

# The housing loan

Finance the purchase of your property

ENGLISH

# La Mutuelle

International Civil Servants' Mutual Association of United Nations and Specialized Agencies, Geneva



**The International Civil Servants' Mutual Association**, founded in 1959, is a non-profit fund exclusive to the United Nations and Specialized Agencies, whose objectives are to promote mutual assistance among staff members of the United Nations Office and other Organizations within the United Nations family at Geneva, and the facilitation of the settlement of the said staff members and their family.

The affiliated Organizations are the following: ILO, ITU, WTO, WMO, WIPO, IMO, UNICEF, IOM, WHO, HCR, IPU and UNEP.

## Services proposed to the members

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Housing  
loans



Ordinary  
loans



CHF and USD  
accounts



Public  
transportation

## Membership conditions

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### Membership is opened to:

- All staff of a member organization, stationed in Geneva, plus all internationally recruited staff of member organizations,
- UNEP staff members only stationed in Geneva,
- Retired international civil servants of a member organization living in the Franco-Swiss area.

# Documents to submit for membership

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## **For active international civil servants:**

- the membership application form duly completed and signed,
- a clear photocopy of a national identity card or a national passport,
- a copy of the personnel action form,
- the form to request a secured access,
- a registration fee of CHF 10.

## **For retired international civil servants:**

- the membership application form duly completed and signed,
- a clear photocopy of a national identity card or a national passport,
- an attestation of pensioner status,
- an attestation of residence,
- the form to request a secured access,
- a registration fee of CHF 10.

Before paying the registration fee, members are requested to verify their eligibility with the Mutual Association,

Staff members who wish to become a member to borrow funds can deduct the membership fee from the amount of the loan if granted,

The registration fee can be paid in cash at the Mutual Association's teller's office or by wire-transfer. Members who prefer to pay the fee by wire transfer or by post must pay attention to the fees charged by the bank or the post office, and verify that the amount that will be received is not less than CHF 10.

# Rules governing membership related to loans

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Members are requested to communicate to the Mutual Association, by postal or internal mail, any change of duty station, office number, private address, email address, phone numbers,

Members who change their email address and who have a secured access are requested to update it directly in their secured access,

If the addresses (email, private and professional) of the members are not updated, the Mutual Association will charge search fees,

Membership will be terminated if no operation is performed over a period of 3 years, and if members have no deposit nor outstanding loans,

Members must request a secured login in order to check their loan(s) online, download tax attestations, loan statements, annual reports, receive minutes of the General Assemblies, etc,

Members who change duty station and are not employed by a member organization but by an organization within the United Nations system can remain a member of the Mutual Association but can no longer deposit funds in their account(s) nor apply for loans,

Members who leave the United Nations system must close their account(s) and repay any debt at the time of departure,

# The housing loan

## Rules governing loans

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The Mutual Association grants two types of loans in CHF only, the ordinary loan and the housing loan.

### **Employment contract**

To apply for a loan members must hold a contract of employment for a fixed-term or indefinite period, or a permanent contract,

Members who wish to borrow must hold a contract of employment valid for at least 6 months at the time of the request. Members who have a contract of employment valid for less than 6 months must obtain from their Human Resources Department an attestation of renewal and attach it to the loan application forms.

### **Amount granted**

The maximum debt a member can have with the Mutual Association is CHF 250,000, housing and ordinary loans combined,

The amounts granted to members depend on their contractual status (date of entry into the organization, type of contract, salary) and their financial situation, and do not necessarily correspond to the maximum amounts proposed for each type of loan.

### **Maximum duration of a loan**

The maximum duration of a loan is based on the expiration date of the borrower's employment contract, but cannot exceed the expected retirement date. Members who do not hold a permanent or indefinite contract will have their length of service taken into consideration in order to extend the reimbursement period beyond the expiration date of their contract,

For members employed for less than one year with their organization, the maximum duration of the loan shall not exceed the expiration date of their contract.

### **Monthly loan repayments**

Loans are repaid by means of monthly salary deductions,

The freeze of monthly instalments is not allowed.

### **Sick leave – leave without pay**

Members who are on sick leave, or leave without pay or have submitted to their organization a request for a leave without pay cannot obtain a loan. Members must have resumed their work full time in order to apply for a loan and supporting documents, issued by Human Resources Department, will be requested. If a member does not declare that he/she is on sick leave and the loan is granted, it will not be covered by the insurance in the event of death or disability,

Members who are on sick leave without full pay must continue to pay the full monthly instalments. The Mutual Association recommends its borrowers to take an insurance with GPAFI or with an external insurer to cover the difference in case of sick leave without full pay,

Members to whom a loan was granted by the Mutual Association and who take a leave without pay must immediately inform the Mutual Association and provide a copy of the administrative notice as well as personal data. The Board of Directors will decide on the instalment to repay during the leave without pay,

If a member does not inform the Mutual Association of his/her leave without pay or does not repay his/her loan(s) during the leave without pay according to what was requested, the Mutual Association will inform the Human Resources Department of his/her organization and the total monthly instalments plus accrued interest will be due.

