

Frequently Asked Question – Home Finance

1. What types of Home Finance options BAF offers?

BAF offers wide range of products including:

- Home buyer- you can buy an apartment/ house
- Home build- construct on already owned plot (self/spouse)
- Home Secure
- Plot purchase and construct on it
- Balance transfer facility - transfer your loan obligation to us from another lender
- Alfalah Green Energy – solar panel solution

2. Can I mortgage my property and obtain financing for self-utilization?

Under Consumer Finance, the purpose of finance has to be within defined purposes i.e. home buyer, home build on own plot, plot purchase and construction, Balance transfer facility, Solar Financing Solutions.

3. Which cities do you finance?

Presently we finance properties located in certain localities within Lahore, Karachi, Islamabad, Quetta, Depalpur, Sargodha, Jhang, Sialkot, Kotli, Rawalpindi, Jhelum, Mirpurkhas, Multan, Arifwala, Pakpattan, Abbottabad, Gujrat, Sahiwal, Bahawalpur, Okara, Sukkur, Faisalabad, Rahim Yar Khan, Chichawatni, Gujranwala, Wah Cantt, Sadiqabad, Hyderabad, Sheikhupura, Taxila, Peshawar and Bahawalnagar.

4. Do you finance in all locations of the above mentioned cities or is there a negative list of locations?

There is no negative list. We prefer to finance on properties located in DHA, properties under Development Authorities (KDA, LDA, RDA, CDA, FDA), properties in approved and registered societies.

5. Is home finance facility available for overseas non-resident Pakistani?

Only if they hold valid Pakistani nationality (NICOP/CNIC), in addition to their overseas permanent resident status.

6. Where should I check for the list of properties financed by the bank?

There is no positive or negative locations list in the industry, you just have to choose a residential property in the market and get back to us to apply for a finance. We will sought clear legal option from the bank's lawyer on property title documents. Further we will seek an internal review to make sure the property you selected is marketable with free access. Consequently, you will be informed if the property is not acceptable to us, you will further be advised about other secured property options. Hence, we are not bound by any sale commitment that you may have made with the seller.

7. Who can apply for a BAF home finance facility?

We finance to: Salaried individual, Self-employed professional, Businessperson, Expatriate, other (rental, agriculture).

8. What would be the total processing time after I apply for a home finance?

Your application shall only be processed once you submit all documentation and information to our satisfaction. If your loan gets approval from bank's internal credit department, we shall start proceeding with all legal formalities related to the property. Next we will wait for your instruction to disburse the facility.

9. What should be the minimum value of the property?

There is no minimum requirement for the property.

10. How much financing amount am I eligible to apply for?

There no minimum or maximum financing limit.

11. What is the minimum monthly income required to apply for a home finance?

A monthly verifiable minimum net income of Rs. 50,000 for salaried (local) & USD 3K for expatriate salaried. Rs. 100,000 for self-employed, businessperson and others and USD 4K for expatriate non-salaried.

12. If I do not meet the financial eligibility, can I include my spouse income?

Yes, we allow up to two co-borrowers (blood relatives/spouse, children, parents, siblings), to consolidate their income to enhance your financial eligibility. Further, co-borrowers can be in the capacity of both property ownership and clubbing of income.

13. How much down payment/equity shall be required from me?

Minimum of 15% (T&C apply)

14. What would be the BAF mark-up and my monthly instalment?

Currently we offer variable (floating) mark-up rate calculated on the basis of prevailing 1 year KIBOR + 3% BAF mark-up per annum for local salaried, 1 year KIBOR + 4% BAF mark-up per annum for expatriate salaried, self-employed, businessperson and others. This mark-up is subject to revision each year.

15. Can I take finance for commercial property?

No, Home Finance is only applicable for residential properties.

16. What would be the application costs in total?

Please refer to the "Schedule of Charges" for detailed information on application charges.

17. What happen if I do not pay my instalment on time?

A late payment penalty will be levied that you will be required to clear off at the end of your financing tenure. For details on late payment charges please refer to "Schedule of Charges".

18. Can I make an early payment to settle my loan?

We allow up to two partial/balloon payment a year with maximum of 20% of the outstanding balance. However, no balloon payment shall be allowed during 1st year of disbursement without levy of penalty. For more details refer to "Schedule of Charges".

