

DANMARKS NATIONALBANK

31 MAY 2022

BANKING AND MORTGAGE LENDING, BALANCES, 1ST QUARTER 2022

Every third opt out fixed-rate on conversion

39,400 homeowners with fixed-rate mortgage loans have used the opportunity for conversion created by rising interest rate in the first quarter of 2022. In total, converted mortgage loans amounts to kr. 51 billion. At the end of 1st quarter, 779,000 homeowners had a convertible mortgage loan with a coupon up to 1.5 per cent amounting to kr. 717 billion.

A third of homeowners converted to variable-rate
1 in 3 homeowners who have converted their loans, have converted to a variable-rate loan. Their total

debt is kr. 18 billion. The interest rate on new variable-rate loans is lower compared to new fixed-rate loans. However, the lower interest rate achieved now is at the expense of larger uncertainty about the interest rate in the future.

Most homeowners have converted to fixed-rate

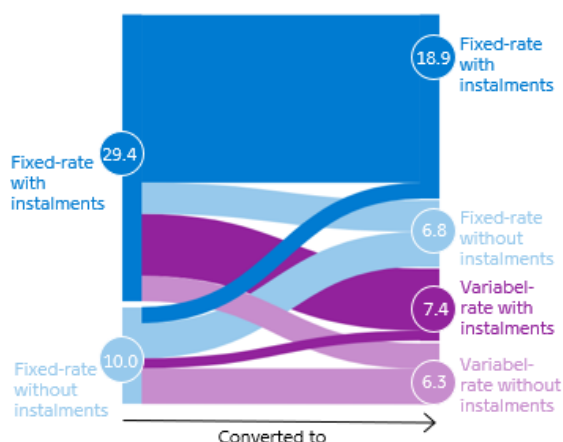
The remaining homeowners who converted have replaced their fixed-rate loans with a low interest rate in favour of a fixed-rate loan with a higher interest rate to cut off some of their debt.

Most homeowners who have converted to fixed-rate loans have not changed their status for instalments. However, with the conversion to fixed-rate, 3,200 homeowners have replaced their loan with instalments with a loan with an instalment-free period, whereas only 1,700 homeowners have replaced switched their instalment-free period with instalments.

2,600 homeowners going from safe to risky

Out of the 39,400 homeowners who have converted their loans, 29,400 have converted from a fixed-rate loan with instalments and 2,600 of these homeowners have converted to a variable-rate loans with an instalment free period. That means these homeowners have chosen to redeem a loan where they were assured a fixed low interest rate until the loan expired and also reduced their debt continuously with instalments in favour of a loan with larger uncertainty. This increases the requirements for the financial robustness of homeowners.

39,400 homeowners have converted their mortgage loan in 1st quarter of 2022



Note: Borrowers with mortgage debt, in thousands. The homeowners have redeemed a fixed-rate mortgage loan in the duration of 1st quarter 2022 and taken a new loan with the same collateral. Instalment and interest rate are based on the borrower's largest loan. Rounding off can result in small deviations in sums and totals. Find data chart here ([link](#)).

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