### **Disability - death**

Members who apply for loans must complete a medical questionnaire,

An insurance contracted by the Mutual Association covers the amount due on loans in the event of the borrower's death or total disability, as recognized by the organization employing him/her, as long as the insurer accepts to cover the loan, and that the member did not make any false statement or omission related to his/her state of health from the time of the loan application until the payment of the loan,

If the insurer refuses to cover the loan in case of death or disability, the Mutual Association will not grant a loan to the member concerned,

If, over the last 4 complete years as well as the current year, a member made a false statement related to his/her state of health on the loan application form when he/she applied for loans, including consolidated loans, the outstanding debt will have to be repaid by the member, or by the heirs in case of death.

### **External debts**

Members who apply for loans must declare all external debts/loans, including car leasing, credit cards, and submit the last statements with their application,

The Mutual Association is entitled to obtain any information on the borrower's financial situation and to verify the accuracy of the information contained in the loan application, notably external financial commitments,

Members who are the subject of debt collection proceedings or who do not repay their debt cannot obtain a housing loan.

### **Appeal**

Loans can be refused, by the decision of the Board of Directors, to members who have failed to fulfil their earlier obligations towards the Mutual Association, made incorrect statements on previous loan applications (sick leave taken, external financial commitments, debt collection proceedings, etc.), or whose global financial situation is considered as precarious,

Any dispute related to the decision not to grant a loan will be submitted to the Board of Directors whose ruling is final.

### **Early retirement - separation – inter-organization transfer - secondment**

Members who take an early retirement from their employment are obliged to reimburse their total debt at the time of separation,

Members who leave their organization and are no longer employed by an organization within the United Nations system must fully repay their debt at the time of separation,

For members who have separated or transferred from their organization and who will work for a non-member organization within the United Nations system, final emoluments will be blocked to repay partially or totally any outstanding loans. If the loan is not fully repaid with the final emoluments, members have the possibility to request the repayment of the loan(s) through monthly instalments. The decision of the Mutual Association will depend on the new contractual status of the members,

Members who are on secondment to a non-member organization within the United Nations system, can keep their loans and must continue to repay the balance by means of monthly salary deductions,

Members who leave their organization and continue to be employed by another member organization within the United Nations system, must continue to repay the balance by means of monthly salary deductions.

### **Default**

Members who do not repay their loan will have their file sent to an external collection office which will recover the amount due.

### **Loan simulation – budget simulation**

Members can perform loan simulations on the Mutual Association website,

Members can process with a budget simulation on the Mutual Association website to determine if their financial situation would allow them to face the charges related to a new loan.

### **Loan payment**

The payment of a loan made performed when the Mutual Association is in possession of the original loan contracts duly dated and signed,

The payment of loans is made, in principle, by bank transfer. If the amount granted is less than CHF 10,000 payment can be done by cash.

### **Early loan repayment**

A loan may be partially or totally reimbursed in advance as long as a minimum of 6 monthly salary deductions have been made,

Early loan repayment is done free of charge,

A partial reimbursement is allowed only once during the duration of the loan,

Members who wish to repay their loan partially or totally in advance must send a request by email or by mail to the Mutual Association for agreement. Repayments made without prior approval from the Mutual Association are refused,



As a partial or total repayment can be made only between the 1st and the 15th of each month, members must submit their request to the Mutual Association at the beginning of the month,

Early loan repayment can only be done by bank transfer or withdrawal from the members account(s) with the Mutual Association. Repayment by cash is not authorized,

If a member effects an early repayment by bank transfer, the funds can only be accepted from the following sources:

- a. an external bank account in the name of the member,
- b. an external bank account in the name of persons holding a power of attorney previously registered by the Mutual Association,
- c. a member organization,
- d. the pension fund of a member organization.

Any deposits originating from other sources are refused.

In case of early loan repayment the Mutual Association may request members for additional information or documents in order to justify the source of funds and tax compliance. If the source of funds and tax compliance cannot be clearly established by the usual procedures, the Mutual Association reserves the right to request additional information or refuse the early repayment,

After having received the approval by the Mutual Association, members must strictly follow the instructions provided by the Mutual Association, notably the period of repayment, otherwise the funds will be refused and the early loan repayment cancelled,

For members who have repaid a loan in advance and submit a new loan application within six months from the date of repayment, the approval by the Board of Directors is required. The latter is entitled to request information or additional documents in order to decide on the request.

# The housing loan for active members

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## **Purpose of the housing loan**

The housing loan is intended for the purchase, construction, or renovation or enlargement of real estate located worldwide, as well as the purchase of a mobil home or land in Switzerland or abroad. It also includes, for example, construction of a swimming pool, reimbursement of a mortgage or housing loan, etc.