19. Is there any Early Payment Facility/Early purchase (settlement) available?

We allow an early payment facility at a nominal charge. Please refer to the “Schedule of Charges” for more information.

20. Is it mandatory to sign up for insurance?

To protect your major long term investment we offer a mandatory Life and Property insurance at very nominal rate and is built into your monthly instalment. (See “schedule of charges” for more information).

21. Will I get insurance coverage of the financed property equal to the financing amount?

BAFL provides full insurance coverage of the financed property in case of apartment and up to construction cost in case of house.

22. Can I avail Balance transfer facility any time after finance disbursal?

Borrower cannot transfer housing finance to other banks/DFIs before completion of eighteen (18) months with a bank/DFI as a mortgagee. After the restricted period you may transfer to any other lender.

23. What would be the Financing Tenure?

We offer feasible tenure option 3 years to 25 years based on an individual applicant’s age.

24. Are financing rates (KIBOR and BAF mark- up) negotiable?

KIBOR is subject to revision every year, BAF rates (margin) are non-negotiable and fixed throughout the financing tenure. Hence, your financing tenure shall be revised yearly to reflect changes.

25. Does BAF charge mark-up on fixed or floating rate?

Our financing is based on floating rates throughout the tenure.

Bank may also offer customized products on fixed or hybrid pricing (T&C apply).

26. What other charges I shall be required to pay apart from BAF’s mark-up?

One time charges to process your application processing, income estimation, legal opinion on property, insurance charges & mortgage / charge creation charges will be applicable wherever required. These charges are non-refundable irrespective of the outcome of your application.

T&C apply

27. What would be the Mode of Repayment?

We accept postdated cheques, monthly deposit of cash, cheque in account, direct debit.

28. What options do I have to reimburse my loan?

You may reimburse either through monthly instalments, balloon/partial payments only two allowed a year or an early settlement after paying the applicable penalty.

29. What would be the monthly repayment procedure?

Firstly, we will open a non-checking repayment account for you, where you can easily deposit your monthly instalments through any BAFL branch. You may be required to hand over 12 postdated checks in the first year after disbursal of the facility.

30. What shall be the frequency of sharing "Statement of Accounts" with me?

We issue annual "Statement of Accounts". The statement would include comprehensive details on principal repayment, outstanding balance, BAFL mark up and penalties (if any) during the year.

31. Is there any verification on the Property Title Document prior to buying?

Yes for your piece of mind and to check the authenticity of the property title documents, we sought Clear Legal Opinion from Bank's solicitor, pre and post disbursement legal requisites and charge very minimum cost that must be borne by the applicant. See "schedule of charges"

32. Where shall I get the assistance/inquire about my case/application?

Our staff is quite supportive and always there to serve you. You can visit our Consumer Finance center(s) or call on the numbers provided.

33. Can I claim Income Tax rebate/relief against the Housing Finance mark-up payments?

Yes, you can claim tax rebate against your Housing Finance mark-up paid during the year.

34. Why choose BAF over other lenders (banks)?

We provide multiple financing options i.e. Home/apartment purchase, home construction on own plot, plot purchase + construction, home renovation, balance transfer facility, green solar solutions

We provide an End to End advisory services during financing tenure.

Our policy is to secure your investment by providing mandatory Life and Property insurance at economical rates.

We offer Housing Finance with no minimum and maximum limit.

Your property Title documents are thoroughly examined by our legal experts, to insure any possible future issues regarding legal deficiency in the property/security.

35. Can I apply for more than one type of facility simultaneously?

We allow dual financing (standard product) after observing your existing debt burden. Further the purpose of Housing finance shall be strictly residential and the cumulative finance of both facilities applied shall falls within your overall limit. Moreover, if you apply for an additional finance for renovation or extension for the same house on which you have already availed finance, we do not disburse an additional finance until 2 years have lapsed from the date of last finance.

36. What is the criteria to purchase an under construction property?

FAQs – Home Finance

We do finance under construction properties but the financing criteria will be slightly different. You will apply for the “plot purchase and construction”. Initially we will finance up to -60%-70% of the property value (provided grey structure is completed) and rest of the financing will be disbursed in tranches to complete the rest of the construction.