

## **HOUSING REFINANCE SCHEME FOR HOUSING FINANCE COMPANIES (HFCs)**

### **INTRODUCTION:**

It has been decided to set up a Housing Refinance Window at SBP. A scheme has been designed to provide Housing Refinance Facilities (HRF) to housing finance companies (HFCs) in private sector and public sector registered and functioning in Pakistan. The HFCs intending to participate in the scheme may approach Director, Banking Supervision Department, State Bank of Pakistan, to evaluate their eligibility for participating under the same. As the loan will be utilized for providing to the poor and shelter-less people, to ensure this, while evaluating the loan proposal the following should be given due consideration by the HFCs:

- i. An objective analysis of the need (size of the loan) and payment potential of the borrowers.
- ii. In order to facilitate the lower most strata of the society, it is expected that HFCs while lending under this scheme will provide finance to shelter-less people.
- iii. The repayment potential, as also the size of the loan, should be linked and matched with the declared income of the borrower.
- iv. The loans shall be restricted for the purchase of new houses/apartments or construction of houses, on lawfully acquired land.
- v. Persons already owning any house/residential accommodation shall not be eligible to avail financing under this scheme.

The Housing Refinance Scheme shall be managed by SBP as an agent acting for and on behalf of the Government of Pakistan. The operational responsibilities including sanctioning and management of finances under the Housing Refinance Scheme, shall however be vested in SBP Field Offices at Karachi & Lahore. The Housing Finance Companies will be allowed to open and maintain account in the above offices for availing of refinance facilities. Every Housing Finance Company may avail the facility initially upto a total limit of Rs 75 million or an amount equivalent to its total paid up capital, whichever is less. The facility shall be utilized by the company within two years from the date of grant, failing which the un-utilized portion shall stand lapsed.

Only the duly registered mortgages executed against residential properties shall be eligible for obtaining refinance. In the first instance, Housing Finance Companies shall provide loans to the borrowers against mortgage of their residential properties in accordance with the terms and conditions laid down in SRO No.1356(1)/90 dated 24-12-1990 as also NBFIs Rules of Business, as amended from time to time. Subsequently these mortgages in package of Rupees ten (10) million shall be presented to the State Bank of Pakistan alongwith undertaking etc., for obtaining refinance upto 80% of the face value of the package. The refinance facility will be made to a housing finance company for a period determined on the basis of the mortgage deeds having shortest period of maturity from amongst the package of Rupees ten (10) million housing finance extended by the HFC to its borrowers. This period shall not, however, be less than three years and in no case it shall exceed a period of twelve years.

The mark up rate, on finance so granted by the HFC, has been fixed at 10.5% per annum, whereas refinance by SBP shall be provided to the HFCs at 8% per annum. Once the system is transferred fully into an Islamic based system, the cost of refinance and finance to the borrower shall be determined in accordance with the Islamic Principles of Sharia, which shall be binding upon the HFC.

The HFC will execute an agreement with the Ministry of Finance on prescribed format (HRF-1) and submit a bank guarantee (HRF-2) favouring Government of Pakistan to the extent of HRF sanctioned limit and an application form, undertaking and certificate from its legal advisor (HRF-3) along with demand promissory note (HRF-4), to SBP Karachi/Lahore Office, alongwith other documents as mentioned hereunder: -

