

## Flat loan questions and their answers

- Question** : I want to buy a flat, Can you tell me what loan facility I can get from Bangladesh House Building Finance Corporation?
- Answer** : Bangladesh House Building Finance Corporation provides loans for the purchase of flats.
- Question** : How much will BHBFC lend?
- Answer** : For the purchase of flats, loans ranging from Rs 50 lakh to a maximum of Rs 150 lakh are given depending on the area.
- Question** : How much money is borrowed for an area?
- Answer** : A maximum of Tk 150 lakh was given in Dhaka and Chattogram metropolitan areas, while a maximum of Tk 120 lakh was given in other divisional cities of the country, Rajuk and Cantonment Board of Savar upazila and a maximum of Tk 75 lakh in other district headquarters. Loans up to Tk 50 lakh were provided in peri urban, upazila headquarters and growth center areas.
- Question** : What is the eligibility of a loan applicant?
- Answer** : Any citizen of Bangladesh who is adult, healthy and fit to contract and able to repay the loan can apply for a flat loan.
- Question** : Where do I need to contact to get a loan?
- Answer** : The loan activities are conducted through the existing branch offices of the corporation all over Bangladesh. You will have to apply for the loan at the branch office of BHBFC concerned in the area where you are willing to buy a flat .  
For more information, the names, addresses and phone numbers of these offices can be found by visiting the BHBFC website [www.bhbfc.gov.bd](http://www.bhbfc.gov.bd).
- Question** : Can I apply for a loan online?
- Answer** : The loan application can be made online. In that case, visit the corporation's website [www.bhbfc.gov.bd](http://www.bhbfc.gov.bd).
- Question** : What is the interest rate of flat loans?
- Answer** : The interest rate on flat loans is 9%.
- Question** : Do you need any investment to buy a flat?
- Answer** : The borrower's own investment is at least 25%; In the case of probashbondhu and flat loans, 30%, however, the amount of investment may increase due to the ability to pay the installments of the loan and the ceiling of the area.

**Question :** How will the amount of the loan be determined?

**Answer :** Tk 6,500/- per square foot in government plots in Dhaka and Chittagong metropolitan areas and 75% of the total price at Tk 6,000/- per square foot in private plots; 70% loan will be provided for prabasbandhu and flat loans  
Again, 75% of the total value of Tk 5,000/- per square foot will be given in all divisional headquarters and district headquarters areas outside Dhaka and Chittagong metropolitan areas.  
In Perry Urban, Upazila Headquarters and Growth Center area, 75% of the total value will be given as per square foot loss of Tk 3500/- or the actual price, whichever is less.

**Question :** Will loans be available at the same rate in the garage and common space of the proposed flat?

**Answer :** A maximum of Tk 5.00 lakh will be added to the proposed flat and if there is any common space per unit of the approved design as per the agreement signed between the flat and the developer, the price will have to be paid by the flat buyer from his own source.

**Question :** What should be the size of the flat?

**Answer :** It's entirely up to the flat buyer. Loans will not be given more than the maximum ceiling of the loan depending on the area. In this case, the extra money will have to be borne by the flat buyer.

**Question :** What is the repayment period?

**Answer :** Equal monthly installments will be fixed within the specified period in the emertized method for the payment period of 5, 10, 15, 20 (25 if expatriate friend).

**Question :** In any case, if the loan is repaid, will the loan be repaid within the stipulated time?

**Answer :** No, if the fixed monthly installments are paid regularly, all the loans will be repaid within the stipulated time.  
In this case, if someone deposits more than the installment, then all the loan will be repaid before the scheduled time.

**Question :** What will be the monthly installment of the loan taken?

**Answer :** Determining the installment of the loan taken:  
The amount of all monthly installments will be equal in the emerald system; The monthly installment amount of Rs 1 lakh (excluding IDCP) at 9% interest per annum will be determined as follows:

Payment period	Monthly installment amount at 9% interest rate	
- 25 Years	839	
- 20 Years	900	
- 15 Years	1015	
- 10 Years	1267	
- 5 Years	2076	

**Question :** How to pay the interest charge before the start of the monthly installment of the loan?

**Answer :** According to the rules of the corporation, the interest at the time of construction (IDCP) will be payable according to the manual of the accounting department, i.e. the calculated interest will have to be deposited as the loan of the borrower from the day of receiving the first installment of the approved loan to the day before taking the second or next installment.

