**Product Features**

**Product Feature / Benefits / Unique Selling Points:**

* Flexible tenure from 3 to 25 years
* Maximum financing for salaried individual up to 80%
* Maximum financing for non-salaried individual up to 75%
* Spouse or blood relative eligible to participate as a co-applicant
* Half-Unit repayment option to reduce instalment in initial period of financing
* EMI (Equal Monthly Instalment) Option
* Flexible repayments with options to purchase additional unit (balloon payment) and early termination/settlement

\*Please see annexure 1 for further breakdown of equity

\*\*KIBOR rate (1 year or 6 month) on 1st of the disbursement month is used

|  |  |  |  |
| --- | --- | --- | --- |
| Segment | Finance Amount | Minimum Equity Levels | |
| Salaried | >=100Mn | All Segment (Salaried) | 40% |
| >=40Mn | 35% |
| > 20Mn | 25% |
| <=20Mn | 20% |
| Self Employed | <=30Mn | 1) Bank Alfalah relationships (Min 1 year) 2) Self Employed Professional 3) Other - Rental Income only | 25% |
| 1) Business Persons 2) Expatriates | 30% |
| <=50Mn | 1) Bank Alfalah relationships (Min 1 year) 2) Self Employed Professional 3) Other - Rental Income only | 30% |
| 1) Business Persons 2) Expatriates | 35% |
| > 50Mn | All Segment (SEB/SEP/Others) | 40% |

|  |  |
| --- | --- |
| **Customer Segment** | **Home Musharakah Applicable Financing Rates** |
| Salaried | 1 – year KIBOR /6 – month KIBOR + 3% |
| Businessman | 1 – year KIBOR /6 – month KIBOR + 4% |
| Self Employed Professional |
| Expatriates - Salaried |
| Expatriates - Businessman |
| Others |

**Product Types**

* Home Buyer - Purchase a already constructed or semi-constructed house
* Home Builder - Construct a home on your already owned plot
* Home Renovation - Renovate or expand your existing home
* Balance Transfer Facility - Transfer your home finance to BAFL from your existing lender.
* Home Secure -Mortgage existing plot/house to avail 100% financing for new house
* Roshan Apna Ghar & Alfalah Green Finance

**Re-Finance**

* Alfalah Green Finance + Avail Financing of solar energy solutions for residential purpose
* Low Cost – Special Segment - SBP refinance scheme for low cost housing for special segments i.e Widows, Children of Martyrs, Special Persons, Transgender, People in areas severely affected by terrorism

**Subsidized**

* Alfalah Ghar Asaan – GoP/SBP subsidized scheme up to 5 and 10 Marla housing units/apartments for low income segment

**Alfalah Ghar Asaan - (Markup Subsidy Scheme by GoP)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Parameter** | **\*\*Category 1**  **(NAPHDA\* Projects)** | **Category 2**  **(Non-NAPHDA)** | **Category 3**  **(Non-NAPHDA)** |
| **Size of Housing Unit/Apartment** | **u**p to 5 Marla | 5 Marla | 10 Marla |
| **Property Age** | Newly Constructed | No Requirement till March 31 2023 | |
| **Maximum Covered Area** | 850 sq ft | 1250 sq ft | 1250 - 2000 sq ft |
| **Maximum Price** | 3.5 Million | No Cap | |
| **Maximum Financing** | 2.7 Million | 6 Million | 10 Million |
| **Pricing   :  5 Years** | 2 % | 5 % | 7 % |
| **Pricing   :  5 - 10 Years** | 4% | 7 % | 9 % |
| **Pricing   :  11-15 Years** | 5% | 1 YK + 4% | 1 YK+ 4% |
| **Period Exceeding 15 Years** | KIBOR + 2.5% | 1 YK + 4% | 1 YK+ 4% |
| **Financing Cities** | All cities with Bank Alfalah branch network | | |

\*Naya Pakistan Housing & Development Authority (NAPHDA)

\*\*Category– SBP/GoP have provided 3 categories in which a customer can apply and avail the facility. It varies in terms of size of plot, value and financing amount.