**PROCEDURE FOR GRANT OF HOUSING REFINANCE FACILITY:**

- i) For availing refinance under the Housing Refinance Scheme, the HFC shall open an account in SBP Lahore/Karachi. On each occasion HFC shall submit package of mortgages for which the HFC has extended finance to its borrowers of Rupees ten (10) million. The refinance shall be restricted to 80% of the package so submitted. The HFC will approach the Chief Manager, Lahore/Karachi Office (on the prescribed format HRF-3) alongwith details of finance extended by it as per Annexure 'A' duly vetted by the Legal Advisor and a demand promissory note (on the prescribed format HRF-4) drawn in favour of SBP, duly supported by the documents mentioned therein.
- ii) On receipt of the Agreement, Application and Undertaking, Demand Promissory Note and Legal Advisor's certificate in SBP Karachi/Lahore, the documents attached thereto by HFC will be scrutinized. In case of any deficiency or discrepancy, the same will be returned to the Housing Finance Company for rectification of the same. Where the documents in respect of a package are found in order, the SBP Office will refer the request of HFC, within 10 days from the date of receipt of application to the Banking Supervision Department, SBP, CD, Karachi through letter (on the prescribed format HRF-5) for the confirmation as to compliance by the concerned HFC with NBFIs Rules/provisions of SRO No.1356(1)/90 dated 24-12-90 (as amended from time to time). The Banking Supervision Department will intimate the SBP Office as to whether the HFC has been complying with the Rules/Regulations. After receipt of the same and on reconfirming that no deficiency/discrepancy is observed, the case will be submitted by the concerned Section to the Deputy Chief Manager for sanction in respective SBP Office. If, however, clearance is not given by the Banking Supervision Department the case will be returned to the HFC pointing out the irregularity.
- iii) After Housing Refinance is sanctioned, the account of the concerned Housing Finance Company shall be credited. The amount of refinance so sanctioned shall be debited to the head of Account No. "73900 Others" of the Federal Government Loan Account. The concerned SBP Office will also inform the respective HFC (on the prescribed format HRF-6) and the copy of the same will be endorsed to the Banking Supervision Department, SBP, CD, Karachi.

- iv) At the concerned offices of SBP, particulars regarding the HRF availed by the HFC shall be entered into a liability register (on the prescribed format HRF-7) one folio of which will be allotted to each request of HFC for availing refinance. Separate register shall be maintained for individual HFC.
- v) The details of incoming/outgoing mortgages will be entered into a mortgages register (on the prescribed format HRF-8). Particular of mortgages pertaining to one HFC shall be recorded on a separate portion of the HRF-8.
- vi) The refinance availed by the HFC shall be repayable in equal monthly installments (comprising of principal and markup) commencing immediately from the month following in which the refinance facility has been availed by the Housing Finance Company. The monthly installment shall be paid latest by the 10<sup>th</sup> of the following month. In case 10<sup>th</sup> of the month happens to be a public holiday the last date of payment shall be the next working day falling immediately after the said holiday.
- vii) After availing of refinance, each HFC shall submit to the concerned State Bank's office monthly returns (on the prescribed format HRF-9 and HRF-10) on the status of mortgage loan against refinance facility and the installment position within 15 days of the following month from the date of availing refinance amount.
- viii) The concerned offices of the Bank will furnish to the Banking Supervision Department the details of repayments received by them from the HFCs on quarterly basis by the 20<sup>th</sup> of the month following each quarter end.
- ix) Each HFC shall also be under obligation to submit necessary details / particular of their exposure in respect of cases for which refinance facility has been availed by them under SBP Housing Refinance Window on the format (HRF-11) prescribed for the purpose.
- x) The irrevocable continuing bank guarantee obtained on behalf of HFC from commercial bank, if invoked, will become due and payable by the commercial bank immediately without further recourse.
- xi) The bank issuing the Guarantee on behalf of HFC, will make payment of such amounts as may be due under the agreement within three (3) working days of written demand of SBP. Any demand made by SBP on default by the HFC shall be deemed to be conclusive by the mere fact of placing a demand, failing which the SBP will be within its rights to debit guaranteeing bank's account maintained with SBP, with such amount as may be due to Federal Government under the agreement for affording credit to the Government of Pakistan.
- xii) State Bank may, at its discretion conduct/cause to conduct inspection/special audit of the Housing Finance Companies, at periodic intervals during which entire record of the mortgage loans against which refinances have been availed from the State Bank, shall be

inspected to ensure that the allocated funds are being utilized in the housing sector as per provisions of this Scheme and Housing Finance Companies are complying with NBFIs Rules of Business and the provisions of SRO-1356(1)/90 dated 24-12-1990 as modified from time to time. If, as a result of inspection or otherwise, it transpires that HFC has committed any violation of the Rules/SRO, HFC shall be liable to refund the said amount immediately on the allocated amount. However, in case of non-compliance of NBFIs Rules of Business and other instructions issued from time to time on the subject, HFC shall also be liable to penalty imposed by the SBP under the BCO, 1962.

