

Key Fact Statement (KFS) - Ready Property Home Loan – (Conventional)



This document reflects product-specific Terms and Conditions governing conventional Home Loan for Ready Property located within UAE and is in addition to Al Masraf (Bank) General Terms and Conditions for Customers.

The Key Facts Sheet highlights important information about conventional Home Loan such as the interest rate, installment amount and provides you with the total amount to be pay back over the life of the Loan

Eligibility

- UAE National or UAE Resident
- Minimum age 21 years old and maximum up to 75 years (on case to case basis) at the time of maturity
- Min Salary AED 15,000 for salaried employee working in approved company with Bank
- Min length of service 6 months and confirmed employee

Features & Benefits

- Financing available for Ready property
- Combination of Fixed and Variable Interest Rate
- Repayment up to 25 years

Additional notes and Frequently Asked Questions

1. Use of the property:

During the Loan Tenor, the property shall be used and occupied as a residence and for no other purposes without the written consent of the Bank.

2. Down Payment:

The Bank will evaluate the land / property from one of the approved listed evaluator with the Bank to determine the market value. The Loan will be based on the property market value and you will require to pay the applicable Down Payment. You hereby undertake to provide such proof of payment prior to the transfer of the property at the relevant regulatory department.

In buyout or resale cases, you must settle the difference amount between liability of the Bank/Seller and the approved Loan value.

3. Monthly Installment:

- You will pay Principle + Interest (as per Bank's prevailing rate) to the Bank on monthly basis. After the Fixed Interest Rate, the Monthly Installment calculated on EIBOR + Bank's Margin (Min Floor Rate). Based on the EIBOR revision period, the future installment may increase/ decrease from time to time.
- You are required to pay the Monthly Installment on due date to the Bank as per the repayment frequency.
- In case due to higher Interest rate, you are not able to make installment on due date to the Bank, you should visit the Branch or meet your Relationship Manager and explain the reason and rationale and place request for Bank's review and approval to reschedule the installment if eligible.

Example:

| | | |
|--|---|---|
| Loan amount (Principal) | : | AED 2,000,000 |
| Loan duration (Tenor) | : | 300 months |
| Minimum Interest Rate (Rate) | : | 3.75% per annum |
| Interest Rate Formula | : | Rate*(1 + Rate) ^{Tenor} /((1+ Rate) ^{Tenor} -1) |
| Thus your Monthly Installment for Month 1 would be | : | AED 10,282.62/- |

| Principal Amount | Tenor | Interest Rate 3.75% per annum | Monthly Installment for 1 st month |
|------------------|-------|--|---|
| 2,000,000 | 300 | $0.0031 * 2.550 / 1.5499$ =0.00514 per month | $2,000,000 * 0.00515$ = AED 10,282.62 |

Note:

After 1st installment, the Monthly Installment will be calculate based on the Principle outstanding amount.

If any past due is being created for any Loan, then that particular amount will be pared overdue bucket and subsequently will be calculated based DPP overdue logic

Warning: These figures are estimates/ examples only.

4. Fixed Interest Rate:

The Fixed Interest rate is applicable for fixed tenor and during fixed tenor you will pay fixed Monthly Installment. After the expiry of fixed rate, the installment will be calculate based on the prevailing Variable Interest rate.

5. Variable Interest Rate:

The Variable Interest rate is indicative and subject to change in accordance with the terms and conditions of the Mortgage Finance Agreement ("Agreement"). The Bank's Base Rate is linked to EIBOR with the 3 months' review frequencies due to which the installments may increase or decrease based on the prevailing Interest Rate. However, the margin % remains fixed throughout the Tenor of the facility.

6. Property Evaluation Fee

You will require to pay the property evaluation fee to cover the cost of appraisal of the property done by one of the approved evaluator with the Bank. The evaluation fee may vary depending upon the location / Emirate, type and numbers of the Property.

