

Checklist

What is to consider when taking out a loan

✓	Short description	Description
<input type="checkbox"/>	Check your financial situation	<p>First of all, you should determine how much of your own funds are available for a large investment like buying a house or an apartment (including all extra costs, e.g. for moving, fees and the like). The more own funds you have, the less you will depend on loan financing. If you need a loan, the next step is to draw up a budget plan for your household to get an overview of income and expenditure and to determine whether you can afford repaying the loan. Be sure to obtain an independent assessment of your own creditworthiness, which you can get from a creditor protection association.</p>
<input type="checkbox"/>	Compare loan offers	<p>Make sure you compare different loan offers (with fixed or variable interest rates) from different banks to find the best option for you. Every bank is obliged to provide an information sheet with the effective annual interest rate. In addition to the effective annual interest rate, you need to consider the total loan amount, the collateral required and the conditions for repaying the loan. For example, it is sometimes possible to repay loans in several steps or to make an early repayment of the whole amount. Sometimes this is possible without fees.</p> <p>Be advised that variable interest rates may rise in tandem with the general interest rate level. This can make your loan more expensive. Please make sure to have the associated financial risks explained and calculated in detail.</p>
<input type="checkbox"/>	Get your documents ready	<p>Start putting together the necessary documents: wage/salary statements, tax returns, bank statements, budget plan, identity card, etc.</p>
<input type="checkbox"/>	File your loan application	<p>Start contacting potential credit institutions. You can submit a loan application to one or more credit institutions.</p>
<input type="checkbox"/>	Check the draft loan agreement	<p>You can get a draft loan agreement free of charge; which already sets out the conditions that will be part of the final loan agreement later on. This gives you the opportunity to scrutinize the conditions and individual clauses and carefully consider your loan decision.</p>

<input type="checkbox"/>	Prepare for signing the agreement	<p>To prepare for the closing, you should compile and check all necessary documents. If any open questions or uncertainties regarding the loan offer remain, you should contact the bank to clarify them.</p>
<input type="checkbox"/>	Sign the loan agreement	<p>You should only sign the loan agreement once you understand and agree to all the conditions. You may also consider showing the agreement to a person of trust to clarify any open or unanswered questions.</p>
<input type="checkbox"/>	Fulfill the obligations under the loan agreement	<p>First, you should check your bank account to see whether the loan amount has been made available as agreed. Subsequently, you should check your regular payment obligations and make sure you transfer the money on time. If problems or questions arise, you should contact the lending bank.</p>