Schelhammer Capital 1832

# General Information on Mortgage Loan and Property Loan Agreements
# Pre-contractual information on Credit Assessment
# Information on Consulting Services for Consumers
# Information on Arrangements in Case of a Change or Cessation of a Benchmark

## I. General Information on Mortgage Loan and Property Loan Agreements

### 1) Author of this information

Schelhammer Capital Bank AG
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1010 Wien

### 2) Intended purpose of the loan

Property financing

- Purchase of building site
- New construction
- Annexe to existing buildings
- Completion
- Purchase of house
- Purchase of freehold flat
- Retention of property rights within the meaning of a retention of the legal position regarding the property, e.g. borrowing to pay off heirs expecting settlement or to fund a compensation payment to the divorced partner (this does not mean a loan for the renovation of a house in this connection)

Other financing, where secured by mortgage, e.g.:

- Education
- Purchase of car
- Everyday necessities
- Furniture
- Restructuring / energy-savings investments/conversion
- ………

### 3) Types of collaterals

The following can serve as collaterals for a mortgage and property loan:

- Fixed-amount or maximum-amount mortgages on real properties or buildings erected on third party land
  - o a fixed-amount mortgage is only liable regarding a specific term loan facility or loan
  - o a maximum-amount mortgage may be liable regarding several loans (that may be raised at different times)
- In individual cases: mortgages on real property or buildings erected on third party land located in other members states of the European Economic Area according to the national legal provisions to be applied for this purpose, as well as mortgages that are registered simultaneously for two or more real properties (multi-title charge)

In addition, the lender reserves the right to demand other collaterals as well. These may be:

- Surety
- Pledge of insurance
- Pledge of securities account
- Pledge of savings deposit
- Assignment of credit balances from building society savings
- Pledge of salary
- Transfer by way of collateral of other cash funds, assets and/or tangible assets
- Reservation of ownership

If the borrower fails to meet their payment obligations, the collateral may be used to cover the receivables.

### 4) Potential term

A long credit period generally means a lower monthly charge. Although the monthly instalments are higher with a short credit period, the entire loan (and/or total amount to be paid) is less expensive overall.

Guide values:
- Renovations and refurbishments: 10 years
- Purchase of building site: 20 years
- Purchase of building site with construction of a home: 25 years
- Purchase of freehold flat: 25 years

### 5) Types of offered target interest rates

| Type of interest | Description | Advantages | Disadvantages |
|---|---|---|---|
| **Variable interest rate bound to indicator (e.g. EURIBOR)** | Regular adjustment of an interest rate to an indicator (e.g. 3-month EURIBOR). | Advantage with declining interest rate level | If the interest rate level increases, the interest rate increases as well. The risks of a development of the variable interest rate detrimental to the borrower are illustrated in a fictitious repayment plan provided to the borrower during the customer meeting. |
| | In general, the amount of the instalment is adjusted to the current interest rate. | Scheduled term is complied with. | The instalment increases with an increasing interest rate level (e.g. indicator value). |
| | If separately agreed, the amount of the instalment may remain the same; however, the term of the loan is adjusted according to the modified conditions. | Interest rate increases do not affect the amount of the monthly instalment. | in case of an increasing interest rate level (e.g. indicator value):<br>The term of the loan may in some cases be extended by years. |
| **Fixed interest rate** | The interest rate is fixed for the entire term. | This is an advantage if the price level increases. | No benefits arise from a declining interest rate level. |
| | | Instalment remains calculable over the entire term. | Early repayment during the fixed interest rate period is possible against the payment of compensation of no more than 1% of the amount repaid early. |
| **Combination fixed interest rate with subsequent variable interest rate** | At first, the interest rate is fixed for a specific period of time. Then, the interest rate is regularly adjusted to the development of an indicator (e.g. 3 month EURIBOR) | See above. | See above. |

*** Information according to Sec. 6 (1a) of the *VKrG* [Consumer Credit Act] and Sec. 7 line 5a of the *HIKrG* [Mortgage and Real Property Loan Act]**

The interest rate for the loan agreements is calculated on the basis of benchmarks. The EURIBOR will probably be used as benchmark.

<u>EURIBOR:</u>
EURIBOR means Euro Interbank Offered Rate. EURIBOR refers to an average interest rate at which specifically defined European prime banks (banks with excellent creditworthiness) lend funds among each other (with different terms of e.g. 3 or 6 months) in Euro. The highest and lowest 15 % of the notified values will not be taken into account for the purpose of the EURIBOR values. The values are recalculated on a daily basis.

Administrator of the EURIBOR is the European Money Markets Institute (EMMI).

Impact on the consumer:

Since your loan agreement is bound to a benchmark, any fluctuations of such benchmark interest rate have a direct impact on your loan. Whenever the benchmark changes at the agreed adjustment dates compared to the last adjustment date, this change will have a direct effect on the interest rate of the loan and might result in an increase or decrease of your instalment.