- xiii) In case of late/non payment of monthly installment of housing finance or part thereof, the HFC shall be liable to pay penalty @ 60 Paisa per thousand or part thereof per day for the period of default.
- xiv) In case any loan from the borrowers against which refinance is availed of, is liquidated/paid before due date, HFC shall repay the same to SBP for credit to Government Account within three days from the receipt thereof, failing which HFC shall be liable to pay a fine @ 60 Paisa per thousand or part thereof per day for the period of default.
- xv) At no time the outstanding amount in respect of refinance availed by the HFC shall exceed the outstanding amount (principal) in respect of the HFC's constituents i.e. total outstanding of HFC shall at no time be greater than the HFC's constituents outstanding. If subsequent inspection by SBP reveals any such irregularity on HFC's part, HFC shall be liable to refund the said refinance immediately. Besides, it shall also be liable to a fine @ 60 Paisa per thousand per day or part thereof for the period of default.
- xvi) In case of mis-reporting/mis-statement in the documents submitted to SBP or suppression of any fact known to HFC prejudicially affecting Federal Government interest by HFC against which refinance has been availed, HFC shall be liable to pay the penalty imposed as laid down by the SBP from time to time, besides refunding the refinance amount immediately.

FORM OF THE AGREEMENT TO BE EXECUTED BETWEEN THE PRESIDENT OF  
THE ISLAMIC REPUBLIC OF PAKISTAN  
THROUGH INTERNAL FINANCE WING,  
(FINANCE DIVISION), MINISTRY OF FINANCE, GOVERNMENT OF PAKISTAN,  
ISLAMABAD AND HOUSING FINANCE COMPANY,  
FOR OBTAINING HOUSING REFINANCE FACILITY.

(TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE  
WITH THE LAW IN FORCE IN EACH PROVINCE).

AGREEMENT

This agreement is being made and executed on this \_\_\_\_\_ day of 200\_\_ at \_\_\_\_\_ between President of Islamic Republic of Pakistan, Islamabad through Internal Finance Wing, Finance Division, Government of Pakistan, Islamabad and M/s (Name of HFC) (hereinafter called the Company) to make available Housing Refinance Facility amounting to Rs.75 million or equal to amount of total capital of the company whichever is lower under the Housing Refinance Scheme formulated and managed by State Bank of Pakistan (hereinafter called the Bank) acting as an agent for and on behalf of the Government of Pakistan.

In consideration for grant of said HRF the company hereby agrees and undertakes as follows :-

1. The refinance shall be extended by the Bank to the Company at a mark up rate of 8% per annum against financing provided by the company to the borrower at a mark up rate not exceeding 10.5% per annum. Once the system is transferred fully into a Islamic based system, the cost of refinance and finance to the borrower shall be determined in accordance with the Islamic principles of Sharia and the company hereby under takes to abide by the same.
2. An objective analysis of the need (size of the loan) and payment potential of the borrowers shall be made and given due consideration by the Company before extending any financing facility under the Scheme.
3. The company will provide finance to the poor and shelterless people.
4. The Company shall ensure that the repayment potential and also the size of the loan are linked and matched with the declared income and cash flow of the borrower.
5. These loans shall be restricted for the purpose of purchases of apartment/house, or construction of new house on lawfully acquired land.
6. Persons already owning any house/ residential accommodation shall not be eligible to avail financing under this scheme.
7. The facility allowed under the agreement shall be utilized by the Company within two years from the date of grant of facility failing which the unutilized portion shall stand lapsed.