**Question :** Can expatriates also get flat loans?

**Answer :** Expatriate Bangladeshis can also apply for this loan.

**Question :** What is the equity of the loan for flat loans for expatriates?

**Answer :** For expatriate Bangladeshis, the investment ratio in flat loans is 70:30.

**Question :** Is the repayment period the same for expatriates?

**Answer :** For expatriate Bangladeshis, the maximum tenure is 25 years.

**Question :** What are the documents required to be submitted along with the temporary application for flat loan?

**Answer :** List of documents to be submitted along with the temporary application:

- If the borrower and the developer have taken a loan from another bank or financial institution in the provisional application form of the loan, then their information should be added and the flat should be given a loan-free certificate of another institution before the mortgage is paid;
- Attested photocopy of registered contract for purchase of flat executed with flat buyer and developer;
- In case of government flats, attested photocopies of allotment letters should be provided;
- Attested photocopies of the agreement signed with the landowner and developer must be provided;
- Attested photocopies of approved designs and approval letters must be provided;
- Provide a route map to inspect the proposed mortgage land/site;

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**Question** : What is considered when approving a temporary application?

**Answer** : After reviewing the documents submitted, determining the accuracy and considering whether the building has been constructed or not according to the design approved by the appropriate authority, as well as the reputation, status, financial well-being of the loan applicant as well as the developer, the provisional application is approved.

**Question** : Are there any limitations on the type of ownership of the proposed land/plot of the flat?

**Answer** : Loans are provided on leased government plots, private land and flats allotted by government agencies.

**Question** : What are the documents to be submitted along with the formal application for flat loan?

**Answer** : List of documents to be submitted along with formal application:

- List of land rights papers/documents:

Serial numbers	In the case of leased plots	In the case of privately owned land	In case of providing loans to flats allotted by government agencies
၁။	Land ownership deed of the proposed apartment building (attested photocopy of lease deed or post-lease ownership document). Also attested photocopy (if any) of original allotment letter and transfer of possession as chain of documents.	Land ownership document of the proposed apartment building (attested photocopy of original ownership document and attested photocopy of chain of documents of continuity proof from SA/RS recorded owner).	(1) Original allotment letter of flat. (2) Structure design, bearing certificate with mortgage permit from government authorities. (3) Engineering certificate (as per sample) that the structure of the building has been constructed according to the design of the building.
၂။	Permit/No-Objection Certificate (NOC) to mortgage in favour of the corporation in the	12(12) year NEC (signed by concerned District	Mortgage permit from the lease provider.

	name of the buyer from the lessor.	Registrar/ Sub-Registrar).	
৩।	Attested photocopy of namzari documents provided by the lessee.	C.S., S.A., R. Attested photocopy of S, PS, Metropolitan Survey and BS Khatian, attested photocopy of DCR and Halson's rent receipt along with Namzari Khatian.	
৪।	Original copy of registered purchase agreement for purchase of flat and allotment letter.	Original copy of registered purchase agreement for purchase of flat and allotment letter.	
৫।		Before the first installment, the original copy of the ownership document / agreement document for purchase of flats should be submitted.	

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**Question :** What other documents do you have to submit along with the formal application?

**Answer :** List of other documents to be submitted along with the formal application:

- The applicant will have to submit a copy of the national identity card, 2 copies of passport size photograph and 3 sample signatures on white paper (attested by the 9th and above grade officer of any government-owned organization).
- Receipt for submission of application fee fixed by the corporation (currently at the rate of Tk 5/- per thousand + including VAT at the rate fixed by the government).

- Proof of income of the loan applicant (salary certificate on the specified page of the loan application form in case of employment and affidavit / income tax payment certificate related to trade license and income tax payment in case of business).
- The flat loan applicant or his guarantor should be the income tax payer and submit a certificate of income tax payment with the E-TIN number.
- Loan from the developer company/flat construction person should take a declaration whether there is any loan in the proposed building. If the building is responsible to any financial institution, the flat concerned will have to be released before the tripartite agreement/rehen document registry. If the proposed mortgage flat is responsible to any organization, then the written consent of the concerned institution will have to be given regarding the release of the flat including the land.
- Attested photocopies of the association memorandum, code of association and registration certificate of the developer company will have to be submitted.

