

HBL Islamic HomeFinance

A financing facility that enables you to own your dream house with ease and flexibility.

Key Features

- Purchase of complete residential property (Apartment / Bungalow)
- Financing limit between PKR. 2,000,000/- to PKR. 50,000,000/-
- Equal monthly installments with reducing rentals
- Payment tenure ranging from 3 to 25 years
- Financing up to 70% of property value
- Property Takaful

Criteria

Existing HBL Customers:

Salaried individuals:

- Applicant must be a Pakistani citizen.
- Applicant must be 25 years or more at the time of financing application and 60 years or less/retirement age, whichever is lower at the time of financing maturity.
- Minimum monthly income must be PKR 50,000/-
- Permanent job with a minimum 5 years continuous work history in the same industry/field. At least 06 months permanent employment with the current employer and currently not on probation.

Self-employed business persons/professionals:

- Applicant must be a Pakistani citizen.
- Applicant must be 30 years or more at the time of financing application and 65 years at the time of financing maturity.
- Minimum monthly income to be PKR 100,000/-
- Minimum 5 years in current business/industry.

New to Bank Customers:

Salaried individuals:

- Applicant must be a Pakistani citizen.
- Applicant must be 25 years or more at the time of financing application and 60 years or less/retirement age, whichever is lower at the time of financing maturity.
- Minimum monthly income to be PKR 100,000/-
- Permanent job with a minimum 5 years continuous work history in the same industry/field. At least 01-year permanent employment with the current employer and currently not on probation.

Self-employed business persons/professionals:

- Applicant must be a Pakistani citizen.

- Applicant must be 30 years or more at the time of financing application and 65 years at the time of financing maturity.
- Minimum monthly income to be PKR 150,000/-
- Minimum 5 years in current business/industry.

Non-Resident Pakistani Customers:

- Salaried individuals only.
- Non-Resident Pakistanis residing in GCC Countries only (UAE, Saudi Arab, Qatar, Bahrain, Oman, Kuwait).
- Applicant must be having Pakistani Nationality.
- Applicant to be 30 years or more at the time of financing application and 60 years or less/retirement age, whichever is lower at the time of financing maturity.
- Minimum monthly income to be PKR 400,000/- equivalent to Pak Rupees.
- Permanent or Contractual continuous total 5 years work history with atleast 02 years with the current employer.

How to apply

Existing HBL Customers:

Salaried individuals:

- Copy of valid CNIC/SNIC
- 02 Passport size photographs
- Duly filled & signed application form
- Original Salary Certificate
- Original last three months' pay slips
- Letter of awareness from Commanding Officer mentioning department, unit, rank, designation and duration of service on official letterhead (Only for Armed Forces – Mandatory).

Self-employed business persons/professionals:

Proof of Occupation (Business or Profession which can include - as may be applicable):

- Copy of valid CNIC/SNIC
- 02 Passport size photographs
- Duly filled & signed application form
- Proprietorship Certificate
- Registered Partnership Deed (in case of unregistered, company account maintenance certificate showing list of partners and their shares in percentage along with tax returns)
- Articles & Memorandum with latest Form A & 29
- NTN/Tax Returns
- Degree/Diploma/Certificate in case of Professional
- Bank Certificate clearly stating
 - Title
 - CNIC No.
 - Account Number
 - Business Entity (in case of company account)

- Account Opening Date
- Authorized Signatory Name (borrower should be in authorized signatories)

New to Bank Customers

Salaried individuals:

- Copy of valid CNIC/SNIC
- 02 Passport size photographs
- Duly filled & signed application form
- Original Salary Certificate
- Original Last three months' pay slip
- Letter of awareness from Commanding Officer mentioning department, unit, rank, designation and duration of service on official letterhead (Only for Armed Forces – Mandatory).
- 12 (Twelve) months bank account statement where salary is credited.
- Documentary proof of total 5 years employment permanent employment

Self-employed business persons/professionals:

Proof of Occupation (Business or Profession) which can include - as may be applicable:

- Copy of valid CNIC/SNIC
- 02 Passport size photographs
- Duly filled & signed application form
- Proprietorship Certificate
- Registered Partnership Deed (in case of unregistered, company account maintenance certificate showing list of partners and their shares in percentage along with tax returns)
- Articles & Memorandum with latest Form A & 29
- NTN/Tax Returns
- Degree/Diploma/Certificate in case of Professional
- Bank Certificate clearly stating
 - Title
 - CNIC No.
 - Account Number
 - Business Entity (in case of company account)
 - Account Opening Date
 - Authorized Signatory Name (borrower should be in authorized signatories)
- 12 (Twelve) months bank account statement

Non-Resident Pakistani Customers:

- Copy of CNIC/NICOP/SNIC
- 2 (Two) Recent passport size photographs
- Salary account statement for last 12 months
- Duly filled & signed application form
- Copy of Pakistani passport
- Minimum last 3 salary slips
- Copy of valid visa

- Letter from employer simply stating date of joining, cadre of employment and income details.

