



Guidelines for Mortgages

Fixed-rate mortgages

Effective from 1st January 2022

This document is a translation of the original German text. In all matters of interpretation, the original German shall prevail.

Based on the investment regulations of the Swissport Pension Fund, the Board of Trustees has issued the following guidelines for fixed-rate mortgages.

1 Property/financing

In addition to variable-rate mortgages (see separate guidelines), the Swissport Pension Fund also grants beneficiaries and third parties fixed-rate mortgages for houses and condominiums located in Switzerland that are inhabited year-round and for the borrower's own use, primarily as first mortgages. Holiday homes may only be financed upon request. For third parties, only 11 to 15-year mortgages may be granted at the time of first closing.

The Swissport Pension Fund offers the following mortgages, with a division of the entire mortgage into three tranches being possible. The minimum amount per tranche is CHF 50,000 for new mortgagees and CHF 20,000 for existing mortgagees:

- Variable mortgage (as per separate guidelines)
- 1 to 15-year fixed-rate mortgages

The interest expenses may not exceed 35%¹ of the borrower's net income. An interest rate of 4.5% is used for this calculation. The Swissport Pension Fund requires proof of income and assets.

2 Restrictive conditions for mortgage loans

The Swissport Pension Fund may, as part of the specified investment strategy, impose restrictive conditions. There is no entitlement to a mortgage loan.

For primary houses and condominiums, the maximum loan-to-value ratio is 70% of the market value as determined by the Swissport Pension Fund; for second homes it is 65%.

The total loan may not exceed CHF 1,500,000.

The minimum loan is CHF 50,000.

The applicant must provide at least 10% of the purchase price or the market value from their own funds, not including occupational pension assets.

3 Follow-on financing

If individual tranches are repaid by a credit institution, the Swissport Pension Fund will also accept, as an exception, secondary mortgage notes for a maximum of five years. In this case, the pension fund assets at the Swissport Pension Fund, or at the individual's own pension scheme in the case of third parties, will be pledged as collateral for the corresponding loan amount. If the amount of assets at the pension scheme is not sufficient, pillar 3a assets may also be pledged.

However, follow-on financing will only be granted until the end of the last tranche or until full assumption of the outstanding mortgage at another credit institution.

If the Swissport Pension Fund does not assume the full mortgage, every tranche that has already been financed must be repaid or paid back with an early withdrawal. In addition, the conditions of early termination (Art. 12) also apply.

¹ A rate of 50% is used for those age 65 and older.



4 Market value

The market value is equal to the appraisal of market value prepared by the Swissport Pension Fund.

5 Appraisal costs

No costs are charged for the appraisal of market value prepared by the Swissport Pension Fund, provided that the contract is concluded. If the contract is not concluded, the cost to prepare the appraisal in the amount of CHF 250 will be charged to the applicant. In deviation from the foregoing provision, the costs specified in the broker contracts apply for mortgages that have been referred.

The cost of an expert report prepared by a third party will be charged to the applicant.

6 Date of the loan

The loan will be paid out when construction is completed (in the case of new construction or renovations) or when ownership of an existing property is transferred as well as for repayments to credit institutions.

7 Interest rate

The interest rates for fixed mortgages are based on current market conditions and are for 1 to 10-year mortgages generally determined once a month from an average of selected and published fixed mortgage providers. The minimum interest for the terms 1 to 5 years is 0.50%; for the terms 6 to 10 years, 0.75%. For 11 to 15-year mortgages, the highest of the comparative interest rates is used as the interest rate.

The offered interest rate is binding for both parties, provided that the borrower agrees in writing (with legally binding signature) to the offer within one week after it is submitted and draws the loan amount within two months.

Drawing the loan amount may be deferred for up to 12 months. In this case, the Swissport Pension Fund will charge an additional fee.

The interest is due on a semi-annual basis and is collected via direct debit. Value date: 30 June and 31 December.

If an interest payment is not made when it is due, late payment interest (1% above the current mortgage interest rate for variable-rate mortgages at the Swissport Pension Fund) will be charged for at least one month. An additional CHF 100 will be charged to cover expenses. If the borrower does not pay the interest following a reminder and after a reminder period of 30 days, the creditor will also have the right to terminate the loan with a notice period of two months. In this case, the interest to the end of the term and a processing fee of CHF 200 will be due (see also Art. 12 Notice period).

8 Collateral

Provided in the form of the mortgage note or mortgage assignment with first priority on the property being financed.

When a fixed-rate mortgage is repaid in tranches (Art. 3), the borrower must agree in writing to also transfer the other tranches to the Swissport Pension Fund upon expiry. The required lien collateral is provided by splitting the mortgage note and pledging the pension fund assets.

The borrower is advised to conclude term life insurance for the portion and term of the loan that exceeds 70% of the investment.



The costs of the collateral and any insurance premiums will be borne by the borrower.

9 Amortisation

Fixed-rate mortgages cannot be amortised during the term of the loan.

Upon retirement, the mortgage must not exceed 65% of the current market value of the property at the time of retirement. For fixed-rate mortgages, the amount necessary for a reduction to 65% must therefore be amortised during the term of the loan, but not until after retirement. If there is also a variable-rate mortgage, this will be amortised first.

10 Increasing existing fixed-rate mortgages

It is not possible to increase an existing fixed-rate mortgage. However, the guidelines do permit a further tranche.

11 Sale of the property

If there is a transfer of ownership, a fixed-rate mortgage may be assumed by the buyer for the rest of the term, or the seller may transfer the rest of the term to a new property that is also financed by the Swissport Pension Fund. If none of the above applies, the fixed-rate mortgage must be repaid in accordance with the conditions of early termination.

12 Notice period and early termination

Fixed-rate mortgages can be terminated at the end of the term. Without written notice from the borrower, the mortgage will be continued until a decision by the client at the then applicable interest rate for variable-rate mortgages.

In the event of early termination of a fixed-rate mortgage, a distinction is made between the following two cases:

1. If the contract was concluded after 01/12/2021 and if the original term was 11 years or longer, the Personalfürsorge Swissport will waive payment of an early repayment penalty provided that the mortgaged property is sold to a third party who is not a family member of up to a third degree of relationship, and will limit the costs incurred to a processing fee of CHF 1'000.
2. In all other cases, the difference in interest on the loan for the remaining term compared to the corresponding fixed-rate mortgage rate offered by the Swissport Pension Fund will be due for payment by the borrower, with a minimum percentage margin of 1.15% (early repayment penalty). In addition, a processing fee of CHF 400 will be charged.

13 Securitisation

The Swissport Pension Fund reserves the right to transfer the mortgage loans, including current interest and the mortgage note assigned as collateral, to third parties.