* Salaried Individuals: Minimum 25 Years and Maximum 60 Years at time of maturity
* Non-Salaried Individuals: Minimum 25 Years and Maximum 70 Years at time of maturity

|  |  |  |  |
| --- | --- | --- | --- |
| **Parameter** | **Category 1**  **(NAPHDA Projects)** | **Category 2**  **(Non-NAPHDA)** | **Category 3**  **(Non-NAPHDA)** |
| **Product Category** | * Purchase of a complete residential property (Apartment /flat/ House) * Home Constructions | | |
| **Customer Segments** | * Salaried * Non-Salaried | | |
| **Financing Tenor** | * Minimum 5 years with flexibility to go up to 20 years, depending upon the choice of customer | | |
| **Age Requirement (Applicant & Co-Applicant)** | * Salaried Individual: Minimum 25 Years and Maximum 60 Years at time of maturity * Non-Salaried Individuals: Minimum 25 Years and Maximum 70 Years at time of maturity | | |
| **Monthly Income** | * Category 1 & 2: PKR 25,000 per month (Net Disposable Income) * Category 3: Salaried PKR 25,000/month - Non-Salaried PKR 50,000/Month | | |
| **Minimum Employment/Business Experience** | * Minimum Employment : 1 Year * Minimum Business Experience : 1 Year (ETB) / 2 Years (NTB) | | |
| **Debt Burden** | * Up to 45% | | |
| **Co-Applicant Income Clubbing** | * 100% Clubbed * Up to 4 co-applicants are allowed for income clubbing from multiple sources | | |
| **Processing Fee** | Category 1 Rs. 27,500/- or as per prevailing SOC for Category 2 & 3 Rs. 4,000/- or as per prevailing SOC | | |

**Pricing Mechanism**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **First 5 Years**  **Fixed Rates** | **Next 5 Years**  **Fixed Rates** | **Exceeding 10 Years**  **Variable Rates** |
| Category 1  (NAPHDA Projects) | 3% | 5% | 1 Year KIBOR + 2.5% |
| Category 2  (Non-NAPHDA) | 5% | 7% | 1 Year KIBOR + 4.0% |
| Category 3  (Non-NAPHDA) | 7% | 9% |

|  |  |  |
| --- | --- | --- |
| **Documentation Requirement** | | |
| Common Documents | * + Alfalah Ghar Asaan Application Form   + 2 Recent Photos   + Application set   + Processing Fees   + Copy of CNIC/NICOP/SNIC | |
| **Additional Docs** | **Salaried** | **Self-Employed /Others** |
| Formal Sector | Proof of employment (along with length of employment):   * Employment Letter **OR** Employment Certificate **OR**Any valid documentary evidence from employer   Income Proof Document (salary breakup and deductions to be clearly mentioned):   * Current Salary Slip **OR**Salary Certificate **OR**Account Maintenance Certificate along with last 6-month Bank statement with Salary Credits   **Notes:**   * Maximum of 60 days old salary slip & Bank Statement may be accepted * Online / e-salary slips are acceptable with positive verification * Original salary slip / e-slip does not require stamp or sign. | Proof of Business (stating ownership and length of business):   * Partnership Deed **OR** Bank Certificate for Sole Proprietor / Partnership **OR** NTN Certificate **OR** Rent agreement of office **OR** Professional Degree / Diploma &/OR Valid Membership of applicable Professional body **OR** Any other valid acceptable business document verifiable from authority fulfilling minimum business tenor requirement.   Income assessment document:   * Account Maintenance Letter along with at least recent 6 months Bank Statement   **Notes:**   * Maximum of 60 days Bank statement may be accepted * Original Bank statement with bank stamp |
|
| Informal Sector | For Salaried  -Rent Agreement **OR**Rent Payment declaration **OR**Utility Bills **OR**Telco Bill **OR**School Fee Challan **OR**Any other valid expense document (as per defined Income proxy) | |
|  | For Self-Employed/Others  -Rent Agreement **OR**Rent Payment declaration **OR**Utility Bills **OR**Telco Bill **OR**School Fee Challan **OR**Any other valid expense document (as per defined Income proxy) | |

