



sambacare
samba customer care



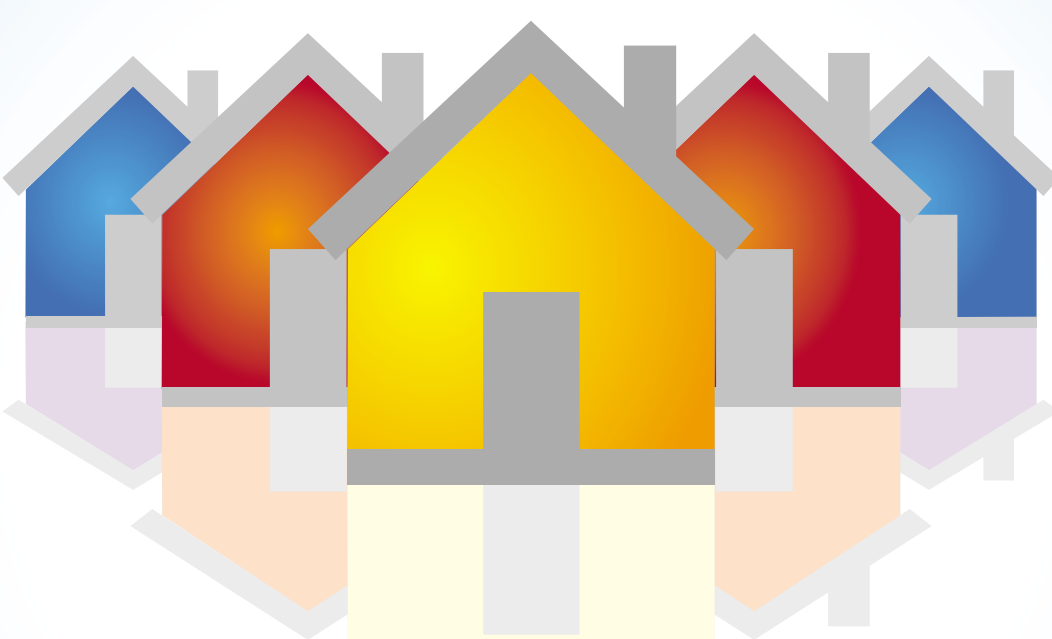
Home Finance



Home Finance

Concept of Home Finance

This is financing that a beneficiary receives from commercial banks and mortgage financing companies that are licensed to practice activities of mortgage financing with the aim of purchasing a mortgage product.



The need for mortgage financing has emerged to fill the financing gap between the value of the residential property and the available funds of the person wishing to obtain a mortgage product that meets his/her goals and desires.

Financial and banking institutions have competed to offer financing products and solutions that can be effective in dealing with the insolvency of those who wish to own a property, and they offer the proper financing based on credit eligibility.



Finance Regulations

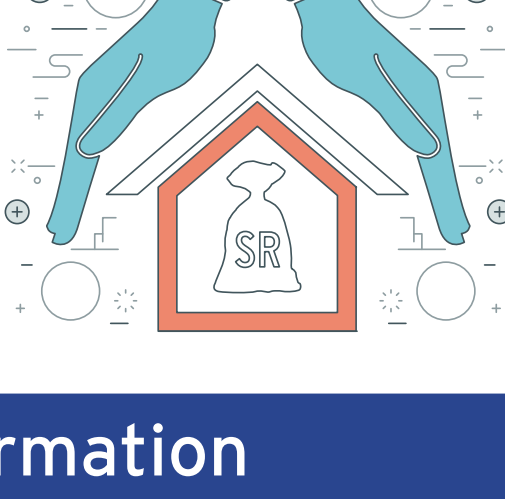
Licensed banks and mortgage financing companies apply regulations, controls and executive by-laws set by regulatory and supervisory entities. This has enhanced levels of protection from any risks associated with this type of financing. These regulations aim at protecting the rights of concerned parties and promoting trust in dealing with mortgage financing.



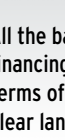
What is Mortgaged Finance?



