, reduce the monthly costs by deducting the capital or value of an accumulation product from the principal.
- The consumer may be paying ground rent that is rising, but not due to indexation or a ground rent review. In that case, take as the ground rent the amount the consumer pays on average during the first three years.
- If the ground rent is to increase within 3 years, take account of this higher ground rent when calculating the financing burden.
- If the fixed-interest period for the loan is still 3 years or longer, take the interest that the consumer is paying at the moment as notional interest rate .
- It may be that the remaining fixed-interest period for the loan is less than 3 years. In that case take the interest you use for new NHG-backed loans with a 3-year fixed-interest period as the notional interest rate. However, if the consumer is currently paying a higher rate of interest, take this higher rate.
- If you do not take a 3-year fixed interest rate for NHG-backed loans, take the interest for the following fixed-interest period you use for new NHG-backed loans as the notional interest rate. However, if the consumer is currently paying a higher rate of interest, take this higher rate.

Making the calculation based on these starting points does not mean that you actually have to make changes to the loan. Nor does it mean that the consumer will actually repay the principal with the capital or value of the accumulation product.

What are the actual costs?

Calculate the actual monthly costs by adding up the following costs:

- The interest
- The repayments (if applicable)
- The contribution of an accumulation product (if applicable)
- The ground rent (if applicable)
- The rent, mooring fees or encroachment licence fee for the mooring (if applicable)

What do we mean by capital?

- Capital is the sum of:
  - savings
  - investments
  - real estate. But not the principal home.
- Deduct from this:
  - 1.7% of the most recently known value of the principal home for the purposes of the Valuation of Immovable Property Act (WOZ value)
  - € 3,550 for each consumer

D.6.6 BKR REGISTRATIONS

Check with the BKR for the consumer. If a credit event has occurred with respect to the consumer in the 'Claim' category (former BKR code 2) but this has been remedied or repaid, you can ignore it.

D.6.7 EXCEPTIONS TO NHG MANAGEMENT CRITERIA

In some situations you are required to use the NHG management criteria to determine whether the consumer can pay the loan. We have explained this in D.6.1. You must determine the affordability of the loan based on the NHG management criteria for the remission assessment of the consumer, or before you use the home retention tool described in D.5.

Sometimes the use of the NHG management criteria is not suitable for the consumer's situation. For example, the consumer may have personal and unavoidable costs, as a result of which the consumer cannot pay the NHG-backed loan, or the home has a high foundation risk. In that case you can submit a request for us to assess the specific situation. We will make an exception to the NHG management criteria for determining the affordability of the loan if there is reason to do so.

The 'Work Processes' document explains how to do this. You must give good reasons for the request.

PART E | RULES ON THE SALE OF THE HOME

We expect you to try and avoid a forced sale or limit any loss if the home is sold. In this chapter we explain the rules that apply in order to avoid a forced sale or limit the loss if a sale is unavoidable.

If the consumer wants to keep the home, consider using the home retention tools described in D.5.

CHAPTER E.1 | WHEN IS THIS PART APPLICABLE?

This part is applicable to NHG-backed loans where at least one of the following situations occurs:

- There are payment arrears.
- There is a risk of selling the home at a loss and the final offer is less than 95% of the market value of the home.
- There is a risk of a forced sale of the home.

What do we mean by a forced sale of the home?

By 'forced sale of the home' we mean a sale of the home because during the term of the loan the consumer has not kept to the agreements the consumer has made with you concerning the loan. You manage the sale of the home privately or sell the home by means of a foreclosure sale.

What is a foreclosure sale?

A foreclosure sale is a sale in accordance with the law: Section 3:268 or Section 3:248 of the Dutch Civil Code.

CHAPTER E.2 | INTERVENTION BY US

We can intervene if this is necessary to prevent a forced sale or limit the loss.
But this must not lead to a reduction in:

- The scope or term of the suretyship
- The right to payment of the loss on the grounds of the suretyship
- The right to payment on the grounds of 'Payment of an expected loss'

CHAPTER E.3 | AGREEMENTS IN THE EVENT OF PAYMENT ARREARS

E.3.1 MAINTAIN CONTACT WITH THE CONSUMER

- You must contact the consumer every month to discuss the payment arrears and point out to the consumer the consequences of the arrears.
- If the consumer does not pay following the first payment reminder, find out whether the consumer wants to and can cooperate in resolving the payment arrears.
- It may be that the consumer does not cooperate in paying the arrears, or you cannot find or reach the consumer. In that case, investigate how you can contact the consumer after all and find out what possibilities there are for the consumer to pay the arrears and keep paying the monthly instalments.

