FOREIGN PROPERTY MORTGAGE NIGHTMARE

2006+ AND ALL THAT...

EU Property solutions

TERRY BELL

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Terry Bell has helped develop EU Property Solutions and its sister brand, Bell & Company, over the past 10 years.

The businesses operate primarily from Belfast and Leeds, with our legal teams across Europe, especially in Cyprus and Spain.

Our continually expanding professional team applies over 30 years of experience in the 'world of foreign property debt.'

This experience together with tried and tested practices, coupled with cutting-edge technological developments, ensures all clients get the best advice.

Terry is a straight talker, vital in the pressurised environment of debt, and this has led to the release of a podcast series known as 'Real Talk.'

He suggests his epitaph would read 'a people person, husband, father, and most importantly a grandfather...Not unknown to a pint of Guinness and loves all sport. Enjoys helping the underdog and solving financial problems.'

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FOREIGN PROPERTY

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2006+ and all that…

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Preface

We have written this small book to offer our insight, experience, and opinions of the subject of Negative Equity in Europe.

Our main markets are Spain and Cyprus, and we have saved our clients millions of Euros across Europe and beyond – including 'bad mortgages' in:

- France
- Bulgaria
- Poland
- Greece
- Hungary
- Portugal
- Holland
- Even Canada, USA and New Zealand!

It's a difficult subject to be positive about but we achieve successes for our clients and just a few of these are celebrated on pages 50-51. We also in Chapter 10 discuss the solutions out there and how borrowers should attack their problems.

I personally would like to thank Claire Torrens and Domilia Timonyte here at EU Property Solutions, together with my co-director James Bell in the preparation of this book and our excellent copywriter, Peta Delahunty.

Last thanks to AH and GK – you know who you are!

About Us

EU Property Solutions are the only company out there working for our clients against foreign Banks on debt issues, usually involving mortgage issues.

EU Property Solutions was created to help UK & ROI clients who had bad experiences with their foreign property and associated mortgages - in the main, dealing with Negative Equity.

Since the 2008 crash, we have become more specialised in our work, developing strategic alliances in our main markets in Spain and Cyprus (but also Bulgaria, France, USA & beyond!)

Our job is to protect our clients at home, deal with Banks and strategise the best exit, mindful of your individual financial position.

The approach with our alliances usually revolves around a whole perspective to a case considering every feature in the country in question, but also with the backdrop of the home country of the borrower. This, coupled with our technical knowledge and negotiation skills, ensures we cover all matters and issues and seek to minimise our clients' exposure.

To give you a further insight into what we do, visit our website **www.eupropertysolutions** or that of our 'Sister' company **www.bellcomp.co.uk**

As the businesses developed, we have nurtured relationships with Banks, and we will be as bold to say that we now actually 'get on' with some of them. These relationships take some time to develop, but these Banks respect our work as we do it correctly. We also have a small outpost in Spain, in San Pedro, which is used as a base to meet Banks and potential clients.

Foremost in the work we do is the consideration of a foreign lender's ability to seek recovery in the borrower’s home country. In the main, such lenders are not usually that adept at this, but recovery actions are not unknown and is a problem that will increase due to Brexit.

We also keep ourselves informed of all developments in terms of the property markets and the lending thereon. We have retained a great working relationship with the foremost expert in the Spanish holiday home market, who writes for The Sunday Times. We also search the financial press continually to keep abreast of developments.

The most recent changes in Spain and Cyprus have seen increasing loan sales to Vulture Funds which is a worrying trend. Over and above this, Banks have been consolidating their positions by merging and taking over one another in line with requirements from the Bank of Spain.

As a group, together with Bell & Company, we have over 400 clients at any one point. As we have developed our position in this market, our technical and practical experiences have allowed us to become the foremost debt negotiators in the foreign property market.....some claim, but true!

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Introduction

We acknowledge that this is not a sexy subject and that this is a very niche read. However, hundreds of thousands of people are stuck with a foreign property in negative equity.

Negative equity is the situation where the value of the property is less than the mortgage and therefore you are at risk of the lender looking to recover that shortfall.

There are many countries and areas across Europe that have and continue to endure negative equity, but the principal ones in our work are Spain and Cyprus.

That said we have acted for clients who had negative equity properties in Romania, Bulgaria, Greece, the Greek Islands, USA, France, Czech Republic, Hungary, New Zealand, and Canada.

At EU Property Solutions, we believe that over the years we have developed the skill set and most importantly the stamina, to give clients the very best advice. EU Property Solutions are the only dedicated advisors who cover this subject in this way.

With that confidence and knowledge, we then felt compelled to write this short book, explaining the details of this unfortunate subject and giving an insight into some of the approaches we adopt.

For examples of our work visit our website www.eupropertysolutions.com, along with that our associate company Bell & Company, who are Debt Strategists working mainly with SMEs and surrounding debt issues www.bellcomp.co.uk.

The concept for the business arose from our work in Belfast, following the 2008 crash. Then there was the financial crash and the massive tightening of credit, but more importantly to individuals, there was the catastrophic devaluation of properties across Europe, especially those sold in questionable markets by questionable people.

Prior to 2008 and the financial crash, which saw the end of companies such as Lehman Brothers, the world was awash with money and frankly crazy! Money was ridiculously available, and it was available in every market as the Banks and financial institutions used weak lending criteria to 'shovel' it out, on to those willing to try and live out their dream.

I had a phrase in the day, "that even Saddam Hussein would have been able to get a mortgage at this time!"

Subsequently, the values of properties went through the roof, due to a heady mix of the following:

- Greedy developers,
- Fast and very poor construction,
- Dodgy promotors, valuers, solicitors, agents, and
- Banks (don't get me started).

The dream was sold. You may remember the Jack Nicklaus promotional adverts on television for Polaris World, when he tried to entice us ‘come on in, the water's great!’

These promotions were then fuelled by the ridiculous amount of money that was in the system that could then be released from:

1. One’s own property, be it home, or a buy to let as their values soared, and
2. More dangerously, the available funding in foreign countries, with high Loan to Value advances – in some instances 120% of value...and dubious value at that!

If we compared the availability of funds then to the situation now, you would undoubtedly find that the vast majority of the foreign mortgages, would have been mis-sold. There were unsavoury brokers involved and Banks had to, as we said on the previous page, ‘shovel’ the money out of the door! Bankers were rewarded for basically selling money. The criteria, due diligence, and affordability tests were non-existent, and valuations were at best a paperwork exercise.

If you looked at the possibility of taking any form of litigation to get recompense for what was undoubtedly mis-selling, you would have no chance of securing a victory or any agreement with the Lenders.

We have seen a number of cases where litigation has commenced especially in Cyprus, but the UK and Republic of Ireland litigants are viewed as 'Jonny foreigners' who are moaning about the situation.

If you are looking at any moral obligation on the part of a Bank or Lender – no chance! They will not recognise that it was wrong, and the people who did the effective mis-selling and or took the unscrupulous actions, are no longer there.

As we said, we have several clients in Cyprus who still hold the most shocking financial product sold to them - a Swiss Franc Mortgage. This product created a perfect storm of property values and rising loans as the Swiss Franc appreciated against the Euro and Sterling. In 2007 the rate was SwFr 2.25/£ and now it is cSwFr 1.20/£.

Several Class Action Cases have been taken in Nicosia, but to our knowledge, none yet have been successful and may have failed.

So that's the backdrop that we are working towards. We at EU Property Solutions and Bell & Company, do not judge people who are indebted and struggling.

Typically, our clients have this scenario:

- They made one mistake and bought their property abroad, and
- Everything else in life is going OK in terms of net worth of pension funds, value of home, and buy to lets steadily improve over time.

However, this one mistake of taking on a foreign property mortgage, still tortures our clients.

The emotions that stem from this mistake are shame, undoubtedly affects their relationships, and is a continual drain on many people. This book is not looking in any way to compound this pain or 'rub it in,' but it seeks to explain the works that we undertake and what we have learned over the past ten years in this field.

Hopefully, this gives you a bit of an insight as to how we operate and materially we hope that you will see that we know our way through the mire of foreign mortgages.

At the end of this book, we have detailed what we call the "Wall of Shame." This is a list of developments that we have experience in or knowledge that they suffer from negative equity. Is your property on this list? If not, please do tell us and we will update our records.

Some clients work on the basis that property values come around, but unfortunately there is a hardcore still into the many hundreds and thousands across Europe, that will not improve in value. It is now some ten years since these prices 'bottomed out' but still they struggle to get anywhere near the mortgage levels.

Whatever you take away from this book, as the Covid-19 recession starts …the 2006+ foreign property purchases, mortgages thereon, and the negative equity positions will not improve. This gives us no pleasure in commenting in this way, but it is reality.

In this section, we will leave you with one last comment which we offer as advice to all clients facing debt scenarios and that is **TAKE ACTION.**

The problem needs to be attacked, armed with the best advice, and representation. By the way that's us!

Hopefully, you will find this book informative, and again we are not labouring in your pain and at worst, hopefully, it will give you some idea of the way forward through this.

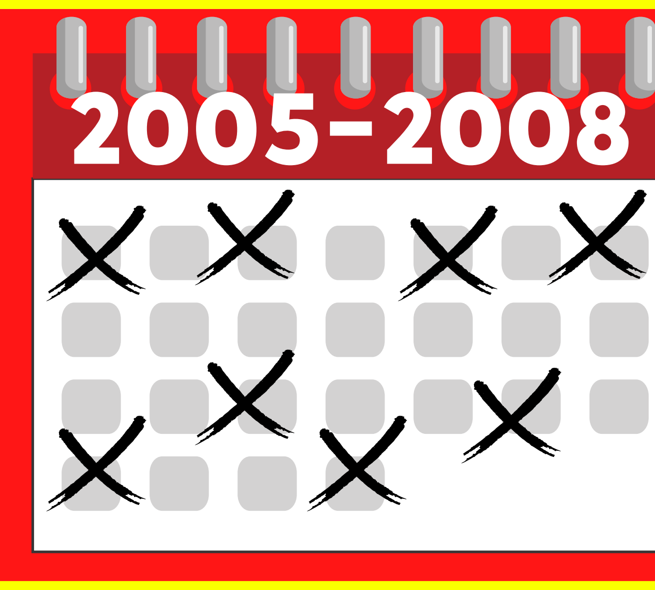
OUR WORK

£13 MILLION+

OF DEBT SAVINGS IN SPAIN AND CYPRUS - SO FAR!

(In **Bell & Company** this exceeds £135 million!)