**6) Foreign currency loans**
Foreign currency loans are not granted to consumers.

**7) Representative financing example**
Purpose of use: Financing of building site

| | |
|---|---|
| Term loan facility | |
| Total loan amount | EUR 100,000.00 |
| Term | 20 years (240 months) |

Collaterals: Maximum-amount mortgage over EUR 130,000.00

Variable target interest rate 2.25 % p.a. (quarterly adjustment according to the development of the 3 months Euribor)

| | | |
|---|---|---|
| One-off provision fee | EUR | 2,000.00 |
| Account maintenance charge quarterly | EUR | 13.66 |

To be paid once to the land register court:

| | | |
|---|---|---|
| Land register registration fee 1.2 % of EUR 130,000 = | EUR | 1,560.00 |
| Fee for filing a claim | EUR | 47.00 |

Other one-off costs/fees:

| | | |
|---|---|---|
| Fee for requests to the *Kreditschutzverband* (credit protection association) | EUR | 26.48 |
| Issuing fee | EUR | 48.69 |
| Costs for preparation of the land register request | EUR | 147.93 |
| Land register excerpt fee | EUR | 26.48 |
| Restriction certificate replacement fee | EUR | 75.00 |
| Archiving fee | EUR | 31.80 |

| | | |
|---|---|---|
| → Total costs: | EUR | 29,576.77 |
| Effective annual percentage rate 2.8531 % | | |
| Total amount to be paid: | EUR | 125,613.39 |

Fees for any collaterals to be created in addition depend on the relevant collateral and are thus not yet included in this calculation example.

**8) Further potential costs related to the loan**

Further costs may accrue in connection with the loan that are not included in the total costs of the loan:

- Costs for certification of the signatures on the pledge certificate
- Notary fees
- Costs for the registration of the transfer of ownership in the land register
- Costs if payment is delayed (default interest, dunning fees)
- …

## 9) Repayment

| Type of loan | | Explanations: |
|---|---|---|
| **Overdraft facility (for the construction phase)** | | Re-usable limit that grants the right to use the loan during the credit relationship at any time and in any amount up to the agreed maximum.<br>Characteristics:<br>Flexible utilisation within the credit line, repayment at any time during the term, complete repayment is owed at the end of the term. As the costs of longer-term overdraft facilities are usually higher than the costs of a term loan facility with instalment payment, it is sensible, particularly regarding loans for the construction of residential properties, to use overdraft facilities only during the construction phase until the required capital is finally determined. |
| **Term loan facility** | | Loan to be used once |
| | with fixed instalments | Regular repayment in the form of instalments consisting of the borrowed capital, fees and target interest. Interest is calculated on the basis of the respectively outstanding balance. |
| | with principal repayment instalments | Regular repayment in the form of equal instalments that only cover the borrowed capital; payment of the target interest and fees separately at the completion dates. Interest is calculated on the basis of the respectively outstanding balance. |
| | due at maturity | Repayment of the entire capital only at the end of the term; ongoing payment of the target interest and fees at the completion dates. Interest is calculated on the basis of the outstanding balance, which exists, with this kind of loan, to full amount over the entire term. This characteristic results in a higher total charge to the borrower. The borrower needs to make sure that they have sufficient capital for repayment at the end of the term. Sometimes, the borrower saves up for a repayment vehicle during the term, instead of paying regular instalments. |
| | with repayment-free starting time | The entire capital is only repaid after the end of the agreed repayment-free period. Depending on the contractual agreement, the interest is paid or capitalised at the completion date (increases the loan amount). Interest is calculated on the basis of the respectively outstanding balance. |

Repayment frequency:

- monthly
- quarterly
- semi-annually
- annually
- due at maturity

The number, frequency and amount of the regular repayments are individually adjusted in the customer meeting.

## 10) Please note – no guaranteed repayment

The compliance with the conditions of the loan agreement does not guarantee the repayment of the total loan amount used on the basis of the loan agreement. This means in particular that, if the target interest rate and/or the costs in connection with the loan are increased, higher/more instalments and a higher total amount than stated in the loan agreement need to be repaid.

## 11) Early repayment

Subject to the following provisions, the repayment of the loan in whole or in part is permitted; no costs accrue for the residual term.

If repayments are made during a fixed-interest rate period, the lender is entitled to compensation. The compensation will not exceed 1 % (with a residual term of less than 1 year, 0.5 %) of the loan amount repaid early.

No compensation accrues as long as the total amounts repaid early in the past 12 months do not exceed EUR 10,000 or if the early repayment is made from an insurance agreed for the loan.

With regard to mortgage-backed loans, early cost-free repayments are only permitted in compliance with a period of notice of 6 months or the longer residual term of a fixed-interest period. If this is not complied with, compensation shall be paid for the non-observed part of the period of notice and/or residual term of a fixed-interest period, calculated according to the clauses 3 and 4 of this paragraph.

### 12) Valuation of the property serving as collateral

It is required to assess the real property serving as collateral; the valuation is carried out by the lender or by an external expert commissioned by the latter. The costs of the valuation shall be borne by the consumer.

