Frequently Asked Questions

S#	Question	Response
1	How can the first time homeownership be established?	In order to establish first time homeownership, 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.
2	Can the income of co-borrowers be clubbed under the scheme?	Yes, clubbing the income of co-borrowers is allowed.
3	How much income of co-borrower can be clubbed and how many co-borrowers/applicants are allowed?	In case of co-applicant, 100% income of co-applicant may be clubbed for credit assessment. Only one co-applicant is allowed. Co-applicants include Spouse, parents, adult son and unmarried daughter.
4	What should be the age of applicant while applying loan?	**<u>For Salaried</u>** 21-65 years or retirement age (as per HR policy of the employer) whichever is earlier **<u>For SEB/SEP</u>** 21-65
5	Is the financing also available for purchase of flat?	Yes, financing will be available for purchase of flat which meets requirements specified for 'apartment/flat' under the facility.
6	Can financing under the facility be utilized for the purchase of plot?	A plot can only be purchased under the scheme if a house is to be constructed on that plot and financing is meant for both for purchase of land and construction thereon provided all other terms and conditions of the scheme are complied with.
7	Can financing under the scheme be extended for renovation/expansion of the existing housing unit?	The scheme is only for • Purchase of house/flat • Construction of house on already owned plot • Purchase of plot and construction of house.
8	Can financing under the scheme be utilized for renovation of the existing residential unit?	No, financing for renovation of existing housing unit is not allowed under the facility.

9	Is bank staff eligible to avail financing under this facility?	No, Bank staff are eligible under their respective HR policies for housing. Therefore, not eligible for housing finance under MGMA.
10	While availing the markup subsidy, is it allowed to sell or rent out the residential unit?	The homeowner will not be allowed to sell or rent out the housing unit during the loan tenor.
11	What Loan-to-Value (LTV) ratio should be observed while extending financing under the scheme?	The housing finance shall be provided at a maximum LTV ratio of 90:10
12	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.
13	Can the facility be terminated/paid off anytime or is there a minimum period?	Facility can be terminated/paid-off by borrower at any point in time. Further, financing PFI will not charge any prepayment penalty in case of partial/balloon payment or full settlement by the borrower.
14	Which KIBOR shall be used for loan pricing?	The KIBOR for pricing will be used One Year KIBOR + 3% after 10 years.
15	What is the minimum financing tenor under the scheme?	There is no minimum financing tenor under the scheme.
16	In case the tenor of the loan is less than 20 years, will the borrower be entitled to markup subsidy for 10 years?	The tenor of subsidy will remain 10 years if the loan tenor is 10 years or more than 10 years. In the scenario, where loan tenor is less than 10 years, markup subsidy will be available for the loan tenor.
17	Is there any maximum income criteria?	There is no such regulatory requirement.
18	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.
19	Is there any SBP advice regarding informal income estimations models for housing finance?	It is expected from the banks to utilize their respective income proxy models developed by them in compliance of IH&SMEFD Circular No. 07 of 2021 for housing finance.
20	Is there any maximum limit on value of property being financed under the scheme?	There is no maximum limit on the value of property being financed. However, financing will be extended as per terms of the scheme.

21	Is there any covered area requirement of houses being financed under the scheme?	As provided in the scheme, maximum size of a house being financed is up to 10/Marla or 2720 sq.ft. There is no requirement of covered area for the houses being financed under the scheme. However, In case of Flat maximum covered area will not above 1500 sq.ft.
22	What will be debt burden ratio (DBR) under this scheme?	Up to 65%