CHAPTER 1
The Madness



Backdrop

For most of us, when we reminisce about 2005 – 2008, it's mainly positive. A prosperous time when the economy was booming, and we had a bit of spare change in our pockets.

A time when thousands of Brits and Irish, like yourselves, could finally realise your dream and splash out on your very own slice of paradise. Purchasing a 'luxury' holiday home in places like Spain or Cyprus was suddenly an affordable opportunity.

However, at EU Property Solutions, our recollections and experience are slightly different.

This is in no way indicative of the state of mind of any of you who purchased your dream property in the EU, but this buying frenzy was encouraged by duplicitous bankers, promoters, and developers. Rubbing their hands with glee, it was a cash cow that they believed could be milked forever.

During this period, the appetite for the holiday home market grew significantly - quickly becoming flooded and causing demand to soar to even higher heights.

And to add wind to its wings, funds were easy to access both at home and abroad; non-status mortgages were two a penny, and credit checks didn't even factor into the equation.

With little to no barriers stopping the purchase of too 'good to be true places' in the sun and non-existent due diligence from the professionals, it was only a matter of time before the foundations of this property boom literally crumbled underneath us all.

It was not just the developers and Banks to blame, but also the valuers, notaries, solicitors and dodgy promoters.

Together they invented attractive, but totally unfounded, property valuations before the unscrupulous sellers sold at crazy prices.
Every aspect of the process and each stakeholder involved, coupled with lax financial regulations, was responsible for the self-perpetuating nightmare that buyers unwittingly bought into.

Much like the film ‘The Long Short’, whilst part-fictional, showed that everybody and anybody could get rich during these times whatever the situation.

And it did not matter that the money earned by the developers, bankers, and promoters was at the detriment of the unsuspecting property buyers, like yourselves.

So, it's no wonder that in the autumn of 2008, when the world stopped turning and the financial crisis hit like a blunt instrument, these properties built on financial sand in the years before, suddenly sank quickly into negative equity, leaving people stuck with unwanted debt.

It was a crazy world, where we witnessed well-established Banks like Lehman Brothers, that had been around since 1850, collapse. Others like Allied Irish Banks (AIB) and the Royal Bank of Scotland (RBS) went under state control and materially are still there.

Countries including Cyprus and Spain were savagely hit as the whole banking industry was shored up by their State Banks.

The collapse of the financial sector, and many of its long-established institutions, started a domino effect, leaving those at the end of the chain the main losers. Those of you who had dared to live the holiday home dream had become the unwitting victims. Your once refreshing holiday cocktail left a bitter lingering aftertaste that you are still paying for to this day!

Developers and Promoters

So, how did this whole self-perpetuating nightmare occur? Simple, developers secured cheap land which they then obtained high-density planning for. This was all financed by the Banks. Then the promoters set about feeding the growing hunger for holiday home purchases, and the properties were sold for crazy prices.

Then in came the Banks again, stage left, returning to the fray and offering the unknowing purchasers' cheap mortgages with high Loan to Value Mortgages (LTV). All you saw as buyers was your ultimate dream being sold to you at very attractive rates and guarantees – and not what was really going on behind the scenes.

If we dig a little deeper, developers didn't purchase prime plots, but low-value land, e.g. desert land near Murcia and Almeria.

They built here using shoddy and cheap building practices, saving them money. These flats and houses were then mis-sold to you – the unwitting buyer - for a high price, without any knowledge of what you were actually buying into.

This mis-selling of cheap property resulted in high margins for the developer and these lucrative spoils were then spread between the main protagonists of the process – the developers, promoters, and Banks.

It was a well-oiled machine greased by massive commissions and bonuses from the attractive margins gained.

The system survived because of the unscrupulous standards of all those involved, as well as the solicitors and notaries who also propped up this profitable business model.

Rotten to the core, the system fed people's greed for money and profit. Everyone in the chain was part of the conspiracy – apart from you who unwittingly handed over your hard-earned cash which kept the wheels turning. The extent of this corrupt system ran deep, for example, even the Mayor of Marbella received over twenty years prison sentence for facilitating dodgy planning permissions!

Every level was in cahoots to sustain their lucrative financial rewards, which they all believed would go on forever.

A nice little earner that would continue to boost prices and keep reaping huge profits. With no plan B in place, nothing was supporting it when things did eventually go wrong.

Because the 2008 financial crisis hit at full speed, almost overnight, this property disaster's aftermath is still being unraveled. Even today, hundreds of thousands of people are still trapped in negative equity property hell or left out of pocket from holiday homes that were never built or finished.

The Banks and their Products
The Banks played and continue to play a leading role in this drama. In the early 2000s, credit controls for financial institutions were basically removed.

These lax regulations enabled Banks to create fictional financial products that created massive profits for themselves. With the desire to make as much money as possible, avarice was prevalent at every level within these financial institutions.

Shovelling 'out' money was part of the race to the top which meant, prior to 2008, Banks went on spending sprees to be the cream of the crop. This is when the likes of RBS massively overextended themselves in every sense. Although they accomplished their goal quickly, it simply resulted in them being one of the fastest to free fall to the bottom!

With our offices in Belfast and in Leeds, EU Property Solutions had first-hand experience of all the crazy levels of lending that went on in these times.

The explosion of credit was a worldwide issue with asset values reaching eye-watering and unsustainable levels.

The Banks made staggering amounts of money during this time but without any form of safety net.
There was no anticipated downside to these obscene commissions and bonuses on this exciting ‘money-go-round’. So, after 2008, when property values dropped dramatically, sometimes by over half of their pre-crash levels, it was a significant financial shock for everyone, including the Banks.

This monumental crash, and the speed at which it hit, caused significant repercussions for financial institutions; still being felt today and saw:

- An immediate stop to all borrowing and funding,
- A glut of poorly constructed holiday homes,
- Values, obviously, plummeting, and worst of all
- Innocent individuals stuck in the middle of this fallout.

However, when it did come to an abrupt end, despite the obvious unscrupulous actions, very few if any of the Banks, developers or promoters were ever brought to account for their actions.

Unfortunately, it was innocent individuals/'Joe Public', who believed their promises and committed your hard-earned cash to properties. You were the ones left knee-deep in negative equity or massively out of pocket with a property that was never built or finished.

At the time, I was fortunate to have the ear of the then Chairman of the Building Societies Association. He advised me this whole situation came to an end because the system was fuelled by ‘wooden dollars’ - loan notes that could never be satisfied. Basically, it all tumbled because somebody finally had the audacity to ask for their money back!

Subsequent Property Market

The fallout in the property market across Europe from the financial crash was immediate and brutal. Those of you lumbered with low-worth properties riddled with debt, were forced to sell to the only option available - predatory buyers attracted like sharks to bleeding prey.

These 'sharks’ could almost name their price, leaving many sellers forced to sell at a 50%+ reduction in price. This was not uncommon. For those of you who still own your property, you may have experienced some uplift in prices since 2008.

However, this recovery has not led to values anywhere near the original purchase price you paid during what we call 'The Madness'.

The consequence of this is that now over 250,000+ holiday homeowners, in Spain alone, are still stuck with their mis-sold property in negative equity, with mortgages that are not fit for purpose.

At a time when the whole world is suffering from the terrible effects of Covid-19, you and 250,000+ other people are also having to endure an additional burden with your never-ending property nightmare!

CHAPTER 2
Financial Crash of 2008+
The Fallout and the Consequences

In mid-September 2008, we witnessed the collapse of one of the most revered investment banking firms globally – Lehman Brothers. There had been warning signs of a looming financial crisis, but these were repeatedly ignored. So, when this first mighty domino toppled, it set off what can only be described as the most severe banking crisis the industrial world had ever seen since the Great Depression in 1929.

With the whole financial system globally interdependent, the 158-year-old Lehman Brothers' demise was the start of other subsequent and dramatic consequences that precipitated the global economic collapse.

The carnage that ensued was cataclysmic, leaving a trail of worldwide destruction with many victims. Victims like you, people stuck in the middle of property transactions or lost deposits on incomplete units. Or those of you who had purchased your dream holiday home in Spain and Cyprus, only to see their valuations 'shot' as worldwide property prices tumbled, leaving you in negative equity.

However, you may be questioning how a crisis that kicked off in the US involved the European Banks in the first place? And how you became the unknowing victim in its trail of destruction?

In the simplest terms, incentivised by rising housing prices, Banks in the EU borrowed funds from the money markets at low-interest rates. They then used this money for home loans (including sub-prime mortgages) to people like yourselves, but with few (if any) regulations and no comprehensive credit checks in place.

This mortgage debt was subsequently bundled together to create a bond-like financial instrument or mortgage-backed security (MBS). Essentially, this MBS turned the Bank into a middleman between the homebuyer and the investment industry. For Banks, it was a great money maker.

But this whole mortgage process coupled with the MBS, only worked for all concerned if everyone did what they were supposed to do. In that, the Bank kept reasonable standards for granting mortgages; the homeowner kept paying on time, and the credit rating agencies reviewed MBS performance with due diligence.

However, the Banks never thought that so many borrowers would default at the same time. But they did. When this happened, Banks suddenly found themselves in urgent need of money. And like a pile of Jenga blocks ready to tumble down, when the Banks were unable to give customers their money back, people lost trust in them and they started withdrawing their deposits.

So, it became glaringly apparent in the subprime mortgage meltdown that mortgage-backed security is only as sound as the mortgages that back it up. And with these mortgage-backed securities loaded up with unregulated subprime loans, they played a central role in the financial crisis, wiping out trillions of dollars in wealth.

This left the banking sector in Europe in a mess, which it has not recovered from. Suddenly, Banks, especially in Spain and Cyprus, saw their balance sheets annihilated overnight. The home Banks in the UK and the Republic of Ireland also suffered, with governments forced to intervene and rescue them from collapse.

The Banks in Spain practically ran, with indecent haste! The Halifax loan book morphed into Lloyds International and was subsequently disposed of to Sabadell. In Cyprus (mainly Alpha Bank) their Banks did not have the structure required to take such a hit and are still paralysed to this day.

This serious involvement from the central Banks across Europe, with the European Central Bank (ECB) and (IMF) leading the charge, meant that the whole world nearly financially toppled. The enormity of the situation is demonstrated by the amount of quantitative easing (QE) developed over time to tidy up this mess, not to mention the hundreds of billions of Euros/British Pounds/Dollars created by the Central Banks.

Many of the Banks did not realise, and could not anticipate, the enormity of what had happened.