### 13) Ancillary services as requirements for granting a loan

The grant of the loan according to the stipulated contractual conditions may require the provision of specific ancillary services by the borrower. These may include, e.g.:

- Taking out or providing insurances

The borrower may both take out products of the lender and provide other similar products from other providers as ancillary services / insurances.

Individual arrangements are made in the customer meeting.

Insurances serving as collateral shall be maintained for the entire term of the loan.

### 14) Consequences of non-compliance with the obligations assumed in the loan agreement

In the loan agreement, the borrower undertakes to provide the agreed regular payments/savings when due and/or to inform the borrower immediately about any default or the suspension of the provision of even only one of the payments/savings. The non-compliance with this payment/savings obligation does constitute a compelling reason for the early termination of the credit relationship by the lender – if this endangers the fulfilment of the borrower's obligations.

Further potential consequences of the borrower's default include:

- Default interest
- Reminder fees
- Acceleration of the maturity date (this means that the entire outstanding debts become due and payable immediately if at least one outstanding payment of the consumer has been due for at least six weeks and the lender has reminded the borrower by threatening acceleration of the maturity date by setting a grace period of at least two weeks)
- Realisation of the collaterals
- Action
- Execution
- Registration of negative indicators in small loans list and warning list

## II. Pre-contractual information on credit assessment

### 1) Information and documents required for the credit assessment

The borrower shall provide the following **documents** for the credit assessment:

- Original identity documents (e.g. passport, driver's licence…) for making a copy
- A self-disclosure / budget plan; and
- A data privacy statement.

Employed persons:

- Proof of income for the past year, but at least for the last three months
- for other income (e.g. family allowance / care allowance…): Notifications

Self-employed persons:

- Balance sheets
- Statement of revenues and expenditures
- Income tax return / assessment including attachments

The self-disclosure shall include the questions set out in the attachment and will be prepared jointly with you in the bank (on the basis of the documents to be provided by you). You will receive the data privacy statement during a personal meeting in the bank. Both documents shall be signed by you.

No credit assessment can be performed and a loan cannot be granted, unless the above documents and information are provided which must be correct and complete.

### 2) Consultation of databases

The lender collects data on the borrower by consulting the small loans list and the warning list, which are established at the Kreditschutzverband von 1870, Wagenseilgasse 7, A-1120 Vienna, Austria. You can find more information on such databases at the homepage of the KSV 1870 at www.ksv.at.

Furthermore, public registers (especially land register, commercial register, Austrian electronic edicts database, civil register, etc.) will be consulted. If other private databases are consulted as well, this will be stated in the data privacy statement.

## III. Information on consulting services

Schelhammer Capital Bank AG provides advice and individual recommendations in connection with a financing.

The advice takes all its own loan products into account.

The advice costs EUR 100.00/ per hour, irrespective of whether a transaction is concluded.

# IV. Information on Arrangements in the Event of a Change or Cessation of a Benchmark

The EU Benchmark Regulation[1] obliges the bank to make arrangements in the event of certain events triggering a replacement which affect or influence the benchmark of a loan or its administrator. We inform as follows about these arrangements:

| | |
|---|---|
| | **3-months EURIBOR** |
| Administrator of such benchmark is: | European Money Markets Institute (EMMI) |
| The benchmark is published at: | http://www.euribor-ebf.eu/euribor-org/euribor-rates.html |

That means that benchmark changes are decisive for interest rate adjustments.

We cannot take contractual arrangements for the case that a benchmark is no longer published, since the consequences cannot be predicted in advance to a sufficiently precise extent.

Our arrangements for the case of such an event triggering a replacement (for details, please visit our homepage) are as follows:

1. If the Austrian or EU legislator specifies a benchmark – as was the case in comparable cases in the past[2] – the latter shall apply.

2. If no such legal regulation will be made, the replacement benchmark as determined by the administrator of the EURIBOR will apply.

3. If the administrator does not specify a replacement benchmark, the replacement benchmark as specified by the Austrian Financial Market Authority, the European Central Bank or the European Securities and Markets Authority will need to be used, insofar as one of these supervisory authorities will be authorised to determine it.

4. If the supervisory authorities mentioned in item 3 do not specify any replacement benchmark, we believe according to our legal opinion which must be verified by the courts, that the benchmark that is most suitable considering all circumstances for the adjustment of the interest rates according to the arrangements made in the loan agreement will need to apply.

5. In order to keep the interest rate conditions of your loan on a constant level, an "Adjustment Spread" (i.e. a surcharge or deduction) regarding the replacement benchmark might need to be applied regarding the above-mentioned measures (for more details see our homepage).

Furthermore, we have a written plan in place which provides, in more detail, for the procedure in this case. For updated details, please visit our homepage. The measures are subject to constant updates.

[1] Regulation (EU) 2016/1011, last amended by Regulation (EU) 2021/168.

[2] See, e.g. Commission Implementing Regulation (EU) 2021/1847 of 14 October 2021 for CHF LIBOR.