7. Maximum Loan Amount:

The Maximum Loan Amount you can borrow with a Home Loan depends on your income, expenses, liabilities etc. Bank will considers all your expenses and liabilities to make sure you can make repayments on the Loan without placing yourself under financial stress

8. Life Insurance:

- a) You are required to choose the Life Insurance from one of the three approved Insurance provider selected by the Bank for the entire Loan Tenor and it will be assigned to Arab Bank for Investment Foreign Trade (Al Masraf).
- b) The Life Insurance should cover your Loan outstanding in the event of the death due to any reason, terminal illness and permanent total disability to mitigate the risk associated with the life.
- c) The Life Insurance premium calculated on the Loan outstanding amount i.e. $\text{Monthly Premium} = \text{Loan outstanding amount} \times \text{Life Insurance rate} \%$
- d) The Life Insurance premium may not be fixed amount as it calculates on the Loan outstanding and paid on monthly basis to the Bank. The Bank will deduct this amount along with the Loan Monthly Installment from the Customer's account.
- e) The Life Insurance premium may increase or decrease during the Loan Tenor based on the Insurance provider rate
- f) The Life Insurance coverage should be in place prior to acceptance of the offer and disbursement of Loan by the Bank.
- g) Non-payment of Life Insurance payments shall be consider as an event of default under the facilities.

9. Property Insurance:

- a) You will require to choose the Property Insurance from one of the three approved Insurance provider selected by the Bank for the property for the entire Loan Tenor and it will be assigned to Arab Bank for Investment Foreign Trade (Al Masraf).
- b) The Property Insurance should cover the risk associated with the property i.e. fire and major maintenance including Total Loss and Partial Loss.
- c) The Property Insurance premium calculated on the Property Value i.e. $\text{Annual Premium} = \text{Property Value} \times \text{Property Insurance rate} \%$
- d) The Property Insurance premium will be deduct on annually basis through direct debit or your bank account with Bank.
- e) The Property Insurance premium may increase or decrease during the Loan Tenor based on the Insurance provider rate
- f) The Property Insurance coverage should be in place prior to acceptance of the offer and disbursement of Loan by the Bank.
- g) Non-payment of Property Insurance payments shall be consider as an event of default under the facilities.

10. Property mortgaged to the Bank:

The property will be mortgage to the Bank until the principal, accrued Interest, fees and charges fully paid to the Bank. The mortgage on property is a security on the Loan, which means you cannot sell the property / mortgage to third party if the customer cannot continue to make repayments.

All owners whose names are stated in the property ownership document should be an applicant for the Loan facility.

Warning:

11. Installment not paid on time:

You shall pay the monthly installment on due date and if you fails to pay the monthly installment your account will go into arrears. This may affect your credit rating, which may limit your ability to access financing in the future. Further, if you fail to pay three consecutive installments, the Agreement shall be terminated and the remaining installments shall become payable within a period of 15 days of receiving a written notice from the Bank, and the Bank shall have the right to take applicable legal action against you that includes the sale of mortgaged property, and therefore, you may lose your property.

12. Home Loan Reschedule

Customer must inform the Bank in case your monthly income is reduced due to (Salary reduction from the employer, allowances withdraw/ retire from employment / loss of employment /turning into a pensioner / Property Rent where the partial installment was dependent on rent or for any other reason). Al Masraf will assist you to reschedule the existing Home Loan for applicable tenor to maintain your monthly expenses vs income.

Warning:

13. Delay penalty:

Bank is entitled to charge delay penalty fee (as per Bank's Schedule of Fees & Charges available on Almasraf.ae) from the due Monthly Installment after the lapse of the payment due date or Monthly Installment date on Loan as a commitment to donate, on monthly basis until all payments due or installments are paid.

14. Modification of property:

The Customer is not permitted to make any modifications, additions, improvements, substitutions or alterations to the Property without the prior written approval of the Bank. If approved by the Bank, such modifications shall be at the expense of the Customer.

15. Schedule of Fees:

This Loan is governed by Schedule of Fees and Charges. In the event any of these fees are due to be paid, such fees should be paid by the customer

- Al Masraf publishes its Retail Banking Schedule of Fees & Charges in line with its commitment to a transparent Customer relationship ([Click here to refer to Retail Banking Schedule of Fees & Charges](#))
- Customers are strongly encouraged to write to us on info@almasraf.ae in case of need for more clarity on any fees charged to the account.

