

**Loan-to-Value Ratio:** The lending value of the property should not exceed the maximum allowed loan-to-value ratio, ensuring that the mortgage does not exceed the realizable value of the property.

**Location:** The property associated with the mortgage must be located within jurisdictions that allow for the swift and uncomplicated realization of the asset, typically within the same country as the insurer.

#### Limitations and Additional Conditions:

**Maximum Allocation Limits:** The allocation of mortgage receivables to tied assets is limited to ensure diversification and manage concentration risk. Specific limits are placed on the proportion of the total tied assets that can be allocated to mortgages.

**Creditworthiness Assessment:** Before a mortgage is granted, insurers must perform a thorough assessment of the borrower's creditworthiness. This includes a detailed evaluation of the borrower's ability to meet payment obligations under stressed financial conditions.

**Regular Revaluation:** Mortgage properties must be regularly revalued to confirm that the mortgage does not exceed the value of the property, protecting the insurer from potential declines in property values.

**Documentation and Reporting Requirements:** Insurers must maintain detailed records of all mortgage receivables, including

[Get started with ChatGPT](#)