This was not just a crisis affecting a small minority that could be easily fixed. The massive defaults across the world caused a shattering earthquake effect where people, with European holiday homes and mortgages, also experienced dramatic tremors.

Also, because this global economic collapse ultimately saw Banks' lending come to a sudden and grinding halt, there were no sales of assets for several years. Banks hardened their attitudes, and restrictions were implemented, particularly in Cyprus. This hugely affected the ability to move funds and had a negative impact on property values.

This situation was unlike anything from before, and with no script or manual to follow, everyone was forced to ad lib. Essentially, the world's economy went into complete freefall. Even well over ten years later, both lenders and borrowers are still feeling the ramifications.

The Banks adopting this hardened attitude and inflexible approach did not help matters – some still have attitude problems to this day. The funny thing is that most of this situation was of their own making - how quickly they forget! And at a time when, the unwitting borrower, needed assistance from the Banks more than ever, the classic 'taking back the umbrella whilst it's raining' came into effect.

So, that’s the big picture situation, and a little about how you were drawn into it, but what I am sure you want to know is, what now?

You've been left from this whole financial crisis with property debts in Spain and Cyprus. For the huge global and European Banks, your personal debts are small fry. For you, however, they are sizeable and an ongoing headache.

However, the blame game has now spun. You seem to be the ones at fault despite holding your side of the bargain and keeping up with mortgage repayments. How are you, as the borrower, to blame for the problems that continue to exist? To quote Manuel from Fawlty Towers, the Banks have adopted the 'I know nothing' approach.

At EU Property Solutions, we're not here to labour on people's misfortunes; we're here to help. That is why we were established – to support, advise and assist people in rectifying some of the damage caused.

CHAPTER 3
The Dream "Not Screaming Yet" – 2008 Revisited

You're probably wondering why I've chosen this slightly strange chapter title? Let me explain so that you can understand the context.

Back in 2010/2011, I was chatting with a solicitor in the Murcia area of Spain. When I asked him about the state of the property market at that time, he replied, "Not screaming yet!" This reply left me puzzled. He then went on to explain what he meant; "It's the situation when you know you're asleep and you're dreaming that you're falling. In the initial stages of the fall, you make no noise – it's basically that moment of realisation just before you start screaming!"

This analogy perfectly encapsulates the chilling side of where the property market was at that point. Essentially, no one realised the severity of the fall, and the screaming had not yet started!

Since 2008, the fallout has been brutal. The market was completely frozen. Banks described themselves as being in 'freefall'. As for the developers, trying to get anything out of them was near on impossible. Solicitors also became inactive and, without being rude to our foreign friends, they weren't exactly knocking it out of the ballpark before. And this freefall continued for about four or five years.

However, this whole situation was not just happening with foreign Banks. In fact, back in 2011, I was at the head office for Ulster Bank in Belfast, and a senior manager informed me that we would be working on property cases together for the next five years! And here we are today, even further on from then and still trying to unravel the damage caused.

So, this all brings into focus the real issue that arose from the 2008 crash – the fact that we have still not adequately recovered. I don't think anyone anticipated how long it would take to disentangle this whole 'car crash' of a situation. No one realised that the poor-quality loans - in terms of their structure, wording and security - along with the general poor lending structures (or lack of) would lead to such a lengthy recovery.

Although the effects from 2008 were (and still being) felt globally, the situation was worse in Spain and Cyprus. It was exacerbated due to several reasons:

- Poor selling,
- Terrible documentation,
- A desire for Banks at the ground level to try and deal with these issues and resolve them,
- Banks at every level being 'punch drunk',
- Getting customers, usually in their home country, to engage, and
- Being foreign works both positively and negatively regarding Laws and support!

For the Banks, this whole situation came down to one thing – survival! It's always been their primary agenda, both back then and even now in the current recession. The ECB and Bank of England have had to dig deep in terms of quantitative easing and effectively 'print money' to keep the industry going.

The central Banks of Spain and Cyprus had to take huge action to make sure their banking markets merely survived. For example, Cyprus Popular Bank, the country's second-largest bank, shut down. At the same time, the biggest, the Bank of Cyprus, was forced to seize deposits from savers in a bid to stay afloat. Although it managed to avoid collapse itself, the crisis left the lenders' reputations in tatters.

At EU Property Solutions, we are in regular contact with the Banks across Europe and have built strong relationships. Being brutally honest, they are concerned – or a bit cheesed off, to put it politely. They are particularly concerned and annoyed with themselves because they did not correctly deal with the overhang of the 2008 crash, when they could have.

This oversight has and will lead to even more difficult issues to resolve now as they try and ride the storm of the current recession. So, despite the screaming eventually stopping, they face the painful reality that the situation is ongoing and is not easy to come back from (OUCH!).

After the 2008 crash, property values often halved through to 2014/2015 in the holiday home market. There was a small uplift in recovery, but limited. This was from the local market as native nationals, i.e. Spaniards and Cypriots in the main, were suddenly able to afford these now more realistic property prices.

However, just as things started to ease, and we could possibly have overcome the ongoing side-effects, Covid-19 sprung up from nowhere. This pandemic brought an immediate halt to any progress in the property market. At the time of writing, we envisage a two-year pause on the holiday home markets worldwide since the start of Covid-19.

On a positive note, we do not see Covid-19 bringing the huge losses that amassed from the 2008 crash. But it will undoubtedly harm property values with the ability to sell becoming significantly harder.

From now on, we will have to monitor how the Banks behave. What actions will they take to try and claw back their losses and jump-start the economy? We need to ensure they don’t act in a reckless manner again for their own greed at your expense.

The one key area that needs a watchful eye is the use of Loan Sales by Banks to tidy up their loan books. This is the sale of securities in distressed investments or equities that are in or near bankruptcy. Often lenders sell these loans for liquidity reasons, meaning they don't want the loans on their balance sheet.

These loans are acquired by conglomerates which are referred to as Vulture Funds – the clue is in the name. Vulture Funds deal with these distressed securities with a high level of default, and like 'vultures', swoop in on their prey and extract whatever they can from the carcass of defenceless victims.

By purchasing securities from struggling debtors, their mission is to make substantial monetary gains through legal recovery actions against the owners. It's best to be very wary of these organisations, as they are incredibly efficient in legal proceedings and/or the recovery of every Euro/British Pound owed to them. If you are involved with these, they will exert pressure on you, the debtor, to honour your debts in full, even when you're in financial distress.

Yes, we are currently facing difficult times, but nothing to the levels of those caused by the crash in 2008. We need to ensure that moving forward, we learn from what has happened in the past. We must protect ourselves sufficiently so that the period until we start screaming is not quite as prolonged!

CHAPTER 4
Swiss Franc Mortgages – 'The Anti-Christ'

Again, another interesting chapter title. This one may seem a tad overdramatic, but, in all honesty, likening the sale of Swiss Franc Mortgages (SwFr) to the son of Satan is an understatement. It does not adequately illustrate the undoubted act of classic mis-selling involved. This type of mortgage is singularly the worst financial product to be stuck with. And for those of you who are stuck with one will attest, it's catastrophic on your wellbeing.

The greatest trick the devil ever pulled was convincing people to take out foreign currency mortgages. Across the European Union in the 2000s, especially in Cyprus and Eastern Europe, SwFr Mortgages, for some reason, became an attractive proposition and were sold on that basis. They weren't really mortgages though, more financial time bombs.

How this product ever came into existence is unknown. Still, undoubtedly it was born out of greed and for the huge commissions paid. It was made to 'look' like a great deal to borrowers, who snapped up these 'too good to be true' mortgages. The costs, in other words, were hidden, but the benefits were not.

So, why were these mortgages deemed to be so attractive? Switzerland is ranked as having one of the lowest interest rates in the world. During the real-estate bubble of 2005-2007, with mortgage rates in their home country costing in the double digits, many homeowners found borrowing in Swiss Francs too irresistible.

However, taking out a mortgage is risky enough in your home currency, with the possible loss of a job or a change in status, for example, that could affect payments. But when a mortgage is taken out in another currency, exchange rates also come into play. This becomes a much bigger gamble.

Lured by low initial payments, people took this risk. They were sold (mis-sold!) these mortgages on the basis that the SwFr was a stable and robust currency - the possibility of anything going wrong seemed highly unlikely.

The problem was the SwFr was too strong and its appreciation too much. For example, the SwFr to Sterling rate in 2007 was SwFr 2.25/GBP. Now at today's date, it’s around SwFr 1.23/GBP! There is an appreciation of c50%. This would be fine if Switzerland were your home country, but when it comes to converting as and when due, then obviously, the cross rate is then applied to the debt.

Borrowers were left in dire straits after the exchange rate went against them.

So, in simple terms, the appreciation of the SwFr rate sees the monies due on any mortgage increasing at that rate – which for many is crippling with skyrocket mortgage payments. This, coupled with owners suffering negative equity due to the plummeting property prices, was a disaster.

Banks had failed to provide purchasers, with any information about the inherent risks in these foreign currency lending facilities, and the complications which could arise as a consequence. You had to find out the hard way.