Pricing

Parameter	Charges
Profit Rate	Variable to be repriced annually as follows:
Existing HBL Customer -Salaried	1 Year KIBOR + 3%
Existing HBL Customer – Self Employed Professional	1 Year KIBOR + 3.1%
Existing HBL Customer – Self Employed Businessmen	1 Year KIBOR + 4%
New to Bank Customer – Salaried	1 Year KIBOR + 3.2%
New to Bank Customer – Self Employed Professional	1 Year KIBOR + 3.2%
New to Bank Customer – Self Employed Businessmen	1 Year KIBOR + 4.2%
Non-Resident Pakistani (Salaried)	1 Year KIBOR + 4%

Applicable Floor rate is 8% and Cap rate is 30%.

Charges

Parameter	Charges
Application Processing Charges	PKR 10,000/-
Partial Payment/ Early Settlement Charges	5% price raise in the units purchased
Charity Due to Late Payment	PKR 2,500/- Per Month
Property Appraisal	To be borne by the applicant
Legal Opinion	
Creating Mortgage (Token Legal Mortgage)	To be borne by the applicant
Property Takaful	To be borne by the bank

Note: Terms and Conditions apply. Charges to be applied as per effective Islamic Schedule of Banking Charges (I-SOBC)

Guiding principle:

HBL HomeFinance is based on the concept of Diminishing Musharakah which is Shariah compliant by conforming to Shariah laws specifically related to financing, ownership and trade. Taking ownership through a partnership and then transferring complete ownership to the consumer instead of simply lending money is the major factor that makes our product Shariah compliant.

The nature of the contract is a co-ownership and not a loan because the transaction is not based on the lending and borrowing of money but on the joint ownership of an asset. After creation of joint ownership, the customer agrees to a monthly payment to the bank, part of which is for use of the house and part for purchasing the bank's share in the house. When the customer has made the full payment against proportionate share of the bank which had been agreed upon, he becomes the sole owner with a free and clear title to the property. The profit charged by HBL is therefore payment for use of its share of the house during the life of the contract. Your payments to HBL are hence completely Riba Free.

Frequently Asked Questions (FAQs)

Why is the profit margin charged by HBL Islamic equal to conventional mortgage market trends?

At HBL Islamic, the profit margin is directly linked to market trends to provide a competitive product to our customers. Shariah allows the use of any market factor as a benchmark to determine the profit rate of a particular product. The fact that the applied profit rate of our product is similar to the rates applied for conventional mortgages does not render the transaction or the contract invalid from a Shariah perspective; neither does it make the transaction an interest-bearing one; rather, it is the underlying structure of the product that determines its Shariah compliance.

Can a co-applicant be added in HBL Islamic HomeFinance and can Co-applicant's income be considered?

Yes, the immediate family member (selective relations like, Father, Mother, Brother, Son, Spouse) can become co-applicant in HBL Islamic HomeFinance case. Co-applicant's income can be clubbed for approval in limit enhancement.

Are there any late payment charges in case of late payments?

With the Shariah guidelines, the bank cannot charge any penalty on late payment as charging an additional amount for non-payment is RIBA. But to avoid late payments and instill the necessary culture of financial discipline, it is allowed that the customer undertake and bound himself that if he/she fails to pay due amount on time, he/she will pay certain amount towards charity, however, the bank cannot book this amount in its pool of income rather it is then transferred to a charity account which will be administrated as per Bank's Charity policy approved by the Shariah Board. For HBL Islamic HomeFinance cases, this charity is comprised of a flat amount of Rs. 2,500/- on each late paid rental. The charity account is supervised by the Shariah Board of the bank and is used for charitable purposes.

Can the Bank's share be purchased before maturity?

HBL Islamic HomeFinance offers the flexibility of partial settlement through early unit purchase; termination anytime during the tenure of the facility but one (1) month after availing the facility in home purchase cases.

Early termination can only take place on your specific payment date. If you want to avail the facility, you will have to give a seven (07) days prior notice to the bank. Musharakah units under the ownership of the bank will be sold at 5% higher price.

How do I apply for HBL Islamic HomeFinance?

Simply walk into any of HBL Islamic Banking Branch across Pakistan to get an application form for HBL Islamic HomeFinance.

For further information, call 111-111-425 or log on to our website at www.hbl.com