

Questions and Answers to House Building Loans

Question : I have a piece of land. What loan facility can I get from Bangladesh House Building Finance Corporation?

Answer : Bangladesh House Building Finance Corporation provides loans for the construction of single houses and group houses.

Question : Can you elaborate on individual or group-based issues?

Answer : You have land under a single name. If you want to build a house on that land, there will be a loan in the name of a single person. Again, how many brothers/sisters or a few friends have purchased a piece of land or how many siblings have inherited the father's property, then there will be a group loan.

Question : Will it be possible to build a house with the amount of loan given from BHBFC?

Answer : The first thing I would say is that BHBFC never advises or lends to build a house with full loan money. Because it will make it difficult for a borrower to pay the amount of monthly installments. The corporation provides loans in the ratio of 80:20. Secondly, considering the market price of the current construction materials, quality housing and competitive market, the ceiling of the loan has been increased from Tk 40 lakh to Tk 2 crore.

Question : How much money is borrowed for an area?

Answer : A maximum of Tk 2 crore is given in Dhaka and Chittagong metropolitan areas, all city corporation areas and areas under the development authority of Cox's Bazar and a maximum of Tk 100 lakh in the district headquarters. Loans up to Tk 80 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 between the ages of 18 and 65, healthy and contract-eligible and able to repay the loan can apply for a home construction loan.

Question : Where do I need to contact to get a loan?

Answer : The loan activities are conducted through the existing 66 branch offices of the corporation. You have to apply for the loan at the bhbfc branch office in the area where you want to build a house .

For more information, the names, addresses and phone numbers of these offices can be found by visiting the BHBFC website 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.

Question : What is the interest rate on home construction loans?

Answer : The interest rate on loans in Dhaka and Chittagong metropolitan areas is 9%. However, the interest rate in all divisional and district headquarters areas and peri urban, upazila headquarters and growth center areas of the country is 7 and 8%.

Question : Do you need any investment in building a house?

Answer : The borrower's own investment is at least 20%, but the amount of investment can increase due to the ability to pay installments of the loan and ceiling in the area.

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

Answer : The amount of the loan is determined by calculating up to 80% of the total estimated cost of construction according to the ability to pay the installment of the loan, the ceiling of the area-wise loan and the construction rate described below.

Covered areas	Construction rate (Per square foot)
1. All divisional cities and city corporations and district headquarters areas of the country	<u>For RCC frame structure:</u> Ground Floor Residential 3519/- Garage 2744/- Upstairs 2071/-
2. Loans for building houses in rural areas (Perry Urban and Upazila Headquarters and Growth Center Area)	<u>For RCC frame structure:</u> Ground Floor Residential 3341/- Garage 2643/- Upper Floors 1896/- Or Load bearings for brickwall structure Ground Floor Residential 1557/- Garage 900/- Upper Floors 1164/-

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 tk 1 lakh (excluding IDCP) at 8% and 9% interest per annum will be fixed as follows:

Payment period	Monthly at 8% interest rate Amount of installments	Monthly installment amount at 9% interest rate
- 20 Years	Rs 837.00	৯০০.০০
- 15 Years	Rs 956.00	১০১৫.০০
- 10 Years	Rs 1213.00	১২২৭.০০
- 5 Years	Rs 2028.00	২০৭৬.০০

Question : can you elaborated on the different types of loans?

Answer : These loans have been referred to by different names depending on the individual and the region. For example:

Prabasbandhu, Nagarbandhu, Pallima, Housing Development Loan Housing Repair Loan, Government Employee Loan

These names give some idea of who is suitable for what kind of loan.

Question : Tell me about loan products?

Answer : 'Nagar Bandhu'

Loan facility named 'Nagar Bandhu' is provided for the construction of single/group houses in Dhaka and Chittagong cities;

The maximum loan limit here is Rs 2 crore;

Interest rate: 9%

The paymentperiod is 5, 10, 15 or 20 years.

Pallima

Pallima loans are provided for the construction of houses in a single/group in any divisional headquarters, district/upazila, growth center outside Dhaka and Chittagong metro areas.

Loan Limit: This loan limit varies from region to region.

Interest rate: 8% interest rate for building a housemay be paid for 5,10,15 or 20 years.

Abashon Unnayon

Abason Unnayon loans were given to complete the construction of under-construction houses and unfinished houses in Dhaka and Chattogram metro areas, all divisional and district headquarters areas and rural areas of the country.

Loan limits and interest rates: These loan limits and interest rates vary from region to region.

The payment period is 5, 10, 15 or 20 years.

Abashon Meramot

citizens of Dhaka and Chittagong metropolitan areas and all divisional and district headquarters areas of the country; Those who have built and repaired/repairable houses.

Loan limit and interest rate: The limit and interest rate of this loan varies from region to region.

The payment period is 5, 10 and 15 years.

Question : The construction of the under-construction three-storey house is almost complete. All floors are partially finished. In this case, what kind of loan will be available?