## **Interest rate**

The monthly interest rate is 0.29%, including death/disability insurance, unless changed in the meantime. It is fixed for 4 years and then variable according to the rate in force for new housing loans,

The monthly interest is paid at an effective discount rate as the interest rate is applied monthly on the remaining capital.

## **Duration of the loan**

The minimum duration of the housing loan is 24 months and the maximum is 144 months.

## **Amount granted**

The minimum amount that can be requested is CHF 5,000,

The maximum amount which may be granted to a member for a housing loan depends on his/her contractual status, the level of debt, and is determined by the following components :

- a. The last net monthly take-home pay of the borrower,
- b. Plus the withdrawal settlement from the Pension Fund,
- c. Plus CHF 25,000 as an undertaking by the Mutual Association.

The maximum possible amount which a member may obtain is CHF 250,000, as long as the borrower has no outstanding loan(s) with the Mutual Association. If this is the case the amount due on the current loan(s) will be deducted from the amount previously calculated.

## **Debt ratio**

The monthly loan repayment of one or more housing loans cannot exceed 35% of the net monthly salary, including the cost of any outstanding ordinary and/or housing loans,

The total monthly cost (including any external bank loan, rent in case of purchase of a second home, etc.) cannot exceed 50% of the net monthly revenues (take-home pay and any other proven income),

If the total monthly cost of the transaction is between 45% and 50% of the revenue, which is a significant risk for the borrower, the agreement of the Board of Directors is mandatory,

Proven income can include, for example, the spouse's salary (with the last 3 payslips) as well as rental income (proven by an ownership title, a lease agreement and a bank statement showing the last 3 rent payments).

### **Justification of the utilization of the funds for housing purposes**

When the transaction for which the loan has been granted has taken place, proof must be provided in the form of official documents such as deed of sale, receipt invoice, etc., within 12 months from the date of the payment of the loan,

When a borrower does not justify the full amount granted, or if the documents submitted are not official, the ordinary loan rate is applied for the remaining duration and on the amount not justified,

Official documents justifying the loan that are not in English or French must be officially translated.

### **Documents to provide, at one time, for a housing loan application**

The Mutual Association proceeds with the study in 2 steps:

#### **A. A preliminary study:**

This study determines if a housing loan could be granted, and if yes the conditions, subject to confirmation of the final study.

The necessary documents to be provided at one time are:

- a. the loan application form duly completed and signed,
- b. the medical questionnaire duly completed and signed,
- c. a copy of the current contract of employment,
- d. a copy of the last pay-slip,
- e. a copy of the last pension fund statement,

## **B. The final study:**

This study will confirm whether the financial operation is feasible and if the loan can be approved.

The additional documents to be provided at one time are:

- a. the Information for a housing loan form,
- b. all documents requested in the Information for a housing loan form. These documents must be official,
- c. if the borrower has external loans/debts other than the one with the Mutual Association (including car leasing, credit cards, debt collections, housing loan, mortgage loan, consumer loan) the last statements must be added to the request.

Members who wish to apply for a housing loan and have all the documents required for the final study can send them with the initial application.

## **The housing loan for retired members**

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The Mutual Association grants retired members two types of loans, the ordinary loan and the housing loan, as long as the granted amount and the interest to be paid until maturity are blocked as a guarantee in the CHF current and/or deposit account, or USD account.

### **Interest rate and duration**

The interest rates as well as the duration of the loans are the same as for active members.

### **Minimum amount granted**

The minimum amount that may be requested for a housing loan is CHF 5,000,

### **Guarantee with the USD current account**

If a member wishes to borrow against his/her USD current account, the counter value of the amount granted and interest to be paid until maturity does not exceed 65% of the blocked sum in USD.

### **Monthly repayments**

The monthly repayments can be made by cash, by wire transfer or by withdrawal from the CHF current or deposit account only,

Monthly repayments must be received by the last working day of the month at the latest, failing which accrued interest will be charged. If the payment is not done on time the Mutual Association will deduct the instalments from the blocked sums.

### **Death**

In case of death, the Mutual Association will repay the capital due and interest from the member's account(s).

## To contact us

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If you need more information or advice, you can contact us at the following addresses:

### **United Nations Office (UNOG), Palais des Nations, Geneva**

From Monday to Friday:

The cashier's desk is open from 9:30 am to 1:00 pm non-stop.

Afternoons are reserved for appointments.

The Secretariat answers your calls from 9:00 am to 12:00 noon.

Office B-214

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**Website:** [www.lamutuelle.org](http://www.lamutuelle.org)

### **International Labour Office (ILO), Geneva**

Every Thursday from 9:30 am to 12:00 noon

Office No. 1074 – 10th floor

**Telephone:** +41 22 799 62 09