

**Key Fact Statement**
**USD Fresh Cash Construction Loan**
**Applicant Conditions**
**Applicant must :**

Hold the Lebanese citizenship for at least 10 years, not be convicted of criminal charges, and must have a clean judicial record.

Have a clear credit history and must not have been blacklisted for the past 10 years.

Be able to work and productive during the entirety of the loan repayment period (for employees till the age of 64 and for free professionals and self-employed till the age of 70 provided that the loan tenor is no less than 7 years).

Not have been previously benefited from a subsidized housing loan and must not own more than 1,800 shares (investment right) of a built property over all the Lebanese territory.

Be the owner of the Land subject to the loan, and had obtained the building permit from concerned authorities

The construction loan shall be allocated for the completion of an area of 150 square meters, provided that the unit becomes ready for occupancy upon completion of loan withdrawals.

The housing unit, subject of the construction loan, must be exclusively allocated to family housing

**If the Renovation Loan includes the installation of a Solar System**, the following is required: The approval of the "Lebanese Center of Energy Conservation" related to the Ministry of Energy and Water, followed by the approval of the Ministry of Interior and Municipalities and securing the written approval of 75% of the building co-owners' committee.

**If the Renovation Loan includes the installation of a Waste Water Treatment Station**, the following is required: securing the official permit for the necessary excavation works from the concerned authorities (municipalities, District Attorney...)

**Resident and Expatriate Applicant's Income Conditions**

For Applicants with limited income	Household net monthly income should not exceed/1500/USD Fresh Cash
For Applicants with medium income	Household net monthly income should not exceed/2000/USD Fresh Cash
Minimum years of work Experience	2 years
Proof of Income	Applicants should be in the labor market for at least two years prior to the date of submitting the application, should have regular income based on an official employment certificate, and regular bank statements in USD "Fresh Cash" or any other proof of income.
Mode of Payment	Only in USD Fresh Cash

**Construction Loan Characteristics**

Maximum Loan Amount	For applicants with limited income up to /40.000/USD, and for applicants with medium income up to /50.000/USD
Loan Currency	USD Fresh Cash
Loan Disbursement	Partial withdrawals based on the process of the construction progress, through a wire transfer from Bank outside Lebanon to the borrower 's Bank fresh account inside or outside Lebanon
Grace Period	up to 24 months as of the loan contract signing date
Loan Tenor	up to 18 years
Minimum Loan Tenor	7 years
Partial or full Early Settlement	Not less than 7 years as of the loan contract signing date, unless the Bank agrees otherwise
Down payment Ratio	Not less than 20% of the cost of construction as per the Bank's technical valuation
Loan to Value Ratio	Up to 80% of the cost of construction as per the Bank's technical valuation
Monthly Loan Installment	Not to exceed 33% of the borrower/s monthly net income
Total family monthly obligations	Not to exceed 45% of the household monthly net income

Interest Rate for the first year	6% per annum , subject for amendment
Nature of the applied interest	Fixed for the first year, subject to modification after that
APR Rate	Depends on loan tenor, interest rate, loan amount, fees and charges, and insurance premium
Total pay back amount	It represents the total amount that shall be paid to the Bank including loan principal amount, interest , life insurance premium, management fees, fire insurance premium, open file fees, and closure fees
Impact of 1% increase in interest rate on the monthly installment	Depends on loan amount , interest rate , and loan tenor
Cost of the life insurance policy	Depends on loan amount, borrower's age, additional premium required by the insurance companies when applicable. In case of co-borrowers, life insurance can be selected to be either individual or joint
Cost of the fire insurance policy	Based on construction value of the unit subject of the loan

### Collateral Conditions

Original property title deed of the land subject of construction loan and First Degree Mortgage Certificate, covering the principal loan amount with its interest with the same currency USD Fresh Cash.

Life Insurance Policy, paid monthly in USD Fresh Cash, as well as a fire Insurance Policy paid yearly, in cash in “Fresh” USD, covering fire risks, allied perils and the third party liability. Those two policies are exclusively issued by a group of insurance companies accredited by the Bank

### Fees and Charges ( PAID IN USD Fresh Cash )

Open file fees	//400// USD
Monthly Management fees	//6// USD
Late payment interest / Minimum	Depends on number of due days, loan installment, penalty interest rate ( Loan interest rate + 5 points)
Insurance premium at loan contract date	Life insurance premium to cover the first year of the loan tenor and the grace period , in addition to insurance policies issuance fees (paid once at loan signing date). In addition, Fire Insurance premiums shall be paid after submitting to the Bank the housing permit and it must be paid in USD Fresh Cash.
Closure Fees at Maturity	//200// USD

### USD Fresh Cash Construction Loan Example

Construction Cost	70,000
Loan Amount	50,000
Monthly Installment	425
Monthly Management fees	6
Interest Rate for the first year	6%
Loan Tenor	18 years
Grace Period	24 Months
Monthly installment if interest rate increased by 1%	465
APR Rate*	6.51%

\*NB : APR calculation excluded life and fire insurance premium

### General Conditions

The Borrower cannot submit a loan application for the purpose of repaying a previous debt or arrears

Married couples, their dependent children and family members who fall upon the couple’s responsibility are considered as one in everything related to these conditions

The fees and charges mentioned above are applied at the loan contract date subject to change

Banque de L'Habitat reserves the right to modify the above terms and conditions and to request additional charges at any time, and the customer will be notified about such modifications

**I acknowledge and confirm about the summary of the product that I want to benefit from and took note of all its terms and conditions and I declare that such product fits my needs and my financial situation .I also note that this statement is for clarification and information only.**

Applicant Name/Date and Signature	
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