E.3.2 ENSURE THAT THE PAYMENTS ARE WITHIN THE CONSUMER'S MEANS

If the consumer has payment arrears, we expect you to do the following:

- You do everything that is reasonable to collect the arrears.
- Make agreements with the consumer on the amount that the consumer repays you each month. The amounts you agree must be reasonable. You can determine on the basis of the NHG management criteria in D.6 what amount the consumer can reasonably pay each month, to cover both the current monthly amounts and the arrears that have built up. In any case the arrears must not be unnecessarily large.
- If the consumer offers to sell the home at this stage, investigate whether it would be necessary or useful to take over the sale.

CHAPTER E.4 | AN UNFORCED PRIVATE SALE AT A LOSS

E.4.1 WHAT SHOULD YOU DO IF THE CONSUMER WANTS TO SELL THE HOME AT A LOSS?

- In this situation the consumer wants to sell the home, and you calculate that the purchase price of the home is not enough to settle all the obligations under the loan. In that case you must do the following:
  - Before the sale, calculate the market value of the home unencumbered by tenancy and use based on a valuation report.
  - Try to obtain the highest possible sale price for the home on market terms.
  - If the final offer is less than 95% of the market value, explain with reasons that the purchase price is acceptable.
- The consumer might have already sold the home, and the purchase price of the home is insufficient to settle all the obligations under the loan. In that case, assess whether you can cancel the loan. If the final offer is less than 95% of the market value, explain with reasons that the purchase price is acceptable.

CHAPTER E.5 | AGREEMENTS IN THE EVENT OF A FORCED SALE OR FORECLOSURE SALE

You must do your utmost to avoid a forced private sale or foreclosure sale. In doing so, you must represent our interests and the interests of the consumer properly. This chapter explains what you must do if you are forced to sell the home.

E.5.1 FORCED PRIVATE SALE OR FORECLOSURE SALE

- If you are forced to sell the home, try and do this privately.
- If you are unsuccessful in selling the home privately as a forced sale, you can then proceed with a foreclosure sale.
- The consumer may want to cooperate in a forced private sale. However, you believe that a foreclosure sale is better, for example because the proceeds of a foreclosure sale are higher than those of a forced private sale. It might also be less risky. In that case, discuss with us beforehand whether you can proceed with a foreclosure sale.

E.5.2 WHAT MUST YOU DO IN THE EVENT OF A FORCED PRIVATE SALE?

If you are to proceed with a forced sale and manage the process privately, you must comply with the following conditions:

- Engage an estate agent or you manage the sale yourself.
- Make sure that on the date you engage the estate agent a physical, internal valuation report is available. This report must not be older than 6 months on that date and its purpose must be 'forced sale / foreclosure sale'.
- Also provide an equivalent valuation report at the moment the offer is accepted. If the valuation report drawn up on the date of engaging the estate agent is not older than 6 months, you can use this report.
- If the final offer is less than 95% of the market value, explain with reasons that the purchase price is acceptable.

E.5.3 WHAT MUST YOU DO IN THE EVENT OF A FORECLOSURE SALE?

You are permitted to sell the home by means of a foreclosure sale if you comply with the following rules:

- A debtor investigation has been carried out.
- You have a valuation report of a physical valuation, the purpose of which is 'forced sale/foreclosure sale'. This valuation report must not be older than 6 months from the date of the intended auction. We prefer to have an internal valuation report.
- Based on the nature of the collateral, you have determined whether the auction needs to be an online or a hybrid auction. You can use us as a sounding board for this.
- The auction takes place according to the most recent version of the 'General Conditions for Foreclosure Sales (*Algemene Voorwaarden Voor Executieverkopen*) or 'General Conditions with Internet Offers' (*Algemene Voorwaarden met Internetbieden).* If it concerns a floating home and these General Conditions are not applicable, the 'General Conditions for the Foreclosure Sale of Vessels with Internet Offers (*Algemene Voorwaarden voor Executieveiling van Schepen met Internetbieden*) will apply.
- You have notified us of the date of the intended auction. This is important because once we have received your notification we will send a letter to the consumer. In doing so we try one last time to resolve the contact between you and the consumer and thus prevent the foreclosure sale. We do this in all cases. If you have not received any communication from us or the consumer within 10 days of notifying us of this date, or if there are irregularities, you are permitted to proceed with the auction.
- If we are represented at the auction, you can proceed to accept the bid without consulting us.

- If the civil-law notary receives a private foreclosure offer up to 14 days before the foreclosure sale, discuss this with us to decide whether you should submit the offer to the preliminary relief judge.

If you receive a private offer separately from the foreclosure procedure, discuss this with us to decide whether you can accept this offer.