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CASE STUDY · REAL ESTATE FINANCING

How a Careful Contract Review Saved a Family Thousands of Euros

Between a contract error and good intentions: why an independent loan broker delivers more than a simple rate comparison

The Starting Point

The H. family had found their dream home, a charming single-family house in northern Hesse. The problem: most of their equity was still tied up in their current condominium, and selling it would take time. The market was moving fast, the house was not going to wait for anyone, and the fear of a double financial burden from the old and new property was there from the very start.

THE CASE AT A GLANCE

Clients	**The H. family, young family**
Property	**Single-family house, northern Hesse**
Financing volume	**€260,000**
Starting point	**Equity tied up in existing condominium, sale still pending**

The Strategy: More Flexibility Than Originally Requested

The H. family initially had a classic, narrow idea in mind: a pure bridge loan for exactly the loan portion that would become available again once the condominium was sold, clean, but inflexible.

Instead, we proposed a model with significantly more room to maneuver: a loan with a 5-year fixed-interest period and a 100% special repayment option in the event of a sale, rather than a bridge loan mandatorily tied to the sale. The difference was decisive: the family was not under pressure to sell. If challenges arose in selling the apartment, they retained the option at any time to rent it out instead of having to sell it under time pressure. The special repayment option could be used, but did not have to be.

This was supplemented by a long-term annuity loan (10-year fixed-interest period) at terms that were attractive for the situation at the time, covering the remaining amount.

Turning Point 1: The Error in the Contract

After a long processing time, the lending institution's contracts finally arrived. The family's relief was palpable; they would have loved to sign right away.

During our meticulous pre-review, however, we discovered a typical but consequential standard error in the fine print: the contract text did not reflect the agreed 100% special repayment option. Instead, it contained the bank's standard clause of only 5%. Had the family signed in this form and later actually sold the apartment and made a special repayment, they would have had to pay an early repayment penalty of several thousand euros.

> Since the institution could not change the contract text on short notice for internal system reasons, we negotiated directly with the bank and secured a binding side agreement, confirmed in writing by email and with an internal system note from the bank. The family did not need to worry about anything further.

> *„A contract is only truly secure once every detail exactly reflects what was agreed, not what the bank has on file as its default.“*

Turning Point 2: The Risky Advance Payment

The seller allowed the family to move into the house before the notary appointment, a generous gesture. Out of gratitude, our client then considered transferring €90,000 in equity to the seller privately, in advance, without any notarial security, simply out of trust.

This called for a clear veto. We explained to the family, in objective terms, the risks an unsecured advance payment carries: a possible insolvency risk on the seller's side, the lack of protection in the land register, and possible conflicts with the agreed loan conditions. A good relationship with the seller is a wonderful thing, but it does not replace legal protection.

> *„Trust in the seller is valuable, but when it comes to paying the purchase price, what matters is legally solid protection."*

The Outcome

- ✓ The notary appointment went smoothly, and the purchase price payment was securely handled through the bank
- ✓ **100% special repayment option** secured in writing and made binding, full flexibility instead of pressure to sell
- ✓ **€90,000** in equity protected from an unsecured private transfer
- ✓ The H. family has actively recommended us to friends and acquaintances ever since

In the end, the result was not just smooth financing, but also a very personal thank-you from the family, a small but meaningful sign of how close this collaboration had become.

What We Learn From This Case

1. Bank contracts are not infallible: the fine print often decides matters worth thousands of euros.
2. A good relationship with the seller never replaces the legal safeguards at the notary appointment.
3. An independent loan broker looks not only at the interest rate, but also supports the review of financing documents, coordination with the bank, and the payment process.

> **Is your equity still tied up in an existing property?**
> We assess which financing structure gives you sufficient flexibility, based on your personal situation. Contact us for a personal assessment.

To protect our clients' privacy, names, locations, institutions, and other identifying details have been changed or generalized. Figures may be rounded or presented as ranges. Quotes are paraphrased.

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