**Low Cost Housing – Special Segment Features**

|  |  |
| --- | --- |
| **Customer Segments:** | * Widows * Children of martyrs * Special persons * Transgender * Persons in areas severely affected by terrorism |
| **Loan Amount** | * Up to Rs.2.7 Million |
| **Loan Tenor** | * Up to 12.5 Years |
| **Profit Rate** | * 5% flat |
| **Extent of Refinance** | * Up to 100% by SBP |
| **Borrower Eligibility** | * First time home owner * Must not have availed home finance previously * For construction of a new housing unit * Max value of unit Rs. 3 million * The financing for plot to be purchased for constructing house shall be allowed up to Rs. 1 million only |

\*Note: The cases will be processed as per Bank’s internal policy in addition of SBP guidelines.

**Target Market**

* Salaried Individuals (Permanent / Contractual)
* Self Employed Businessperson / Self Employed Professionals
* Branch Banking / X-Sell Customers
* Others

1. Landlords
2. Retired Individuals i.e. Individuals who are getting regular pension
3. Individuals with regular Rental Income
4. Individuals having/receiving Foreign Remittances
5. Individuals having saving/fixed deposits and/or term deposit (only Lien based), Investments in Mutual Funds held with BAFL or associated company, etc
6. Roshan Digital Account Holders

* Expatriate Pakistanis”: Pakistani Nationals living in foreign countries meeting BAL Islamic Housing Finance criteria. However the property should not be used for rental purposes by the expatriate

**Eligibility Criteria**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Customer Segment** | **Age at time of Application** | **Min Income Requirement** | **Years in Employment** | **DBR** |
| Salaried | 25 to age of  retirement  (generally 60 years) | Rs. 75,000 | Permanent 1 years – Category A&B Company  employees, BAFL relationship 2 years – Others Contractual 3 years – Category A&B Company  employees, BAFL relationship 5 years – Others | Up to 45%  debt burden of  Net Disposable  Income |
| Self-Employed  Professionals | 25-65 years | Rs. 150,000 | Minimum 2 years (BAFL Relationship)  Minimum 3 Years |
| Business Persons | 25–70 years |
| Others | 25–70 years | Continues verified income stream of 2  Years |
| Non-Resident Pakistani  (Salaried) | 25 to age of  retirement  (generally 60 years) | USD 3,000 or equivalent | 1 years Permanent 2 years Contractual |
| Non-Resident Pakistani  (Self-Employed) | 25-65 years | USD 4,000 or equivalent | 3 Years |

**Documentation Required**

|  |
| --- |
| **Common Documents** |
| * Application Form Set |
| * Copy of valid CNIC (Borrower & Co-Borrower) |
| * 2 Recent Color Photos |
| * Income documents\* |
| * Bank Statement\*\* |
| * Property documents |
| * Vendor Survey Report **(For Solar Cases)** |
| * Any sort of Income Proof **(For Low Cost Housing)** |

\* Income Documents (List of documents may vary customer segment wise)

\*\* Bank Statement is only mandatory for those customers who are maintaining bank accounts, income is calculated through proxy income, or whose salary is reflected in Bank Statement

|  |  |  |
| --- | --- | --- |
| **Additional Documents** | | |
| **Salaried (Local)** | **Self Employed Business or Professional** | **Others** |
| Employment letter or Salary Slip or Employment Verification from BAFL | Proof of Income (Any of below) | Assesment of Agri Income by Rural Finance Officer / Income Estimation |
| (Whichever shows date of joining, Salary Breakup, Deducations, Job Status) | Last 1 Year Bank Statement | Bank statement in the name of customer / profession / business |
| Last 6 Months Bank Statement | Latest Tax Returns | Mutual Funds - Certificate of Asset Management Company |
| Latest Audited Financials | Professional / Membership Certificate |
| Salaried (Expat.) | Income Estimation Report | Rental Income - Any title document of the property evidence ownership & rent deed / agreement |
| Copy of Passport | Professional / Membership Report | Proof of Source of Income |
| Copy of CNIC | Limited Companies : MOA, Form 29 |  |
| Work / Residence Permit | Partnership: Copy of Partnership Deed, Form C, Bank Certificate |  |
| Overseas Credit History | Sole Proprietorship: Sole - Proprietorship letter / certificate from customers' bank |  |
| Expat Undertaking / Affidavit | CNIC's of Partners / Directors |  |

**FAQs**

**Is Alfalah Musharakah Home Finance offered to non-residents as well?**Yes, Musharakah Home Finance facility is also offered to non-residents as well subject to terms and conditions.