But why is the SwFr such a strong currency? The main one is essentially that all other major worldwide currencies over this fifteen-year period, have weakened. Also, the main long-term issue still plaguing the finance market was and is, the European debt crisis. These are not the only reasons. Other pointers include:

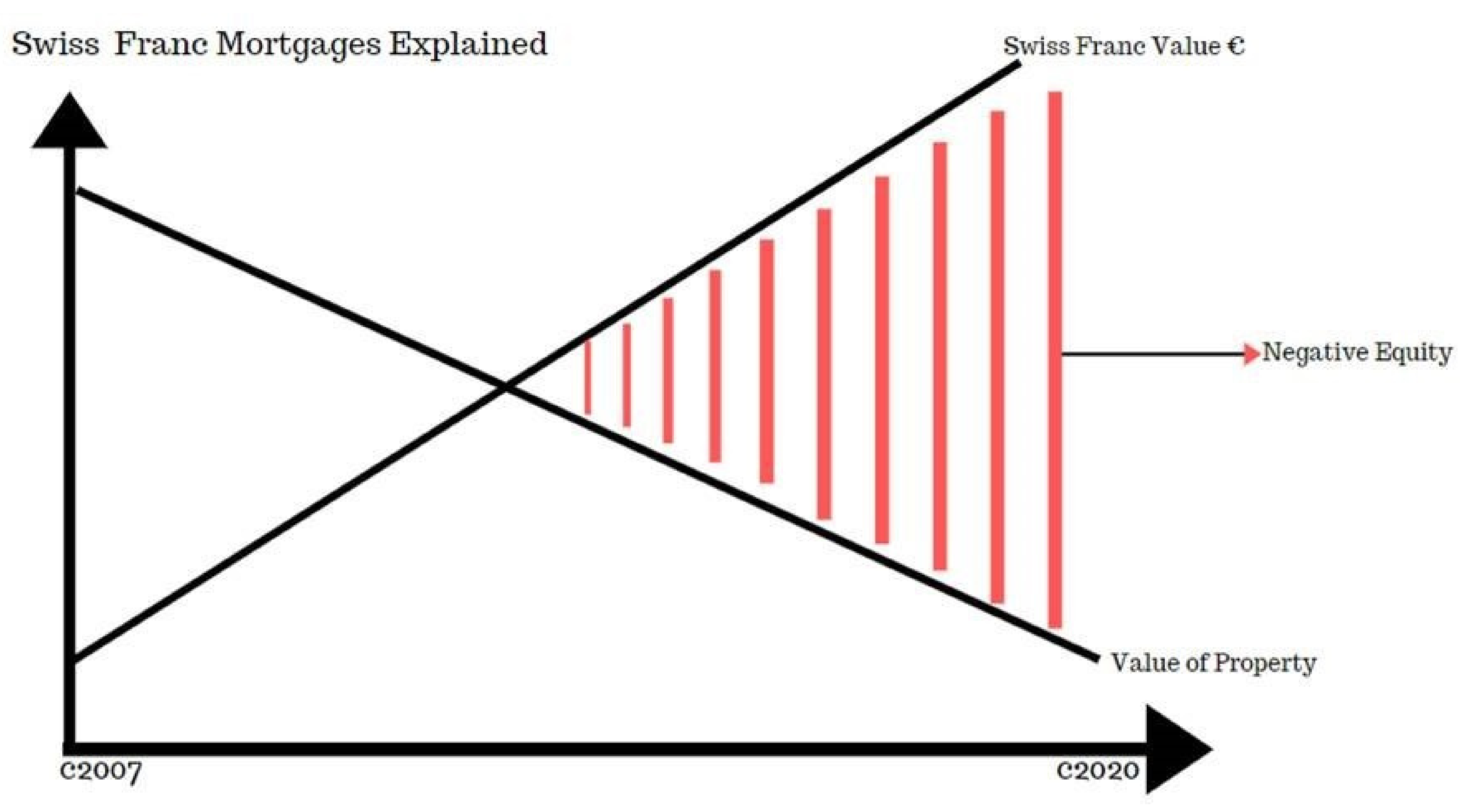
- It is deemed to be a safe haven, similar to gold, whenever trouble arises,
- The currency itself is relatively illiquid, and
- As stated above, most major economies have not performed that well, in a 'zombie' state if you like, so consequently, that is reflected in their currency rates.

Maybe we could better describe the situation as the perfect storm. However, of all the financial products we have come across at EU Property Solutions, we can confidently state that this product is the worst product we have ever seen in terms of financial markets. The perfect storm does not describe it sufficiently.

If we look at the Cypriot property market, it fell like a stone, especially in second-hand holiday homes. This is despite several initiatives by the Cypriot Government to try and boost the economy, including golden visas (where people could invest €500,000 to secure an EU visa) but none of the numerous schemes initiated proved successful.

Over and above, the economy was subjected to various ECB and IMF restrictions regarding what it could and couldn't do in light of the massive Banking fallout. Again, this has affected all currencies linked in any way to Cyprus, especially the Russian Rouble.

Another problem was the massive drop in the Cypriot property market, which has not seen any significant recovery since. Prices have been slashed, which has now worsened with the backdrop of Covid-19, causing the almost entire closure of the European holiday home markets. With a limited market in terms of the properties and without many new developments being built, or even in the planning, in the last three to five years, it isn't easy to see things changing rapidly.



The graph on page 22 illustrates the 'perfect storm' stemmed from rising loans due versus falling asset values.

The additional rain clouds also come from issues with Land Registry in Cyprus. The acquisition of a Title Deed is usually simple and straightforward; however, it can also involve a very complex and specialised process in Cyprus, which is not always very clear.

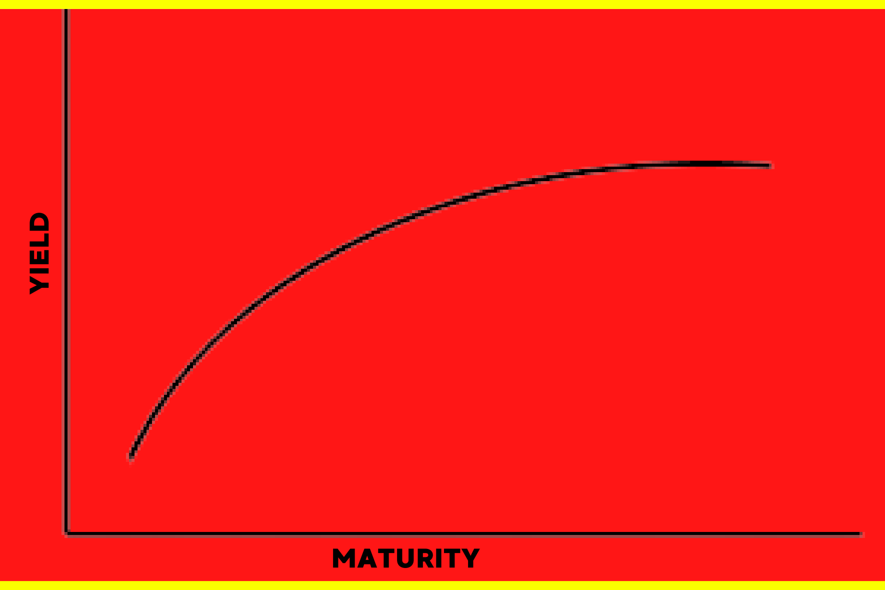
Nevertheless, a Title Deed is an essential legal document used as evidence to prove ownership. Indeed, every time I've been to Cyprus, I am amazed at seeing properties advertised as "PROPERTY AVAILABLE WITH ITS OWN DEEDS" in the solicitor's windows!

So, the whole Swiss Franc Mortgage nightmare continues for many of you to this day, struggling to pay back your insurmountable debt. It's tragic to see, especially since most, if not, all of you were part of a classic exercise in mis-selling by today's standards. The bad news is that if you're seeking any recompense from the Banks or brokers (who won't be there) to resolve the matter, you've got no chance! Sorry to put it so bluntly.

Many heroic individuals have tried Don Quixote attacks on the Banks, claiming mis-selling and seeking compensation to get their loans either amended or deemed illegal. However, their attempts have failed because, like most actions taken by foreigners in Cyprus or Spain, the Courts are unmoved. They have the attitude that they are dealing with 'whining Jonny foreigners.'

With individual attempts failing, we have also witnessed class actions in Cyprus around the SwFr Mortgages, particularly with the sales with Alpha Bank. Nonetheless, despite this bolder approach, all that happened with these cases was that the clients involved were left worse off financially and accumulating large fees, even though joint action was employed.

CHAPTER 5
Interest-Only Guaranteed Yields



We appreciate we've already used the dramatic 'anti-Christ' label to describe Swiss Franc mortgages. But, in our opinion, it's fair to suggest it's also applicable to the promise of interest-only mortgages and guaranteed yields!

But why our derision of these loans and failsafe returns? Because at EU Property Solutions, we have seen and helped hundreds of clients who have taken out these loans in the past and are now paying the hefty price.

Enticed by initial low monthly interest repayments, buyers were mis-sold with the expectation that property values would rise quickly. So, paying off the final bill on the capital would be easy. With that, and the additional possibility of earning a potential rental income to more than cover the monthly payments, what could go wrong? Well, a catastrophic financial crisis and unexpected fall in property prices that hit as hard as their blunt mortgage repayment tool!

Typically, these mortgages were sold with 10-15 years of low interest-only repayments before paying off the actual loan. It seemed entirely feasible for buyers, especially with the 'imminent boom in prices' predicted. The problem was these impressive promises were overshadowed by a complete lack of due diligence by the 'professionals' they trusted.

It’s entirely understandable why buyers were dazzled by the lure of relatively small monthly repayments, for what was then deemed to be an extended period, against such attractive yields. The purported riches and cash flow created from their purchase all sounded fantastic. However, like most, if not all, 'too good to be true' scenarios, it was.

Let’s explain. Halifax mortgages, for example, were aimed mainly at the Spanish markets and created when the market was buoyant and money flowed. The Bank then essentially ‘shovelled it out of the door’. An unwholly alliance was then formed between dodgy brokers, promoters, and developers, greedy for their brokerage fees and with no thought or respect to the effect on their clients.

Like the Banks, developers never believed the bubble would burst and that the never-ending gravy train was forever. But, in my opinion, when you start to see any property market with guaranteed yields, I see issues further down the track, perpetrated because the market is either too heated or has peaked and about to spiral downwards.

Minimal due diligence, widespread fraud and this unwholly alliance between the various stakeholders, drove this market. It was the perfect storm waiting to happen, much like the Swiss Franc mortgages in Cyprus that were highlighted in the previous chapter.

But, the perfect storm of the Swiss Franc Mortgage consisted of falling property values which created potential negative equity. The chance of any cash flow from the purchase was nil. With the interest-only mortgages, our clients were often caught in a perfect storm due to the meteoric rise of monthly repayments from interest-only to a repayment-style mortgage, dashing any hopes of guaranteed yields.

This terrible mix of interest-only mortgages and their perception of assured revenue severely affected buyers in every sense. It was further exacerbated because the 10-15 year period of interest-only mortgages usually takes the purchasers into their early retirement—a time when changes in income can be devastating. For example, a gentleman, now 78 years old, advised that his mortgage would rise from €345 per month to €2,894 per month! Obviously, this is financially crippling and unsustainable.

Then, when it comes to talking about the repayment of interest-only mortgages, we can quote the old adage that 'time waits for no one'. Hit by huge repayment increases, many clients have approached their lender for more time. However, such requests have usually fallen on deaf ears as the Banks stick rigorously to the mortgage contract, which clearly states the date change from interest-only to repayment. Reinforcing that time really does not wait!

In some cases, the lender may have even changed to a new entity. One example is Halifax transferring their interest-only mortgage books to Sabadell and Santander. So, you're not even dealing with the same original Bank who sold you the mortgage.

Overall, this lack of financial due diligence, greed, and the over-inflated property market was a crisis waiting to happen. And, to all intents and purposes, left these interest-only mortgages worth less than the paper they were written on.