16. Partial Settlement:

The Bank will allow partial settlement during the Loan term and you will be required to pay the applicable fees as mentioned in the Schedule of Fees & Charges, which is published on Al Masraf website (www.Almasraf.ae). You will have the following options

- a) Pay same Monthly Installment and reduce the tenor OR
- b) Decrease your Monthly Installment and maintain the same Tenor

17. Deferment or Postponement

Deferment is the delay or suspension of Monthly Installment. You are required to submit the request at our Branch and mentioned the reason for deferment and pay the applicable fee mentioned on our website (www.almasraf.ae). The Bank will assess your request based on the eligibility and policy and accordingly, defer the installment as per your request

Warning

In the event of deferment, the Loan maturity period will be increased by the number of deferments availed by you during the Loan term.

18. Home Loan closure

You can request to close the facility by submitting the request by visiting any of Al Masraf Branches and submit the Early Settlement Form. The applicable Early Settlement Fee ([you may visit \[www.almasraf.ae\]\(http://www.almasraf.ae\) Schedule of Fees & Charges page](#)) will be charged on the Loan outstanding amount.

19. Early Settlement Amount:

The Early Settlement Amount is being calculated as follows:

- a. Outstanding of Principle amount;
- b. Accrued and unpaid Variable amount;
- c. Any amount representing the costs of insurance (including any insurance undertaken on behalf of the Customer & major Maintenance and Taxes incurred by the Bank during the relevant Tenor;
- d. Early settlement fee as per applicable Schedule of Fees & Charges of the Bank mentioned on Almasraf.ae;

Example:

Outstanding Principal Amount : AED 5,403,334.94

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| | | |
|---|---|--------------------|
| Accrued and unpaid Variable amount (Principle Interest) | : | AED 7,504.63 |
| Property Insurance | : | AED – 847.90 |
| Early Settlement Fee (“ESF”) | : | AED 10,000 |
| VAT on ESF | : | AED 500 |
| Early Settlement Amount | : | AED 5,420,491.67/- |

Warning: These figures are estimates/ examples only and the Accrued and unpaid Variable amount, Property Insurance refund may vary depends on the settlement date

20. Release of Mortgage:

The Bank will release mortgage over the property upon full and final settlement of Loan outstanding and related fees and charges.

21. VAT:

For the avoidance of doubt, VAT is additional to all amounts / fees mentioned in the Schedule of Fees & Charges are exclude with VAT at the prevailing rate.

22. Further queries and/or clarifications

In case of queries, please send an email to info@almasraf.ae for more clarity before signing to the Offer Letter and Agreements. You should provide copy of E-ID / Passport and Visa page (in case of expatriate customer), UAE Mobile number and RIM to facilitate a timely response

23. Cooling period:

Prior to making any decision in relation to our Home Loan products, we understand that you have fully read and understood the Terms and Conditions of the KFS as well as Agreement and the applicable Schedule of Fees & Charges.

- The “Cooling-Off Period” is offered as part of our commitment to maintain a fair Banking relationship
- You have the option to waive the Cooling-Off Period by signing the Cooling- Off Period Waiver Form, you may sign the Cooling- Off Period Waiver Form while signing the Agreement
- In case you decides not to waive the Cooling- Off Period, the Bank will wait for Five (5) Business days for you to reconsider your Loan request and will only proceed with the issuance/disbursal of the Loan amount end of Five (5) Business days.
- During this period, you have the right to revoke the facility (without incurring any undue charges or penalties) and request the Bank to cancel the Loan.
- After the expiry of Cooling-Off Period, the Bank will release the applicable payments to Seller/ Other Bank/ any other Authorities and place mortgage on the property in favor of the Bank. Accordingly, the terms and condition of the Agreement will be applicable without any change throughout the life of Loan.

Declaration

Customer hereby agrees to the above conditions and declares to the below by signing the Key Fact Statement- KFS:

- Customer acknowledges to have received and understood the Home Loan terms and conditions for as well as the Key Facts Statement
- Customer has been provided with the Data Protection Statement ([Click here to refer to Data Protection Statement](#))
- The Bank reserves the right to change terms and conditions of the Agreement at any time at its sole discretion by providing 60 days written notice to the Customer.
- Customer acknowledges that this facility may be withdrawn or terminated by the Bank at any time up on issuing a Sixty (60) days written notice

| | |
|------------------|--|
| Customer Name: | |
| Signature & Date | |