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Sent: Wednesday, November 16, 2005 6:43 PM

To: MARKT MORTGAGE-CONSULTATION

Subject: contribution experience

Just a few remarks based on my experience trying to identify financing in France, Belgium and the UK.

I am French and French resident. I used to reside in the UK and have invested in real estate in London. Besides I have properties in France and am trying to refinance them and obtain loans to finance further investment in eastern Europe.

- the British market is surprisingly the most closed of all the markets I had to deal with: lenders offering services to non UK nationals/residents are too few.

I am planning on remortgaging my properties in the UK and am surprised that out of all British lenders (I spoke to nearly all of them either through IFAs, brokers or directly), only 4 are ready to help me in the process being a non UK resident/citizen: The Woolwich, Kent Reliance, Northern Bank (offshore) and Irish Permanent International (offshore). Apart from these 4 lenders, all the others need a proof of residency or UK citizenship: 12 month income statement, letter from the home office, NIS number or Tax number and statement.

Most countries in continental Europe (Spain, France, Italy, Greece, Hungary, Lithuania, Czech Republic, Slovakia...) are providing services to foreigners to invest in their country with a multitude of lenders proposing their services.

Another worrying fact about the British market is that too few lenders propose long term fixed mortgages to minimize the risks of higher interest rates (maximum is 5 years fixed apart from 2 or 3 exceptions on buy-to-let schemes: Ipswich BS for example with a 10 year fixed). Entry and exit costs are also very high (entry costs usually stand at 1% minimum of the amount borrowed and exit costs at 5% maximum).

The only positive points I found about the UK market is that justifications for refinancing loans are kept to a minimum as you do not need to prove what you will be spending your money on and that the process is quite quick (1 month).

- the French market is inflexible due to the "loi bancaire" : lending would be OK (there are a few lenders in France offering "prêts hypothécaires") but only if the person who is applying for a loan ("prêt hypothécaire") can provide detailed information and justification on the use of the money. Most lenders told me that it was due to the "loi bancaire" but after reading the "code monétaire et financier" I have yet to find the matching explanations. The minimum amount of time to process a loan request is quite long at 2 months if all paperwork has been provided for the justification.

All this is a very constraining aspect when re-investing in real estate in other countries where one needs to be quick on good opportunities.

Directly financing investment from France to other country is impossible (as is refinancing abroad from France) due to the fact that French banks find it impossible to guarantee themselves abroad.

- the biggest banks in Belgium only offer loans to non-residents who would buy in Belgium or for people who would have properties in Belgium to refinance. They cannot refinance French portfolios or properties as they need to take a guarantee on properties in Belgium.

I hope my short experience in the field will provide you with a good insight on some difficulties that some people may face when looking for cross-border financing in Europe.