This mis-sold mortgage, and the promises around it, has led EU Property Solutions to thousands of unfortunate victims now left in a financial hole, with some even facing bankruptcy. We fully understand the issues involved and strive to bring hope and support to people struggling with the dire financial repercussions of their one misadvised decision.

CHAPTER 6
The Banks Now

Ok, EU Property Solutions is not a bank – and we don't proclaim to be - however, we have strong relationships with people at all levels, including board level, at many of the Banks in Europe. This enables us to provide helpful comments and opinions to you and our clients on what is happening in the banking industry.

Along with our advisors and legal teams, we are always probing the Banks to find out the current thinking, issues, and circumstances within the industry, along with their opinions and outlook. Through these relationships, we can provide vital insights and the support you and our clients need.

It also gives us the ability to develop effective strategies to navigate and overcome the problematic 'anti-christs' of foreign property holiday home mortgages - Swiss Franc and interest-only!

To do this, we break down and look at each particular problem in three or four stages. We then split the situation into the two principal markets that we deal with: Spain and Cyprus. By understanding where the Banks are, we can offer our clients a projection of how we see their particular scenario playing out with those Banks in those countries.

Further, we look at three essential parameters around context and ability on chasing debt. These are:

- The end of the boom and the financial crash of 2008,
- 'The recovery', and
- Now 'cheesed off' that there is a new recession, yet they didn't resolve the issues of the 2009 financial crash.

Let's start with Cyprus

The 21st Century saw a significant change in Cyprus' formerly closed and strictly controlled financial system. This included its entry into the EU, economic liberalisation, and the adoption of the Euro. However, these changes were too much, and problems in the country's Banks developed. These included the Banks' over-exposure to Greek government debt, local property companies, and overleveraged local property ventures.

Being a small but primary offshore company state, Cyprus was used and abused in every sense. This led to unscrupulous banking behaviour, and numerous clients lumbered with terrible Swiss Franc Mortgages. The whole Cypriot banking and financial economy nose-dived and even recently was referred to as being 'holed below the water line'.

At EU Property Solutions, we deal with several Greek-based Banks in Cyprus, primarily Alpha Bank, Piraeus Bank, and the Bank of Cyprus. And in our experience, it's very rare that Cypriot Banks ever get involved in resolving complicated mortgage cases, despite it being a relatively small market.

There is a complete lack of motivation to resolve the issues that they created. If a case does proceed, the ability to achieve a settlement is always slowed by the Bank's inaction.

However, on a small advisory note – just because the Banks are painfully slow when it comes to legal action against them, doesn't mean they lack the motivation to keep coming after you if you've not paid your dues along the way!

The Banks' reluctance, along with inefficient Cypriot Courts and the ongoing issues with Land Registry and Deeds – despite being a requirement of the IMF when they bailed Cyprus out – can make the process a complete waste of everyone's time. We would also suggest, having met several bankers, there are 'intellectual challenges' involved. These all go some way to explaining the lack of enthusiasm for a resolution.

Because of this, we and our Cypriot legal team have to keep kicking at every step for any settlement that we achieve. Fortunately, we are the antithesis of the Banks in that we have the stamina needed, the technicalities and the desire to achieve the very best for our clients.

Our view of the current position we find ourselves in, after the Banks' period of limbo, is that the finance industry and banking sector are essentially flat-lining. To us, the Cypriot banking industry has little or no future as there does not appear to be any desire to resolve the issues still overhanging the market since 2008.

What about Spain?
The situation in Spain is a far bigger problem in terms of numbers and complexity of cases. Technically it is not always a problem as Land Registry is pretty efficient and, in contrast to Cyprus, there is some desire to sort out the issues as we move forward.

However, historically, after the crash in 2009, the Bank of Spain (The Central Bank) was forced to shore up the Spanish Banks and the whole banking industry with massive inflows of funds from the ECB, IMF, etc. This pretty much stagnated the property market while the Banks desperately tried to repair their damaged balance sheet. In hindsight, some of the Banks should have been left to go into liquidation, but the decision was not in the hands of the Spaniards, more the EU Commission and ECB.

Since then, we have seen changes in the Spanish Banks' structures. Most notably is some consolidation with Banks merging or having loan sales - which we have referred to previously in this book.

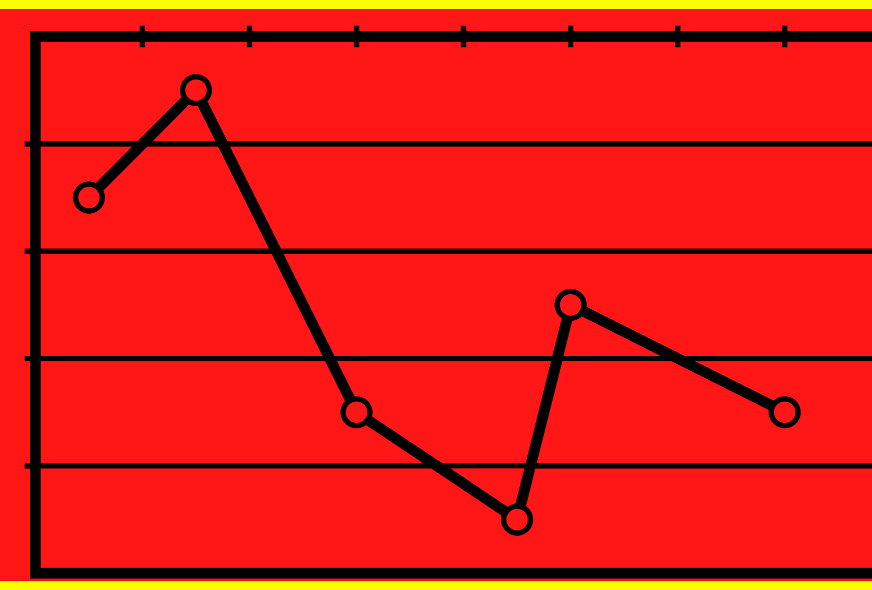
When we speak to our friends in the various Banks in Spain, we often find that they are really 'cheesed off'. They are annoyed that the issues created from the 2008 crash were not adequately resolved at the time, leaving them suffering from a long and painful and continued hangover. As we have been advised by the Spanish property market research organisations, a legacy that still has over 250,000 people trapped in negative equity in Spain. These problematic mortgages from back in the day, continue to cause headaches for everyone involved.

Now the Bank of Spain is turning against the Banks. This is for its own protection and to ensure it has sufficient capital to take another hit as the recession bites. However, the Banks do not want to hear this, especially when they still have these 250,000+ cases outstanding.

Unfortunately, both Spain and Cyprus, and indeed the rest of the banking world, are still severely scarred by the effects of the financial crash of 2008. And working from our main EU Property Solutions offices in Belfast, we know the consequences of what happened here in Ireland. It has left many of the Banks still under governmental control. Indeed the AIB is still 98% owned by the government, and in the UK, we all have shares in RBS, although it’s called NatWest this week!

I know this is a very brief synopsis of where we believe the Banks are now, but our general observations, small yet insightful, are helpful to you. For our clients, we are able to provide more detailed analysis to help them overcome their specific mortgage issues.

CHAPTER 7
Where Are We Now?



Despite every chapter in this book being essential, this one is clearly the most important. Because if the property market was stable and without issue, you would not currently be dealing with negative equity nightmares on your ‘dream’ holiday home.

Establishing your actual property's value helps; however, this is a tricky exercise as its worth depends on several moving parts. On a basic level, factors such as management fees, local taxes, estate agent rates, etc., all have a bearing – and don’t even get me started on the effects of Brexit and now Covid-19!

As we all know, recovery from the massive 2008 crash has been painfully slow. The protracted speed of recovery has meant that even some 13+ years later, property owners are still struggling from its aftermath. A challenge in itself, but then with Covid-19 coming from left field with a two-year travel ban, the situation has been exacerbated further.

Back in the heyday, before the 2008 crash savaged the holiday home market, local residents had to sit back and watch properties in their neighbourhood being snapped up by foreigners and prices being affordable to them. Tourists and holiday home buyers descended on areas such as Andalusia and the Costa Brava and purchased properties with enthusiasm.

However, now, those locals, who were previously unable to purchase these properties, are in a position to affordably enter the market themselves. For example, we saw a two-bed apartment in Andalusia purchased for €250,000 recently sold to a Spanish gentleman for €75,000. The property has become a base for him to travel to and from Gibraltar for work.

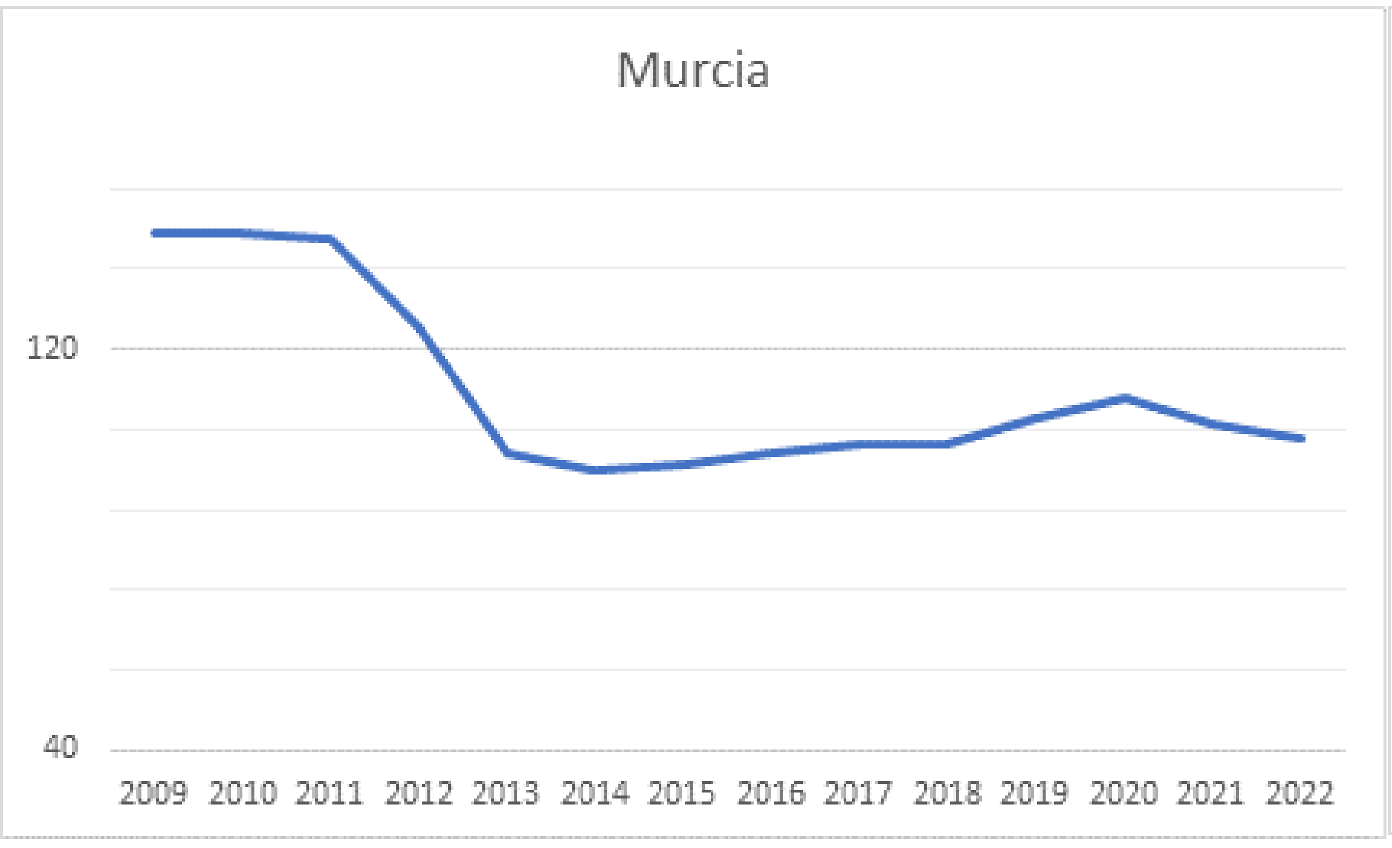
However, it must also be noted that although locals are purchasing properties, they are avoiding coastal resorts because they are generally more expensive. Properties further inland are more attractive as they have a considerably lower price tag attached. This is what we refer to as a split property market...locals and tourists.