**Who will assess the value of property?**Bank Alfalah Islamic Banking’s appointed valuation agencies will evaluate the property to determine the market and forced sale value.

**Who will arrange the legal opinion?**Bank Alfalah Islamic Banking will obtain a legal opinion on the property documents provided by applicant.

**Who will keep the original property documents?**Bank Alfalah Islamic Banking will keep all the original documents relating to mortgaged property till the tenure of financing.

**Will spouse’s income also be considered?**Yes the spouse’s income can also be combined with applicant’s incomes.

**Frequently Asked Questions— Alfalah Ghar Asaan (Markup Subsidy Scheme for Housing Finance by GoP)**

|  |  |  |
| --- | --- | --- |
| Sr.No | FAQ | Proposed Response |
| 1. | Can financing under the facility be utilized for the purchase of plot? | A plot of land can only be purchased under the facility if a house is to be constructed on the plot and financing is meant both for purchase of land and construction thereon provided all other terms and conditions of the facility including maximum price of house and maximum loan under the relevant tier are complied with. |
| 2. | How can the first time homeownership be established? | In order to establish first time homeownership, financing bank will obtain an undertaking to the same effect from its borrower/customer with necessary provisions for termination of subsidy and other penalties, in case it is established at a later stage, that the borrower/ customer owned a house at the time of application for availing subsidy facility. |
| 3. | Is the financing also available for purchase of flat | Yes, financing will be available for purchase of flat which meets covered area requirements specified for ‘apartment’ under the Facility. |
| 4. | Is the financing for expansion/extension in the existing housing unit allowed? | Yes, financing will be available for expansion/extension of existing housing unit provided the housing unit after expansion/extension falls within the criteria specified under the facility. |
| 5. | Can financing under the scheme be utilized for renovation of the existing residential unit? | No, financing for renovation of existing housing unit will not be allowed under the facility. |
| 6. | Is bank staff eligible to avail financing under this facility? | No, bank staff is not eligible under the facility |
| 6a. | Whether banks’ third party staff is eligible under the scheme? | Yes |
| 6b. | Are contractual employees of banks eligible for financing under the Scheme? | Contractual employees of banks who are below officer grade and are not eligible to avail staff housing finance are eligible for financing under the Scheme. |
| 6c. | Whether staff of Microfinance banks is eligible? | Yes |
| 6d. | In case **if a bank staff is NOT eligible** under their respective HR house loan policy/ facility (for whatever reason), whether such employees of the bank can avail this scheme? | No. Permanent employees of the bank are not eligible under the scheme. |
| 7. | What does new house mean? | New house/ apartment/ flat means a unit not more than 1 year old from the date of application, as established by Completion Certificate. |
| 7a | Where "Completion Certificate" is **NOT available**, how we can gauge age of property? | In such areas where completion certificate is not available, valuation certificate issued by external valuers may be considered. |

