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Nykredit and Totalkredit to spread refinancing auctions further

From 8 February 2013, Nykredit and Totalkredit will introduce ARMs (adjustable-rate mortgages) with interest rate adjustment on 1 July, thus expanding the number of annual interest rate adjustment dates from three to four.

This expansion to four annual interest rate adjustment dates is a continuation of Nykredit and Totalkredit's strategy of distributing the refinancing auctions more evenly over the year. Currently, Nykredit and Totalkredit are the only Danish issuers to spread their refinancing volumes over three annual refinancing dates.

In 2005, Nykredit and Totalkredit were the first mortgage lenders to introduce two additional refinancing dates besides the one in December. Since then, Danmarks Nationalbank has followed up with a call for the mortgage sector to increase the number of refinancing dates.

The purpose of spreading the auctions over the year is to reduce refinancing risk in the financial sector, and is part of Nykredit and Totalkredit's efforts towards financial sustainability.

Standard from the summer of 2013

As from this summer, new DKK ARMs with 1–5-year funding will be offered with interest rate adjustment as at 1 July as standard. The loans are financed by SDO bonds (base loan) and the rate is adjusted no earlier than 1 July 2014.

For new loans financed by RO bonds (top loan), the interest rate is still adjusted on 1 April.

Existing ARMs continue unchanged, and there are no changes in connection with the adjustment of interest rates or interest periods.

Contacts

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