

## Example 5

**Are you:**

**In Negative Equity  
Looking to Trade-Up  
On a Variable Rate**



**Mark and Karen** live in a two-bedroom apartment.

Their current mortgage is €225,000 and they are on a variable rate of 4.34%. Due to an increase in their family size, their two-bedroom apartment no longer suits their needs.

They've found a four-bedroom house in the same town that can house them all and now they are looking for a mortgage for €247,500 to buy it.

**Mark and Karen apply and are approved for a new mortgage.**

## Current Loan

Current Mortgage	€225,000
Current Value of Property	€175,000
Negative Equity	€50,000
Loan-to-Value	129%
Term Remaining (Years)	25
Monthly Repayment Amount	€1,230

## New Loan

Purchase Price	€275,000
Less Minimum Deposit Required (10%)	€27,500
Mortgage on New Property	€247,500
Plus Negative Equity	€50,000
Total New Mortgage	€297,500
Loan-to-Value	108%

## Repayment of New Loan 5.17% APR (Variable)

Mortgage Balance	€297,500
Market Variable Rate > 90% Loan to Value (5.05%)*	5.05%
Term (Years)	30
Monthly Repayment Amount	€1,606

\*permanent tsb is introducing a new mortgage rate which applies to mortgages where the Loan to Value is greater than 90%