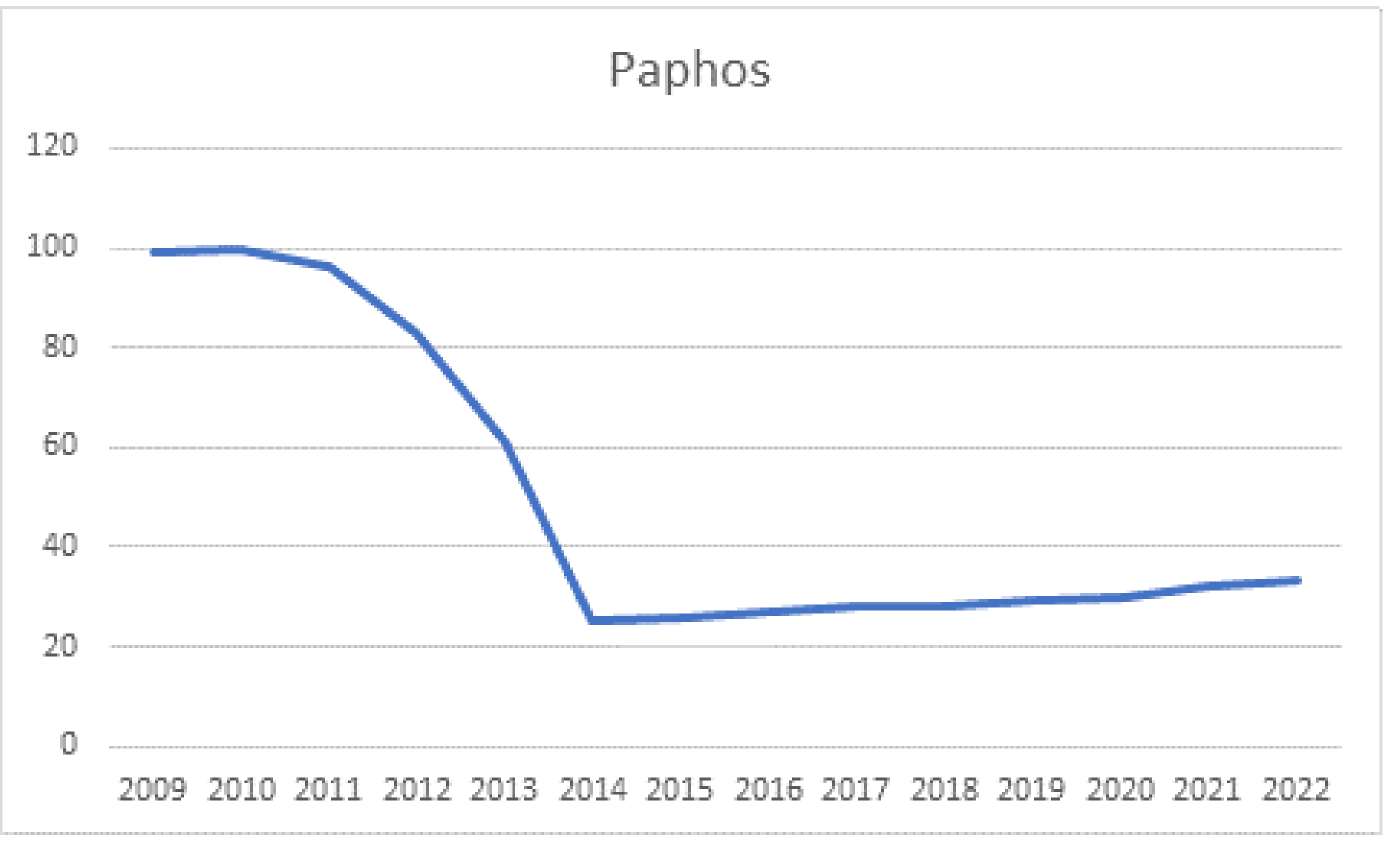
With Covid-19 and Brexit further complicating the property market, the next few years will be vital. That said, so far, Brexit is definitely affecting movement in the market, it is early days. Up to the recent Covid-19 outbreak, property prices were stable, particularly on holiday homes. And at the time of writing this book, the pandemic started to affect property prices, as the market is stragnant.

So, despite the assertions of holiday home programmes on TV, there isn't a massive demand pushing prices up at the moment. This means that the current market value of properties is essentially guided by whether it catches a buyer's attention – as in the phrase ‘eyes of the beholder’.

However, your 'dream' house might not be attracting the attention of a potential buyer; you can't wait for prices to strengthen and must sell. If this is the case, be aware of the 'circling sharks' and a much lower selling price.

This is a similar scenario to circa 2010 to 2013, when those forced to sell their property had to entertain crazy prices. And what was even crazier was that if any of these bids were accepted, this figure became the new market value. This in turn, drove the overall market valuations down, and the cycle continued. This is great for the locals, like our Spanish gentleman, wanting to buy-but not for you!





Materially, both Cyprus and Spain mirror one another in this respect. In the graphs above, you can see for yourself the price movements and projected market values in the next couple of years. So, in terms of values at this moment in time, it's 'silly bid season'. This is compounded by selling costs, which typically amount to about 10% and also eat into your price.

In conclusion, if your property was still well below the mortgage value before Covid-19 and Brexit, it will ultimately recover ‘one day over the rainbow’. In time, it will come back to the price you paid back in the day…one day.

However, I am 61 years old, and, unfortunately, I will not see that happening in my time. For a lot of us, time is not on our side, and waiting is not an option.

Just so you know, this is not meant to be a negative commentary, simply our current market findings. And, sorry to repeat ourselves, but the very fact you have to sell suggests that now is not the time to hope or push for maximum value. You are doing it to avoid further losses and relieve yourself of additional stress.

Sometimes the real value comes from cutting your losses.

CHAPTER 8
Looking Forward.... Brexit and all that!

In the past few chapters, we've reflected on the culprits for the 'perfect storms' in the European property market. However, we can't keep looking back and need to shift our focus to what lies ahead and the best way forward.

As previously mentioned, the Banks remain mightily annoyed that the economic hangover created back in 2008 is still causing severe headaches to this day. Especially when these lingering and unresolved issues have escalated to migraine level thanks in part to Brexit and Covid-19.

Pandemic Change

If we look at the current worldwide pandemic, it has devastated not only people's lives but also business sectors, industries and the global economy. And for those still struggling to resolve their mortgage and property issues, Covid-19 will intensify their pain even longer.

When we look specifically at the holiday home property market, Covid-19 has decimated the ability to travel. With vaccine rollouts varying in time and speed, and new strains of the virus appearing, international travel could be stalled, or at least severely curtailed, for years before it reaches pre-pandemic levels again.

Dame Irene Hays of Hay's Travel, 2021 said: "My view is that it will take a good two years. In three years' time, I would hope that the travel industry will be back to where it was in early 2019."

However, despite people being ready to travel, their perceptions of travel have changed, even before considering the health considerations. Many will re-think their priorities around travel and become more discerning and smarter about it.

This along with the economic impact of the virus has understandably had a material effect on property values. With all this in mind, we believe that the pandemic will add at least two more years to the Banks' ability to deal with the enduring financial fallout from 2008.

Brexit

Despite now playing second fiddle to Covid-19, Brexit is also significant going forward - and yet another thing hacking the Banks off! They fear this could happen, especially with the UK's transition period on leaving the EU. As of 1 January 2021, the status of UK residents looking to live or purchase a residential property in the EU changed.

It's not as simple as it used to be. Now, there are Golden Visa residency permits; and a limit to the number of days UK citizens owning a second home in the EU can visit.

There is also the impact of Brexit on the £ to consider, and the possible increase in property taxes for British (or non-EU) owners. However, the truth is that no one knows precisely what the long-term impact of Brexit will be on the EU property market.

What we do know is that the Banks aren't happy with the situation. They will either be resistant to any challenge or just ignore it altogether! It may also cause them to become more stubborn in their approach to cross-border debt chasing. However, Banks are overplaying Brexit – and although a big consideration, it's not something they need to worry about as much as they are, in our opinion.

Both Covid-19 and Brexit are massive negatives for those of you still managing your complicated financial holiday home situation. But if you're proactive, it might actually be a good time to finally get it resolved. With Banks in limbo, it could be the perfect opportunity to get rid of your property, for example.

However, also be wary of the Banks during any downtime period, they might take the opportunity to review their loan book - as we know is definitely the case with Sabadell and Santander. This may be good for the Banks, but not necessarily for you. You don't want your case sold to another Bank on terms that may result in you paying even higher fees and payments.

