Housing Loan - Key Fact Statement

Description:

Housing Loan	Arab Bank offers a conventional home loan designed to support customers in purchasing residential properties in the UAE. The loan is structured as an installment-based facility, where the customer repays the borrowed amount along with applicable interest over an agreed period. This Key Fact Statement provides indicative details of the product, including interest rates, fees, charges, and key terms, to enable customers to make an informed financial decision

Key Products Terms:

- Financing is available for residential properties only.
- The loan tenor is available for up to 25 years.
- Loan to Value will be determined in accordance with UAE Central Bank regulations.
- The customer must provide the required down payment contribution prior to loan disbursement.
- The interest rate is linked to EIBOR and applied as per the signed loan agreement and any subsequent amendments.
- The financed property value will be the lower of the purchase price (as per executed agreement) on the market value determined by a bank – approval valuer.
- Mortgage registration fees are payable by the customer.
- Loan repayment will be through:
  - Salary transfer (where applicable) or
  - Direct debit arrangement

Products Features:

- Competitive Interest Rates.
- Loan amount ranging from AED 50,000 and up to AED 12,000,000.
- Flexible monthly installments with a loan tenor up to 25 years.
- Financing up to 85% of the property value (subject to regulations).
- Loan Buyout facility available.

Loan Management Options:

- Customer may partially settle the loan to:
  - Reduce the monthly installment, or
  - Reduce the loan tenor.

Interest Rate:

- The applicable interest rate is linked to EIBOR and may be fixed for an initial period, followed by a variable rate thereafter.
- Interest is calculated on the outstanding principal balance only, in accordance with applicable regulations.

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Insurance Requirements:

- Life insurance and property insurance are mandatory and must remain active throughout the loan tenor.
- Insurance policies must be assigned in favor of the bank.

Property Insurance	Calculated based on the property value at the time of loan processing.
	Remains fixed throughout the loan tenor.
	Charged monthly from the date of loan disbursement
Life Insurance	Calculated based on the loan amount at the time of processing.
	Premium may vary based on the outstanding loan balance.
	Charged monthly from the date of loan disbursement.

Fees & Charges:

	Housing Loan
Processing Fees	Up to 1% of the loan amount
Deferment of Installment	AED 100 per deferment
Late Payment Fees	AED 700
Early Settlement Fee	Max 1% of the outstanding balance or AED 10,000, whichever is less.
Non-Standard Statement production / copy of original documentation	AED 100
Partial Settlement Fee	Max 1% of the outstanding balance or AED 10,000, whichever is less.
Property swaps administration fee	Max AED 1,320 (Valuation included)
Property valuation fees	AED 3,000 AED 3,500 for residential units – Ajman City
Amendment / Rescheduling fee (Applicant name, tenor, instalment amount, … etc)	AED 500

* 5% VAT applies on all fees and charges mentioned above.

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WARNING!

- If you fail to make your monthly loan repayments, your account will fall into arrears and a late payment fee will be applied.
- The Bank may use funds from your other accounts with us to settle any outstanding amounts on your home loan.
- Failure to maintain regular repayments may result in the loss of your property.
- If you refinance your loan, request installment deferments, or apply for top-ups, restructuring, or rescheduling, the repayment period may be extended compared to your original loan. This could also lead to higher overall interest payments.
- Missing repayments can negatively impact your credit score, which may limit your ability to obtain loans or other financing in the future.

Cooling-Off Period:

The cooling-off period allows you to cancel the product within five (5) business days of signing the application and the Bank will not be able to proceed until this period expires, unless you waive this right.
To cancel within this period you must give the Bank notice by sending an email to Info.ConsumerBanking@arabbank.ae

Additional Information:

- Arab Bank reserves the right to amend its Terms and Conditions, with 60 days prior notice in accordance with applicable laws and regulations.
- Security cheques will not be released unless a formal written request and consent are received from the customer.
- The Bank does not charge compounded interest. Interest is calculated on the outstanding principal amount only, in accordance with applicable regulations.
- The processing of your loan application leading to disbursal into your account may take up to 10 business days from the time bank receives complete documentation.
- You can contact the Bank for any enquiries, assistance at any of its branches or by visiting its website. In case of any complaints, you may refer to the customer complaints unit: ComplaintsUAE@Arabbank.ae

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Example Table: Home Loan Illustration

Loan Amount	2,000,000
Interest Rate (Annual Interest Rate) (FIXED for the first 2 years)	3.99%
Tenor (months)	300
Monthly installment will be	10,485.00
Related Fees:	
Processing Fees (Max 1% based on eligibility)	20,000.00
Insurance fee (0.04% of the loan outstanding) or based on the insurance quote approved by customer.	800.00
Manager cheque fees (if buyout case)	75.00
Early Settlement Fees* (if loan balance was AED 1,500,000 at the time of request) (1% max AED 10,000)	10,000.00
Evaluation fee	3,000.00
Total interest to be paid at loan maturity	1,145,500.00
APR (based on above fees)	4.03%

*1% of the remaining loan balance at the time of submitting the request.

Example of monthly payment allocation

Monthly Installment	10,485.00
Interest for first 30 days	6,650.00
Payment toward principle	3,835.00

* Refer to the loan repayment schedule for full details of the payment allocation

Acknowledgement

I acknowledge receiving the Key Facts Statement of this product, and have also read and understood the product's key features, risks and fees at the time of signing the application/offer document.
I acknowledge that the interest rate, fees, and costs are subject to change which I will check on the Bank's website on a regular Basis.

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