

## Beirut Fire Regiment Housing Loan Key Facts Statement

### Features:

- Loan is granted to finance the purchase or construction of medium sized houses for residence purpose.
- Loan granted in LBP.
- Loan to value: based on Credit Committee decision & the applicant reimbursement capacity. Loan amount can go up to 100% of the appraised property value at the discretion of the Bank with a minimum Loan amount of LBP 50,000,000 and a maximum Loan amount of LBP 600,000,000.
- Loan Tenor: up to 25 years.
- Debt servicing to Income: Total monthly installments for the total obligations of the Applicant including loans in all Banks should not exceed 35% of the Family income. This ratio can be increased up to a maximum of 45% at the sole discretion of the Bank, in case the Applicant shall benefit from a Housing Loan, provided that the monthly installments related to the Housing Loan shall not exceed 35% of the Family income. Family income is defined as the total net income of the Applicant and Spouse.

### Requirements:

- Lebanese Resident.
- Applicant's age should be over 21 years old & not exceeding 64 years old by the end of the loan period.

### Guarantees / Collaterals:

- Mandatory Salary domiciliation for the Borrower(s).
- First degree mortgage on the Plot subject to the Housing loan, covering at least 100% of the Beirut Fire Regiment Housing Loan including the total capital loan amount plus the Interests.
- Life insurance fees (Death + Total and Permanent disability (Sickness and Accident)) for the Borrower(s) and the Guarantor(s) (if applicable), covering 100% of the Capital Loan amount for the full Loan period, assigned in favor of the Bank.
- Fire insurance fees (Construction, earthquake, tempest, flood and Neighbor's Recourse) covering 100% of the appraised property value for the full Loan period, assigned in favor of the Bank.
- Automatic reservation of the Loan Monthly Installments and the insurance monthly payments from the borrower's settlement account.

### Target Market:

- Active members of Beirut Fire Regiment.

### Interest:

#### Beirut Fire Regiment Housing Loan:

- Yearly Debit Interest Rate: Fixed Annual Debit interest rate equal to  $(100\% - \text{legal reserve deduction percentage}) \times 2 \text{ years T bills} + \text{a yearly fixed margin equal to } 1.628\%$ : Currently applicable rate is equal to 1.628% p.a.. This rate is reviewed at the repricing anniversary of the loan each two years as agreed upon and the borrower(s) is advised with a new schedule of Installments for signature. Interest rate could be amended in case the Central Bank changes this Loan granting Conditions.

### Annual Percentage Rate (APR):

- APR represents the real cost of a Loan or any credit product. APR for Beirut Fire Regiment Housing Loan includes in addition to the Capital & interests: Life Insurance fees, Stamps fees and Expert Fees. *It excludes the late payment fees, the early settlement fees and the Fire Insurance fees.*

### Fees, Charges & Commissions:

- No File fees.
- Stamp fees: 5,000 LBP on the waiver letter of salary domiciliation (توطين معاش للقطاع العام - فوج الإطفاء)
- No Commission.
- Expert Fees: LBP 225,000.
- Registration and mortgage fees to be paid by the borrower unless the Ministry of Finance approves officially their exemption.
- Life and Fire Insurance premiums, covering the Beirut Fire Regiment Housing Loan Capital, are paid by the Borrower(s) through monthly payments to cover the yearly premiums:
  - Life Insurance fees (Death + Total and Permanent disability) are based on the Borrower's age, his occupation at Beirut Fire Regiment, the loan amount and duration. Borrower(s) may be subject to medical exams.
  - Fire Insurance fees (Construction, earthquake, tempest, flood and Neighbor's Recourse): based on the appraisal value of the mortgaged Real Estate, its location and the loan's tenor.
- Prepayment conditions and fees: A penalty of 2% on the loan remaining outstanding balance at the date of settlement.
- Interest refund in case of prepayment: 40% of the remaining accrued interests amounts, calculated till the loan repricing date, is reimbursed to the borrower.
- Delay interest rate: 15% p.a. on unpaid Beirut Fire Regiment Housing Loan installments.
- Additional commission of LBP 5000 payable on each unpaid Beirut Fire Regiment Housing Loan installment.

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**Obligations:**

- The Borrower(s) should open a Loan settlement Account (domiciliated salary account) with the Bank and keep available funds for the automatic settlement of the loan monthly installments and related Insurance payments.
- In case of delinquency, an official and registered Warning letter will be sent to the Borrower(s) and Guarantor(s) (if applicable) and their names shall be classified under BDL Blacklist and advised to the Central Bank, as Non Performing borrower(s) .

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**Risks:**

At least the following risks can arise from contracting a Beirut Fire Regiment Housing Loan:

- Risk of Default on settlement of installments and interests:
  - In case of discontinuation or change in the employment conditions or reduction of the monthly income of the Borrower(s) and Guarantor(s).
  - Interest rate increase at the repricing anniversary in case of the issuance of new circulars by Central Bank amending the interest pricing conditions.
  - Foreclosure on the mortgaged house in case of default.
  - Reputational risk due to the classification of the Borrower(s) or Guarantor(s) (if any) under Non Performing borrower(s) in case of default and advising the Central Bank.
- The Loan monthly installments will be higher in case of an increase of the interest rate at the repricing anniversary and may affect the repayment capacity of the Borrower(s) as well as the APR.

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**Terms & Conditions:**

The Bank reserves the right at its sole discretion, to amend all the above terms and conditions at any time, without any advice to the Borrower(s) / Guarantor(s).

The product or service is granted at the full discretion of the Bank and subject to the Banking suitability criteria as well as the financial and personal eligibility of the Borrower(s) and/or the guarantor(s).

**Example** Borrower's age 29 Years with good health conditions

Loan Amount in LBP	Down Payment in LBP	Period (in years)	Interest Rate	Loan Monthly Installment in LBP	APR
200,000,000.00	0	25	1.628%	811,957.00	1.94%

*(APR excludes the fire insurance fees)*