8. The refinance shall be re-payable in equal monthly instalments commencing the month following in which the refinance facility shall be availed by the Company. The monthly instalment shall be paid latest by the 10<sup>th</sup> of the following month. In case 10<sup>th</sup> of the said month happens to be a public holiday, the last date of payment shall be the next working day falling immediately after the said holiday.
9. As security of the said refinance, the Company shall deliver to the Bank, a bank guarantee on the prescribed format in favour of the President of Pakistan for due repayment of the amount outstanding including markup/fine thereon due and payable in respect of the above facility.
10. The disbursement against the housing refinance facility shall not be less than 80% of each package ranging between Rupees ten (10) million housing finance extended by the company to its borrowers (i.e. 80% of the value of the mortgages). For availing of disbursement, the Company will submit to the Bank an undertaking and a D.P. Note in the prescribed formats alongwith other documents required under the terms and conditions as laid down in the Housing Refinance Scheme formulated by the Bank, as modified from time to time.
11. That all necessary requirements of the relevant rules/regulations, as modified from time to time, will be complied with for availing the Housing Refinance Facility and during the period the facility subsists.
12. That the benchmarks and conditions laid down in the agreement executed between the President of Pakistan and USAID will be complied with while extending housing finance to bonafide borrowers.
13. Refinance amount shall be paid to the bank on the due dates under the agreement or earlier if so demanded by the Bank, including the amounts due and payable in respect of the markup/fines etc., failing which the company or its guarantor or both shall be liable to make payment of the outstanding amount in addition to and inclusive of the amount of penalty levied under Clause 15 hereinbelow.
14. The refinance facility will be made to the company for a period determined on the basis of the mortgage deeds having shortest period of maturity from amongst the package of Rupees ten (10) million housing finance extended by the company to its borrower. This period shall not, however, be less than 3 years and in no case it shall exceed a period of twelve years.

15. Without prejudice to the right of the Government of Pakistan to ask for repayment of the amount of refinance outstanding at any time on demand, the Company undertakes that the refinances taken by the company on each occasion will be repaid by the company within the period prescribed under the Scheme through monthly instalments.
16. At no time the outstanding amount in respect of refinance availed from the Bank by the Company shall exceed the outstanding amount (principal) in respect of Company's constituents, after adjustment of difference of accounts viz. recoveries therefrom i.e. the total outstanding of the Company to the Bank shall at no time be greater than Company's constituents outstanding. If subsequent inspection by the Bank reveals any such irregularity on Company's part, the Company shall be liable to refund the said amount immediately, alongwith penalty as may be determined by the bank from time to time.
17. In case of mis-reporting /mis-statement in the documents etc. submitted to the Bank by the Company under a package as envisaged in Clause 10, against which refinance has been/will be disbursed, the Company shall be liable to penalty as laid down by the Bank from time to time.
18. Any demand to be made by the Bank under the agreement shall be deemed to have been sufficiently made if it is made in writing and addressed and sent by post or otherwise, to the registered address of the Company.
19. The Company shall obtain an undertaking from the borrower concerned that the finances provided by the Company to them shall be exclusively used by them for financing the housing projects eligible under the Housing Refinance Scheme and that they would promptly furnish, such security and information, in such form and in such manner as the Company may from time to time deem necessary.
20. That the Bank is entitled to cancel this refinance limit or to recall the refinances at any time for any reason whatsoever, howsoever, without any prior notice to the Company and that the Bank is entitled not to extend further refinance to the Company under the aforesaid scheme and that the Company has acquired no right or claim for demanding refinance from the Bank or by the execution of demand promissory note in favour of the Bank or by deposit of demand promissory note in question or by providing finance to any borrower on the faith of this agreement or the continuing of the scheme.
21. That any amount of this refinance or fine / penalty shall become due and payable by the Company by invoking the guarantee, if the Bank places a demand under these clauses or if the Company commits breach of any of the terms and conditions of this agreement or the Scheme.