So, in essence, if you can resolve your issues sooner rather than later, it could save stress of possible loan changes that could leave you even worse off in terms of your rights down the line. As the saying goes, "better the devil you know".

I repeat, we don't want to paint a doom and gloom picture; there is hope. And now is as good a time as any to doing something about it. Also, as much as we would love to think we are immortal, I'm afraid, dear reader, none of us are getting any younger - despite our best attempts (and age-defying creams!). So, don't let time slip away; it's time to tackle this issue head-on once and for all.

So, if you are still in negative equity or trying to resolve a foreign mortgage nightmare, unfortunately, it's not going to get better in the medium term. But that's where we at EU Property Solutions step in and help you.

CHAPTER 9
Uh Oh – Loan Sales

When Banks start to struggle, they look to take the pain on quickly writing off what they see as ‘bad debts’ and then look to ‘cash out’.

By ‘cash out’ we mean sell these loans at a discount. That then frees up funds and they do not have the hassle of managing delinquent accounts.

This ‘hassle’ factor has become more prevalent for our dear foreign banks over time and with this recession, we believe, and we are hearing such Loan Sales are and will become more the issue going forward.

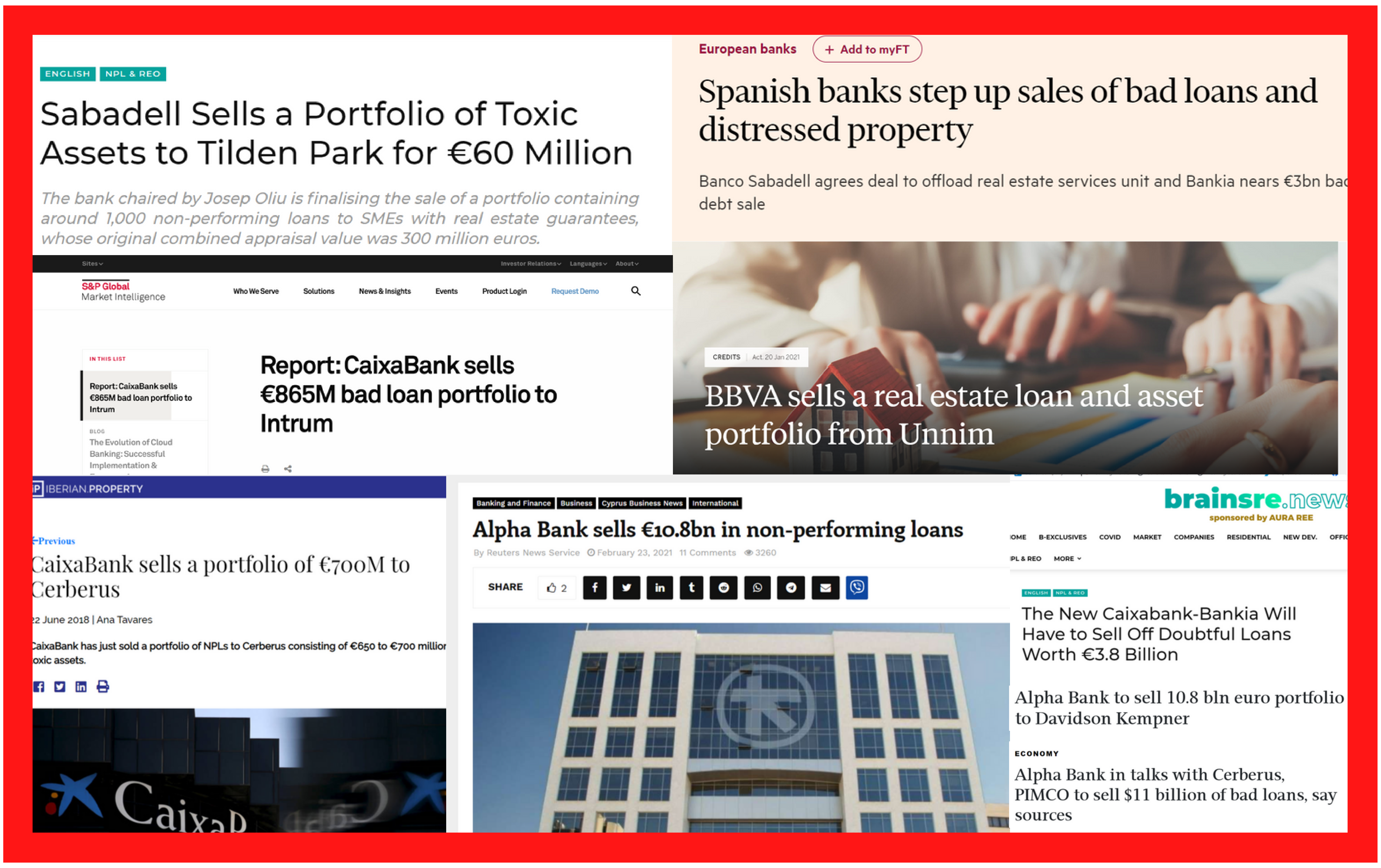
The purchases of such loans is usually referred to as 'Vulture Funds' and their key characteristics and agendas are best summarised by the following facts:

- They are usually International Funds, Hedge or Venture Capital in nature,
- Unlike the European Banks they are strong in their approach to cross-jurisdictional issues and collection of debts,
- They are looking for short term successors/cash flow from the portfolio they purchase from the Banks,
- In the main they are not long-term lenders, and most importantly,
- They are far more aggressive in their recovery approach, wanting their ‘pounds of flesh’.

We have several cases which saw us start our work with a Bank but they in turn sold that on to a 'Vulture Fund'. That then requires us to pivot in terms of attitude, stance, and most importantly strategy for our client.

All fine and informative but what does it mean for you? Well as we said they want a quick return on their money and look to maximise their return. They love problem debt and will use every international source they can to ensure they achieve their return.

As you can see from the images here, all the usual suspects are at this.



Our advice – do not become prey to the Vulture Funds because, if on paper you can afford to meet any property shortfall, they will get their money one way or another.

In my humble opinion, the foreign mortgage lenders are more civil and better to deal with – so keep control of your destiny.

SPANISH AND CYPRIOT LENDERS INVOLVED IN LOAN SALES

- Banco Sabadell
- La Caixa
- Banco Popular
- Otagaz / GE Money / Pepper
- Bankia
- Bankinter
- Unicaja
- Caja Mar / Caja Sur
- Leeds Building Society
- UCI / Ibercaja
- RBS/Natwest International
- Caja Rural Granada

CHAPTER 10
The 'Solutions'

Although the current situation seems bleak, there are solutions out there. Being unable to see the light at the end of the tunnel, or a way to put the brakes on your journey further into debt, it's daunting. However, we're here to help you get off that moving train at a better destination, free from the shackles of financial constraint.

With over eight years of experience, we at EU Property Solutions, like our name suggests, strive to find the solutions to our client's European property nightmares.

However, whatever course you decide to take, before you do, you must review your particular situation pragmatically. Remove all pride and personal bias and apply a considered approach to find a suitable resolution. To do this, here is our advice:

- **Acknowledge your problem**. Burying your head in the sand or being unrealistic helps no one - especially you. To be able to solve your problem, you need to accept it. You need to know precisely what your current situation is and every aspect of it, and say to yourself: “Hi, my name is XXX, and my house in Spain is in negative equity."

- **Quantify your problem.** Ok, let me explain. If, for example, you have a £100,000 shortfall on your property, you have to pay every penny back. However, do bear in mind that to make the problem disappear actually involves paying back c£140,000 - thanks to the good old tax man. Basically, you have to earn c£140,000 before tax to leave you with the £100,000 after-tax you need to pay your debt. Therefore, it is not a £100,000 problem, but a c£140,000 problem!
- **Be realistic in terms of time and euro (€)!** Throughout this book, we've highlighted the issues and factors relating to any mortgage and negative equity issue. As we've made you aware, it's not simple, and nothing will be resolved overnight. To manage your situation in the best way possible, be patient and understand that:
  a) it will take longer than you think or want,
  b) it will cost more than you hope.
- **Look at the emotional toll.** Understand that resolving your property nightmare is not just about time and money, but also the emotional effect it can have on you and those around you. It will be stressful, so choose an approach with the best outcome and the least emotional cost. Do you really want to create a situation that potentially jeopardises your health, wellbeing, and relationships?
- **Don't try to deal with your situation in isolation.** Consider the bigger picture and your financial standing overall. Take into account how financially fragile you are. If you're financially strained, don't make silly decisions that only fuel your debt and escalates your situation even further. Evaluate all the risks and be sensible within your means.

- **Appoint the right advisors**. Despite what you may think, you can't do this on your own. It's too much of a minefield without professional help. However, much like 'lies, dam lies, and statistics', less able experts will use the persuasive power of numbers and impressive statistics to wow you. At EU Property Solutions, we've 'kissed a lot of frogs' and done the hard work for you. We know the facts, the truth, and (pardon my language) the bullshit!
- **Presentation is everything!** If you do decide to go full steam ahead to resolve your issues alone, prepare well. Your presentation must have up-to-date financials and critical information – or it will end in disaster. This is where we at EU Property Solutions come in. We are adept at compiling financials, untangling property situations, and fully explaining every stage. By presenting a realistic and clear case to the Banks, they are more likely to settle with us. I would say that but it's true!
- **Taking the problem to the lender, they said no – yes, of course, they did!** If you've tried in the past to resolve your situation and failed, it does not mean you will fail again. Suppose you did previously try to engage your lender for a resolution, it could be that, as we mentioned, they didn't have the enthusiasm or inclination to do so. They simply avoided it. However, when they have experts, like EU Property Solutions, coming at them, they don't have a choice!

- **Last, you need stamina and patience.** Ok, not just a little bit but bucket loads of the stuff. This whole property resolution challenge is not for the faint-hearted. Have you ridden a rollercoaster or scary ride before? Then you know there are warning signs telling you to turn back if you suffer from any particular ailments. This is our official warning sign to you – without tons of stamina and patience, you will find the journey even tougher than it is!

Despite us mentioning that you need to hire professionals, you may decide to review your situation and go it alone. You can do this but don't mess it up. You have one shot at this, and if not managed properly, it could make your situation even worse.

Many people in your position have come to us, at EU Property Solutions, for help. Some have taken our sound advice but, lacking the expertise, have singularly messed it up – and that's us putting it in polite terms! Others have sought our help, but their particular situation was a lot harder for us to resolve (but not always impossible) because so much time has passed.