|  |  |  |
| --- | --- | --- |
| 8. | What does first purchase mean? | First purchase means first transfer of the house/ apartment/ flat. |
| 8a. | If the property is being sold out in 1 year to 2nd owner, can the 2nd owner apply for the financing under this facility? | Financing is available under the scheme to the borrower at the time of first transfer of title document. |
| 9. | How much income of co-borrower can be clubbed and how many coborrowers/applicants are allowed? | In case of co-applicants, 100% income of coapplicants may be clubbed for credit assessment. Up to four co-applicants are allowed for a single housing unit. |
| 10. | While availing the markup subsidy, is it allowed to sell or rent out the residential unit? | Home owner will not be allowed to sell the housing unit before expiry of 5 years from the date of acquisition. Further, during this period, he/she will not be allowed to rent out financed housing unit. |
| 11. | What is difference between Tier 1 (T1) and Tier 2 (T2)? | The residential units announced by NAPHDA fall under Tier 1 (T1). All other residential units with the same specifications/measurements fall under Tier 2 (T2). |
| 12. | What would be the size of housing units under Tier 3 in terms of Marla? | Housing units under Tier 3 are required to be greater than 5 Marla but up to 10 Marla. |
| 12a. | Is there any covered area requirement for house in Tier 3 as covered area is only mentioned against apartment/ flat? | The covered area requirement for house under Tier 3 is the same as it is for apartments/ flats that fall under Tier 3. |
| 13. | In case the plot size of housing unit is 5 Marla but the covered area is more than 850 square feet, what would be its classification in terms of Tiers defined in the scheme? | The housing units of up to 5 Marla with covered area of more than 850 square feet and upto 1,100 square feet will be covered under Tier 3 (T3). |
| 13a. | If the price of housing unit is greater than Rs. 3.5 million (say Rs. 4.0 million) but size of housing unit is under Tier 2 i.e. upto 5 marla with covered area upto 850 sq/ft. **Will it fall under tier-2 or tier-3 & why?** | It will fall under Tier 3. This has already been clarified in FAQ 13, available on SBP website. In order for a house/ flat/ apartment to be eligible for under particular Tier, all criteria under that Tier has to be met. If any of the criteria exceeds prescribed limit, financing will fall under higher Tier. |
| 14. | What Loan-to-Value (LTV) ratio should be observed while extending financing under the scheme? | The housing finance under Tier 1 and Tier 2 shall be provided at a maximum LTV ratio of 90:10 whereas it is 85:15 for Tier 3. |
| 15. | Will the markup subsidy be available even after the loan is classified as loss? | Markup Subsidy will be discontinued on categorization of a loan as "Loss". |
| 16. | Is unequal monthly installment for the repayment of loan allowed under the scheme? | The repayment of financing under this Facility will be in equal monthly installments. |
| 17. | Will there be any prepayment penalty? | In case of early payment, banks will not charge penalty to the customer. |
| 18. | Which KIBOR shall be used for loan pricing? | The KIBOR used for pricing will be One Year KIBOR to be reset every year. |
| 19. | Is the pricing spread for banks mentioned in the scheme fixed for each Tier? | The spread mentioned in the scheme for each Tier is the maximum spread. Banks may opt for less spread. |
| 20 | Can banks obtain documents in addition to checklist provided by PBA? | The financing banks will not require borrowers to provide documents in excess of standard checklist of documents circulated by Pakistan Banks’ Association. |
| 21. | Is it right to say that the financing tenor under the facility is up to 10 years with flexibility to go up to 20 years, depending upon choice of customers. | It is other way round. The financing tenor is up to 20 years with the flexibility on the choice of the customer. |
| 22. | What is the **minimum financing tenor** under this scheme? | Minimum financing tenor under the scheme is 10 years. |
| 23. | Is**NRP** eligible under this scheme either as a main applicant or co-applicant? | The financing can be extended to an NRP holding CNIC. However, financing bank has to adhere to all relevant regulations including Foreign Exchange Regulations. |
| 23a | Are NRP allowed to avail financing under the subsidy facility? | Yes, NRPs holding NICOP can also avail financing under ‘Markup Subsidy for Housing Finance’. |
| 24. | In case of both salaried & non-salaried individual working in an **informal sector,** how can a minimum required tenor of job & business be ascertained in the absence of any formal document? | There is no regulatory requirement of minimum tenure for Job/ business of a borrower |
| 25. | Can this facility be **terminated/paid-off** at any point of time say **before 5 years** or there is any minimum terminated/pay-off period. | Facility can be terminated/paid-off by borrower at any point in time. Further, financing banks will not charge any prepayment penalty in case of early repayment by the borrower. |
| 26 | Is there any**maximum income criteria**? | There is no such regulatory requirement. |
| 27. | If applicant holds an **agricultural land**, can he/she apply under this scheme? | Scheme does not bar such arrangement provided all other Federal/ Provincial Governments’ rules & regulations are observed. |
| 28. | In case where **both spouse are working,** can they both apply on their own? | Both spouse can apply. However, only one of the spouse can avail financing under the scheme. |
| 29. | Kindly also provide subsidy mechanism for this scheme. | State Bank will provide procedure of claiming subsidy separately. |