**Question :** What additional documents will be required with the application of expatriate Bangladeshis?

**Answer :** List of additional documents to be submitted along with the application of expatriate Bangladeshis:

- Photocopies of all documents or documents, including employment certificates, resident permits and passports abroad, must be submitted along with the loan application form;
- Expatriate citizens should also have a Bangladeshi passport and submit attested photocopy of the passport;
- A nominee/representative based in Bangladesh should be appointed as a power of attorney to oversee the house/flat and overall functioning built on loan.

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**Question :** What are the engineering papers need to submit?

**Answer :** List of engineering papers:

- Attested photocopy of approved design of the concerned building (with copy of approval letter).
- Undertaking provided by the developer organization to work according to the design.
- Attested photocopy of soil soil test report.
- Structural design of the respective apartment buildings. Certificate regarding the carrying capacity of the building issued by the Graduate Civil Engineer / Executive Engineer / Engineering Consultancy Organization with at least 5 years experience in the case of buildings up to 6 (the engineer issuing the certificate must be a member of the Institution-of-Engineers Bangladesh).
- If the under-construction building is 7 (7) or more storeys, the certificate regarding the weighting of the building issued by the graduate civil engineer / engineering consultancy organization with 10 years experience in construction and design (the engineer issuing the certificate must be a member of the Institution-of-Engineers Bangladesh and mention the member number below the seal signature of the concerned engineer).

- Before receiving the first cheque, the implementation certificate will have to be submitted from the engineer supervising the construction work that the construction work is being implemented according to the structure design and design submitted.

However, before the application of the first installment cheque in all the loan cases where piling is required, a certificate should be submitted/accepted under the supervision of an established engineering firm or qualified engineer that the soil test report and structure design (according to the design of the piling) have been properly piled.

- In the case of private housing companies, attested photocopies of sangha swartak, code of association and registration certificate (if the paper of that company has been submitted in a previous case, then it will not be required to be submitted in another case).
- Photocopies of papers/documents whose original copies are stored with the developer must be attested by a permanent and responsible officer of the developer company.

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**Question :** How many installments will be needed to pay the sanctioned amount of flat loan?

**Answer :** The sanctioned amount will be paid in a maximum of 3 installments.

1st installment - 25%

2nd installment - 25%

3rd installment - 50%

**Question :** Whom and how will the sanctioned loan amount be paid?

**Answer :** If the buyer of the built flat submits the ownership document, the approved loan is paid in single or multiple installments based on the progress of the construction work.

**Question :** Is it possible to register the original ownership document of the flat if you cannot pay the price of the flat?

**Answer :** In this case, the original ownership document of the flat built can be completed in favor of the corporation on the date of registration and can receive the loan cheque.

**Question :** Can the approved loan money or installment be paid to the developer company?

**Answer :** The cheque of the loan may be paid to the developer or his representative in accordance with the power of the loanee or in accordance with the written consent letter.

**Question :** Does the loan applicant have to have an account in a bank?

**Answer :** Yes, the loan applicant should have a savings account in any scheduled bank in Bangladesh. Loan disbursement and recovery activities will be taken through this account.

**Question :** When will the monthly installment start?

- Answer** : If all the sanctioned amount is accepted, the monthly installment payment will start from the 1st of the second month after receiving the last installment.
- Question** : When will the monthly installment start if you do not accept all the sanctioned money?
- Answer** : If you do not accept all the money, the monthly installment of the loan will start from the 1st of the next month of receiving the last cheque.
- Question** : Can you get a loan to buy an old flat?
- Answer** : If the design approval period is within 15 years, the loan will be available in the old flat.
- Question** : Is a loan given to a developer for the construction of a flat?
- Answer** : No, only the flat buyer is given a loan to buy the flat.
- Question** : Is a loan provided from a land owner or when a private house is purchased?
- Answer** : Yes, in that case, the loan is given to the flat buyer.
- Question** : Is a loan provided if a developer is not a member of REHAB?
- Answer** : Although not a member of REHAB, loans are given in accordance with the rules of the corporation in the flat purchased from any developer.
- Question** : Within how many days is the loan granted?
- Answer** : The loan grant is granted within 30 days of submitting the formal application along with the documents sought by the corporation.