There are also those who recruit our services to help them successfully navigate the red-tape, Banks, regulations, tax implications, law changes, and all the factors we have highlighted throughout this book. This is our wheelhouse and we strive to get our clients the most satisfactory result.

At EU Property Solutions, we specialise in helping people experiencing stress with Foreign Property debt. So why struggle alone and potentially create more issues for yourself? We are here to help you escape 'the madness', leave the shackles of the 'anti-Christ' and perfect storm, and resolve your property nightmare. Let’s create a new ‘dream’ situation for you – one of being free from European property debt!

WE DON'T TAKE ON ANY CASE THAT WE DON'T BELIEVE WE CAN WIN!

We at EU Property Solutions have an excellent track record of success. Our success stories and genuine testimonials* from our clients highlight the quality of our works and successes.

*Visit www.eupropertysolutions.com for genuine testimonial videos.

Example 1
EU Property Solutions achieved a settlement for our clients, who had recently retired. Their interest-only period was over and they faced a negative equity position of c€170,000. Cost to settle this shortfall and including fees = **£20,000**

UK ASSETS PROTECTED

PEACEFUL RETIREMENT

£160,000 WRITTEN OFF

AS A GROUP WE HAVE c350 LIVE CASES WITH 80+ INVOLVING FOREIGN PROPERTY DEBT/MORTGAGES

This section demonstrates what our exceptional team and associates have achieved. Since the crash of 2008, we have continually adapted to the changing Banking landscape - always ahead of the '8' Ball!

Example 2
Our client purchased a townhouse in Paphos with a Swiss Franc mortgage equating to €413,000 + arrears + Covid-19. We worked with the Bank and our legal team and resolved the negative equity exposure of €250,000 for a total €50,000.

PAPHOS CYPRUS SWISS FRANC MORTGAGE €200,000 SAVED

£13,412,674*
=SAVINGS FOR CLIENTS OF EU PROPERTY SOLUTIONS
AND COUNTING....

At EU Property Solutions we are unique in our ability to react to the different property markets and lender behaviours. This enables us to proactively reach the BEST settlement for our clients.

***As a group including www.bellcomp.co.uk - we have saved clients c£130,000,000 over time.**

Example 3

A property was repossessed after a client 'handed back the keys.' The client thought that was the end of the matter. A UK Solicitor acting for the Bank charged aggressively €109,000 and our client was asset-rich. **Settlement including costs achieved at £24,000 - Full + Final.**

£75,000 + WRITE OFF ON* MORTGAGE PROPERTY IN CALPE, SPAIN.

Example 4

- **CREDIT RATING**
- **UK ASSETS**
- **PENSION & HOME**

ALL PROTECTED

A villa in La Cala Golf and Country Club now valued at €500,000 with an interest-only mortgage of €678,000. EU Property Solutions worked with our legal team and the Bank on the shortfall in excess of €175,000 was settled at **£24,000** including costs.

We achieve the BEST for our clients by:

- Taking the full due diligence of a case and each and every client's position - full picture needed.
- Minimising risk and exposure.
- Apply our professional and technical skills to each case.
- Develop and **apply** the strategy.
- Working with, our hard found on the ground, associates as required.
- Drive the case with stamina, resilience, and **FIRE IN THE BELLY**.

EU PROPERTY SOLUTIONS - HELPING PEOPLE AROUND THE WORLD.

FINAL

SETTLEMENT

Hungarian Shortfall on a Budapest apartment was 44million forint - settled 2million forint. Big number but there are 420 forints to the £.

SAVINGS IN EXCESS OF £100,000, INCLUDING COSTS.

WALL OF SHAME

A

Al Andalus Thallasa
Albatros
Albatross Hill jane
Alboran Hills
Aldea del Monte
Aldea Dorada
Aldea Hills
Aldeas de Aguamarina
Alessandra
Alfonso XIII
Alhambra del Golf
Alhambra del Mar
Alhambras (Alhambras del Mar?)
Almoradi
Aloha Gardens
Aloha Peublo
Altamira (Las Ramblas)
Altea Hills
Altos de Calahonda
Altos de Campoamor
Altos de la Bahia
Altos la Quinta
Altos Princesa Kristina
Amapolas
Arco Mediterrane
Artemar Villas
Atalyas de Riviera
Augusta Park
Azahar

B

Bahia Azul
Bahia Dorada
Bahia Playa
Balcones de los Hidalgos
Balcones del Chaparral
Beach Apartment Rio Sol
Bella Luna
Bellaluz
Bellavista
Bellavista Hills
Benalgolf
Benamara Dos Hermanas
Benatalaya
Benijofar
Blue Lagoon
Brisas del Mar
Brisas del Sur
Buena Vista

C

C.P Calas Blancas
C.P Mykonos Playa en Manilva
C.P Villacana
Calahonda Royale
Calanova Sea Golf
Campo de Salinas
Capanes del Golf
Carlos
Cartuja del Golf
Casares del Sol
Casares del Sol PM4
Cerros del Lago
Chayofa Park
Club El Faro
Colinas de Puerto Real
Colorado Hills
Complejo Villa Golf
Condado de Alhama
Condado de Sierra Blanca
Conjunto Residencial Costa
Colina
Corona Torre
Costa Esmeralda
Costa Marina
Costa Paraiso
Costalita Gold
Coto Alto
Coto del Golf
Coto Real I
Cumbres del Rodeo

D

Dona Pepa
Dream Hills
Dunas Green
Duquesa Fairways
Duquesa Golf

Duquesa Regent
Duquesa Suites & Gardens
Duquesa Village

E

Eagles Village
Ed. Calypso I
El Capitan
El Cortijo Real
El Faro
El Forestal
El Lago
El Limonar
El Mirador del Mar
El Pinar
El Rancho
El Retiro de Bel Air
El Rincon
El Soto de Marbella
El Soto II de la Quinta
El Valle Golf Resort
Estrella de la Bahia

F

Fernando Rey
Flores de Andalucia
Florida Golf
Fontana
Forest Hills

G

Gata Residencial (Minutes)
Golf Bungalow
Golf Gardens
Golf y Mar
Gran Calahonda
Granados Beach
Granados de la Duquesa
Guadalmansa Playa

H

Hacienda Casares
Hacienda del Alamo
Hacienda del Golf
Hacienda del Marques
Hacienda del Sol
Hacienda Riquelme
Haza Del Conde
Horizon Golf (La Cala)

I

Iria V

J

Jardin del Luz
Jardines de Benalmadena
Jardines de Calahonda
Jardines de Manilva Community
Jumilla

L

La Cornisa
La Entrada
La Finca
La Heredia de Monte Mayor
La Maestranza
La Manga Club
La Marquesa
La Mata
La Mirada (Playa Flamenca)
La Paloma
La Quinta at La Manga Club
La Quinta Suites
La Regia
La Reserva de la Atalaya
La Retranca del Angel
La Rinconada Miraflores Golf
La Romana
La Sagra
La Tercia Golf Resort
La Torre Golf
La Vizcaronda
La Yedra
Lagos de Sierra Blanca
Lagunas del Zodiaco
Las Cascadas de Calahonda
Las Colinas
Las Flores del Golf
Las Golondrinas
Las Higueras
Las Jacarandas
Las Lomas de Mijas Golf
Las Lomas de Riviera

Las Lomas del Soto
Las Mananitas
Las Mariposas
Las Mimosas de Cabopino
Las Olas
Las Palmeras de Calahonda
Las Rosas
Las Terrazas
Las Terrazas del Coto
Las Terrazas Santa Maria Golf
Las Tortugas de Aloha
Las Vistas de Cabo Roig
Last Green
Le Village
Lomas de Campoamor
Lomas del Colorado
Lomas del Golf
Los Alcazares
Los Almendros
Los Altos
Los Altos de Lunymar
Los Altos de Marbella
Los Arrayanes
Los Cartajunos
Los Castillos
Los Claveles
Los Dragos
Los Flamencos
Los Girasoles
Los Granados de la Duquesa
Los Iris
Los Jardines De Santa Maria
Los Jazmines
Los Miradores
Los Molinos
Los Naranjos(Los Arqueros)
Los Naranjos Country Club
Los Naranjos II
Los Olivos
Los Olivos La Manga
Los Pinos Aloha
Los Pinos Aloha Golf
Los Potros
Los Vinos de la Mairena

M

Majestic Hills
Mar Azul
Mar Menor Golf Resort
Marbella Golf
Marbella Sierra Blanca
Marina de La Duquesa
Marina del Castillo
Marina Golf
Marina Real
Marisol Park
Marjal Beach
Mazarron Country Club
Medina del Zoco
Mediterra
Menara Beach
Mijas Green
Mirador de Costalita
Mirador de Santa MariaGolf
Mirador del Golf
Mirador del Mediterraneo
Mirador del Rodeito
Miraflores
Miramar & Monterray
Monte Almendros
Monte Claro
Monte Duquesa
Monte Leon
Monte Mayor Golf and Country Club
Monte Paraiso
Monte Verde
Montegolf
Montegolf of Calle Manuel de Falla
Monteverde
Mosa Trajectum

O

Oasis del Mar
Oasis IV
Ocean Pines

P

Panorama Golf
Parque Botanico Las Lomas de Guadalmina
Pinada Golf
Pinares de Mijas
Playa Bastian

Playa Esmeralda
Playa Flamenca
Playa Golf II
Playa Graciosa
Playa Marina
Playa Paraiso Manzana
Playagolf
Pueblo Aida
Pueblo Andaluz
Pueblo de Montecarlo
Pueblo Mirasol
Puerto Alto
Puerto Paraiso

R

Real Alta Vista Fase
Real Altavista Golf
Residencial Aqua - Torre del Mar
Residencial Benimar
Residencial Gala
Residencial Paradise Golf
Residencial Torremar II
Ribera Beach
Ribera del Pez Luna
Rio Real Playa
Riversol
Riviera Andaluza
Riviera Hill Club
Rocas del Mar
Roda Golf
Roda Golf & Beach Resort
Ronda del Mar
Royal de Cabopino
Royal Golf Riviera
Santa Maria Village
Selwo Hills
Senorio de Roda
Serena Golf
Sierra Golf
Sol Andalusi
Sol y Mar
Soto de la Quinta
Sucina

T

Terrazas del Golf
Terrazas del Rodeo
Torre de la Horadada
Torregolf
Torrenueva Park

U

Urb Paraiso Alto
Urb. Arena Beach
Urb. Camposol
Urb. Jardin del Mar
Urb. Valle Romano South
Urbanizacion Camaratec