

Navigating Spanish Non-Resident Mortgages

A non-resident absolutely can obtain a mortgage to buy property in Spain. Spanish banks have been catering to international buyers for decades and have specific lending programs designed for this market.

However, the terms and criteria differ significantly from what a tax resident would receive. The process focuses strictly on your **tax residency** (where you earn your income and pay taxes) rather than your nationality.



1. How Much Can You Borrow? (LTV)

The biggest difference lies in the **Loan-to-Value (LTV)** ratio—the maximum percentage of the property value the bank is willing to finance.

- **Tax Residents:** Can generally borrow up to **80%** (and sometimes more for a primary home).
- **Non-Residents:** Are typically capped at **60% to 70%** of the lower of either the property's purchase price or its official appraisal value (*tasación*).

The Capital Cushion: Because banks limit financing to 60–70%, you will need to provide a down payment of 30–40%. Additionally, you must budget an extra **10% to 13%** of the purchase price to cover Spanish property taxes, notary fees, land registry fees, and legal costs. This means you need around 40–50% of the property value in cash up front.

2. Standard Mortgage Terms and Rates

Non-resident packages carry slightly tighter mortgage parameters:

- **Interest Rates:** Non-residents usually pay slightly higher rates or margins than residents. Fixed-rate mortgages are highly favoured by international buyers for their predictability when managing finances across borders, though variable and mixed rates are widely available.
- **Loan Duration:** While residents can get 30-year terms, non-resident mortgages are generally capped at **15 to 25 years**.
- **Age Limits:** Most Spanish lenders stipulate that the loan must be fully repaid by the time the oldest borrower reaches **age 70 or 75**.

3. The Affordability Equation

Spanish banks use a strict debt-to-income framework to evaluate international profiles. They calculate your capacity based on your global, documented net income.

As a golden rule, your worldwide monthly liabilities (your home mortgage, any existing car loans or credit cards back home, **plus** the new Spanish mortgage payment) must not exceed **30% to 35%** of your net monthly income.

4. The Essential Requirements

To successfully secure an application, a non-resident must provide a clear paper trail of financial stability.

Mandatory Prerequisites

- **An NIE (*Número de Identificación de Extranjero*):** This is your Spanish foreigner identification number. You cannot buy property, open a bank account, or sign a mortgage without it.
- **A Spanish Bank Account:** The mortgage funds must be disbursed from, and monthly payments drawn from, a local Spanish account.

The Paperwork Checklist

Because your financial footprint is outside Spain, you will need to compile a comprehensive financial profile. If these documents are not originally in Spanish or English, banks usually require a certified sworn translation (*traducción jurada*):

- A valid passport.
- Your latest income tax returns from your country of residence.
- The last 3 to 6 months of payslips (or 2 years of audited accounts/tax filings if you are self-employed).
- The last 6 to 12 months of personal bank statements showing income entry.
- A credit report/risk profile from your home country (e.g., Experian, Schufa, etc.) proving clean credit history.
- Details or statements of any existing debts, mortgages, or substantial assets held abroad.

The complete application and approval process generally takes between **6 to 8 weeks** from the moment the bank receives your full file and orders the independent property valuation.