Answer : You can apply for any of the Nagarbandhu/Pallima/ Abason Unnayon Loans. However, the design period for loans under Abason Unnayon cannot exceed 25 years.

Question : If you are interested in taking a loan in the Union Parishad (growth center outside the sub-city, municipality), can the loan be taken if the design of the house is approved by the chairman of the union council concerned?

Answer : It should be signed by the Upazila Parishad Chairman / UNO or Upazila Engineer and Upazila Chairman / UNO.

Question : What are the conditions for getting a housing repair loan?

Answer :

- The value of the proposed house should be five (5) times the loan paid.
- Design approval must be within 35 years.
- If the house is built to take a loan, then the loan can be obtained by paying all the amount of the loan.

Question : Can you tell us about the system?

Answer : Loans are sanctioned in two simple steps. First, a temporary application must be filed. The formal application will have to be submitted subject to the approval of the primary application.

Question : How much does the application cost?

Answer : The primary application form is given free of cost and the formal application costs only TK 500.00 (five hundred).

Question : Is there any fee to process a loan application?

Answer : Yes, only at the time of filing the formal application, vat has to be deposited at the rate of Tk 3/= per thousand + the rate fixed by the government on the loan application fee on the amount of loan applied; Which is non-refundable.

Question : Are there any other charges/hidden charges?

Answer : We don't have a hidden charge. However, at the time of applying for the first installment cheque after the loan grant, VAT has to be deposited at the rate of Tk 3/= per thousand as loan inspection fee on the amount of loan approved + at the rate fixed by the government; Which is non-refundable.

Question : What documents do you have to submit with the primary application?

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

- Attested photocopy of design and design permit of under construction/under construction approved by the appropriate authority.
- Ownership documents, namazari khatian, DCR, attested photocopy of Halson's rent receipt, etc.
- To facilitate the inspection of the construction site by this organization , 2 copies of hand-drawn route map (with the signature of the applicant) on the tracing paper mentioning important structures in the vicinity along with the details of the road leading to the proposed construction site.

The temporary application form can be collected free of cost from the concerned branch office or downloaded from the corporation's website and filled it properly and submitted.

Question : What is considered when approving a primary application?

Answer : After reviewing the documents submitted, the accuracy will be determined and the construction of the building will be seen as per the design approved by the appropriate authority.

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

Answer : Loans are provided on leased government plots, private land.

Question : What are the documents to be submitted along with the formal application form for a home construction loan?

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

(a) In case of private/privately owned land:

- The applicant should submit the original ownership document (safa kabla / donation letter / distribution nama) and a photocopy of the said document (attested by the officer of 9th and above grade). If the original document is not available from the registry office

before the application, then the original receipt for withdrawal of the document and the fee for withdrawal of the document will be Tk 200/- and a certified copy of the document will have to be submitted.

- Certified copies of C.S., S.A. and R.S., B.S. and CT surveys .
- D.C. with anonymous accounts. And he's an updated rent receipt.
- Nirdaya Certificate (NEC) with 12 (twelve) years of nuisance issued by the district/sub-registrar's office.

(b) In case of land allotted by government/national housing authority/(former housing settlement)/rajuk/cda/kda/rda/cantonment board/housing society (land allotted from government) etc.

- Original allotment letter.
- Transfer letter of possession.
- Original lease document and an attested photocopy thereof (attested by officers of 9th and above grade). If the original document is not available from the registry office, then the original receipt of the withdrawal of the document and a fee of Tk 200/- for the withdrawal of the document will have to be paid and a certified copy of the document will be submitted.
- If the owner of the transfer from the original eloti is the original ownership document and the nomination papers in the office of the allotting authority.
- Documents such as mortgage permission/no-objection certificate (NOC) etc. should be submitted from the leasing institution to the corporation.

For more information, visit bhhfc's website www.bhhfc.gov.bd .

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:**

- Attested copy of the applicant's National Identity Card. 3 (3) copies of attested signatures and 2 (two) copies of passport size attested photographs taken recently (by officers of 9th and above grade of National Pay Scale 2015);
- The receipt of submission of application fee (currently at the rate of Tk 3/- per thousand + including VAT at the rate fixed by the government) can be deposited in the specified form of the corporation in the designated form of the corporation in the designated form of Janata Bank on the ground floor of sonali bank and bhhfc building. Apart from this, the application fee can also be submitted to the concerned zonal / regional office of the corporation. The formal loan application form is worth Rs. 500/- (five hundred);
- Proof of income of the applicant. Salary certificate on the specific page of loan application form in case of job and affidavit about trade license and income in business. If income tax was payable income, the amount of income including the e-TIN number would be mentioned: income tax certificate;

- If the loan applicant does not have his own income, then the earning parent / husband / wife / son / daughter can be made a guarantor and in such case, the question paper form of the designated guarantor of the corporation will have to be submitted in support of the income of the guarantor;
- According to the approved design, a declaration should be made on a non-judicial stamp of appropriate value that the house will be built and the house has not been built by taking a loan from the corporation or any other financial institution.

Question : Tell me about required engineering papers?