It's financing offered by a licensed financial institution/bank to individuals or entities to enable them to purchase a property to use it or as an investment. The ownership of such property shall be a guarantee/mortgage against the financed amount. In case the beneficiary is unable to pay the finance amount, the financing institution resorts to taking any procedures that allow it to own the property and then end the liability of such beneficiary. "The property shall continue to be mortgaged for the financing institution (mortgagee) until the beneficiary (mortgagor) pays all the payable finance amount.



Important Information



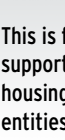
Home finance contract Must include:

All the basic information of financing the product and basic terms of financing contract in a clear language to the customer in accordance to the format established by the Saudi Arabian Monetary Authority "SAMA", and that the receipt of this outline shall be documented in the finance file.

85%

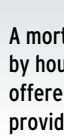
SAMA has recently decided

to raise the mortgage loan limit to 85% of the first residential property value and that shall be limited to citizens only.



Housing Support

This is financial or credit support offered by the State, housing associations or other entities aiming at facilitating house ownership.



Supported Housing Mortgage Finance

A mortgage product covered by housing support and offered by housing finance provider through a mortgagee.



Responsibility of Mortgagee



To register the credit information of the beneficiary after giving his/her consent to licensed companies to collect credit information.



To inspect the credit report of the beneficiary after giving his/her consent to check his/her financial solvency and ability to meet their financial obligations, in addition to checking his/her credit behaviour and document that in the finance file.



To reject the finance application if the customer hasn't given the consent referred to in paragraphs 1 & 2 hereinabove.



Terms of Mortgage Finance Contract

A written or electronic contract must be made between the mortgagee and the customer. Such contract must at least include the following information:

- Names of the contract parties, civil register number, place of residence for the customer, official addresses, contact numbers and any other addresses for the customer like email (if applicable).
- Realtor, if applicable.
- Duration of mortgage finance contract.
- Total mortgage finance amount.
- Term cost and its conditions, along with any other index or reference rate for the agreed upon term cost, in the terms, conditions and procedures for changing the term cost.
- The annual percentage rate (APR) calculated according to the implementing Regulation of the Finance Companies Control.
- Total payable amount due on the beneficiary calculated at the time the contract is signed in, showing the assumptions made to calculate that amount.
- The amount, number and terms of installments the beneficiary has to pay, and the method for distributing interest over the amounts if the term cost is fixed.
- The amount, number and terms of installments the beneficiary has to pay, and the method for distributing interest over the amounts if the term cost is variable, showing three examples; the first describing the amount of installments with the current interest rate; the second showing a higher interest rate; while the third example showing an interest rate lower than the current one.
- Terms of paying the fees or amounts that must be paid without paying the financed amount and the conditions for such payment.
- Description of the consequent impacts of any delay in installment payment.
- Required guarantee and insurance, and any documentation fees, if required.
- The practice of withdrawal and its conditions and any consequent financial obligations.
- Prepayment procedures and procedures for indemnification of mortgagee, if necessary, and the method of such indemnification.
- The procedure for the right to end the mortgage finance contract.
- Detailed information on the mortgage product and the ownership deed of such mortgage.
- Acknowledgment from the mortgagee that they have verified the integrity of the property and that it is free from any in rem liability and provides a description of its condition.
- Acknowledgment from the beneficiary that he/she has seen and inspected the property and that he/she accepts it without prejudice to the responsibility of the mortgagee to verify its integrity.
- Number of the accounts dedicated for depositing the installments of the mortgage.
- Mortgage warranty term for property developer/contractor/consultant and designer, along with their licence numbers.
- Registration number of the Homeowner's Association, its date and location of registration for divided properties.
- Mechanism and timing of inspecting properties by the mortgagee, which should be conducted once every three years.
- Consent from the beneficiary to include his/her information in the credit report.
- Description of the formula used to determine the price in the mortgage finance contract and the variable of term cost so that the customer can understand the term cost and distribute it over the performance term.
- Any other data or information required by the Saudi Arabian Monetary Authority (SAMA).