Answer : **List of engineering papers:**

- Two copies approved design with approval letter for the design of the house to be constructed by the appropriate authorities.
- Soil test report of the respective plots.
- 2 copies of structure design (structural design) for multi-storey buildings.
- Certificate regarding the carrying capacity of the building provided by the graduate civil engineer/ engineering consulting institution with at least 5 (five) years of experience in the case of building up to 6 (the engineer issuing the certificate must be a member of the Institution of Engineers Bangladesh);
- (b) In the case of buildings of 7 (7) and above, the certificate of carrying the weight of the building issued by the graduate civil engineer / engineering consulting institution with 10 years experience (the engineer issuing the certificate must be a member of the Institution of Engineers Bangladesh);
- (c) In the case of Dhaka and Chittagong metropolitan cities, earthquake resistant certificates should be given according to THE BNBC. In other parts of the country, a graduate civil engineer with 5 years of experience in the load bearing capacity of soil should be given.

For more information, visit bbbfc's website www.bbbfc.gov.bd .

Question : Will the sanctioned amount of the home construction loan be paid one time?

Answer : No, the sanctioned amount will be paid in multiple installments.

Question : When will the sanctioned amount be paid?

Answer : Once the borrower's own investment is completed, the sanctioned amount will be paid based on the progress of the construction work.

Question : How will the first cheque of the sanctioned loan be paid?

Answer : Once the borrower's own investment is completed, the first cheque of the approved loan will be issued by completing the registry mortgage in favor of the proposed mortgage plot corporation.

Question : Can the money or installment of the sanctioned loan be paid to a representative?

Answer : The cheque of the loan may be paid to his representative in accordance with the ability of the borrower to land or in accordance with a 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 : Is there a specific time/limit for accepting the approved loan money?

Answer : Heck yes; After receiving the first installment cheque, all the cheques of the approved loan should be accepted within not more than 12 months and the construction of the house should be completed.

Question : Is a developer given a loan to build a house?

Answer : No, only the landowner is given a loan to build a house.

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.

Question : If the land owner is more than one, will the loan be given?

Answer : Yes, in this case, group loans are given for joint construction of houses.

Question : What additional documents/documents need to be submitted for joint construction of the house?

Answer : List of additional documents/documents required for group loan:

- In case of multiple owners of the land, a certified photocopy of the said document along with the registered agreement document of the group loan should be submitted as per the sample of the corporation (attested by the officer of the 9th and above grade of the National Pay Scale 2015);

- If the original document is not available from the registry office, then the receipt of withdrawal of the original document and a fee of Tk 200/- for the withdrawal of the document will have to be deposited and a certified copy of the document will be submitted.

Question : Can you elaborate on the interest rates and amounts of group-based loans?

Answer : The interest rates and amounts of group-based loans for jointly building houses are:
(a) Dhaka and Chittagong metropolitan areas - a maximum of Tk 120.00 lakh each of the group at 9% interest.
(b) All divisional and district headquarters areas of the country (except Dhaka and Chittagong metropolitan areas) and peri-urban and upazila headquarters and growth center areas - a maximum of Tk 60.00 lakh each of the group at 8% interest.

Question : Can a loan be taken on behalf of a minor/physically disabled person?

Answer : Legal guardian or normal guardian can take loans on behalf of minors/physically challenged persons.

Question : In case of husband and wife joint applicant, can the loan be given if the husband is above 65 years of age and the wife is less than 65 years of age?

Answer : Yes. However, if the wife does not have her own income, then the earning son/daughter will have to be appointed as a guarantor. The two will be given a loan together.

Question : Is there an age limit for borrowing?

Answer : Heck yes; Applicants must be between 18 and 65 years of age. However, if the age of the applicant is more than 65 years, then the adult boy/girl (who has income) will have to be appointed as a guarantor.

Question : Are loans given for commercial/commercial--residential buildings?

Answer : Loans are given only for the construction of residential buildings. Loans are also considered for residential portions of commercial--residential buildings. However, in this case, the commercial part will have to be built at its own expense before receiving the first installment of the loan.

Question : Can someone living abroad such as Malaysia or Canada build a house with a loan from Bangladesh House Building Finance Corporation?

Answer : Considering the expatriate Bangladeshis, Bangladesh House Building Finance Corporation has launched a new loan facility named "**Prabas Bandhu**".

- This loan is provided at simple interest for expatriates to build houses in single groups across the country.
- The repayment period is 5, 10, 15, 20 or 25 years.

Question : What are the eligibility and rules for obtaining "**Prabas Bandhu**" loans for expatriates?

Answer : Eligibility for loan:

- i. Bangladeshi expatriates living in the Middle East, Malaysia, Singapore, UK, USA, Australia, Canada, Italy and other countries who are above 3 years of age;
- ii. Must have valid documents of having foreign exchange income, including Bangladeshi passport and resident permit;
- iii. A valid representative must be nominated in Bangladesh;

Citizens interested in building houses or building/buying flats on their own land in any important residential/commercial area of Bangladesh.

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 asked to oversee the house and overall functions built on loan.