22. No financial assistance shall be given by it to any of its employees, officers or Directors or a shareholder having a beneficial ownership including that of close relative of more than 10% in the paid capital of the company whether directly or indirectly (through their close relatives, companies controlled by them, affiliates, subsidiaries or by way of acting in concert with others).
23. That as and when demanded by the Bank, it shall create valid legal charge in favour of the Government of Pakistan on any or all of company's assets.
24. To hold the securities/ security documents now held or which may be held by it as security for the housing finance given to the borrower, against which refinance has been availed upon trust in favour of the Government of Pakistan, so long as any refinance in respect of these finances remain outstanding from the Company and by way of security for due repayment thereof, the Company undertakes to deal with the same as the Bank may direct.
25. That, if and when, it realizes the finances or any part thereof it shall pay over to the Bank all such realizations, to the extent it is required to pay the Company's obligation and pending such payment, shall hold the same for and on behalf of the Government of Pakistan.
26. The Company agrees to assign / transfer to the Government of Pakistan on Bank's demand at the Company's expense, all such securities and security documents in favour of the Government of Pakistan as the Government / Bank so desire. The Company further agrees that despite such assignment / transfer, the provisions of Clause 15 shall apply mutatis mutandis. The Company further agrees that SBP has the exclusive and irrevocable right to recover all sums and penalties due to the Government of Pakistan / Bank on account of this agreement from the Company.
27. That the Bank shall have sole authority to decide whether the Company has committed any breach of the terms and conditions of this agreement and the company shall not question such decision on any ground, whatsoever.

IN WITNESS WHEREOF the parties to the agreement have put their respective hands and seal, the day and year first hereinabove written.

For & on behalf of the President,  
Islamic Republic of Pakistan.

For & on behalf of \_\_\_\_\_

(Name of HFC) \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Designation \_\_\_\_\_



Guarantee No. \_\_\_\_\_

Dated \_\_\_\_\_

Bank Guarantee favouring Government of Pakistan

The President,  
Islamic Republic of Pakistan,  
Islamabad

WHEREAS AN AGREEMENT dated \_\_\_\_\_ has been executed BETWEEN the President, Islamic Republic of Pakistan AND \_\_\_\_\_ ( name of HFC) \_\_\_\_\_ (hereinafter referred to as the Company) in terms of which State Bank of Pakistan acting as an agent to the Government of Pakistan shall extend from time to time, to the Company housing refinance upto a total amount of Rs 75 million or its capital at any given time (whichever is less) on the terms and conditions mentioned in the said Agreement.

AND WHEREAS you have required the Company to furnish to you, a Bank Guarantee for due repayment of the amount outstanding including mark up / fine thereon due and payable in respect of the above facility.

NOW THEREFORE IN CONSIDERATION OF THE AFORESAID we \_\_\_\_\_ (name of the Bank) \_\_\_\_\_ do hereby unconditionally and irrevocably guarantee that the Company shall repay to you the Refinance Amount and Mark up / fine thereon on the due dates under the Agreement or earlier, if so demanded by you or by the State Bank of Pakistan on your behalf and / or the amounts outstanding, due and payable in respect of the mark up / fines etc., failing which, we shall be liable as Principal Debtor and shall pay to you or to the State Bank of Pakistan on your behalf, the said Refinance and / or other amounts without any reference to the Company.

Subject to the terms contained herein, this Guarantee shall continue to be in full force and operative and binding on us, until the entire Refinance Amount due under this Agreement and / or other claims incidental thereto, or claimed under penalties imposed are paid in full by the Company, in terms of the Agreement and / or in terms of the documents in respect thereof, or for a period of 12 years whichever happens earlier.

We shall make payment of such amounts as may be due under the Agreement within 3 working days of receipt of written demand made by the State Bank of Pakistan, and any such demand made by the State Bank of Pakistan on default by the Company, shall deemed to be conclusive by the mere fact of placing a demand, failing which the State Bank shall be within its rights and is authorized to debit our account maintained with the State Bank of Pakistan with such amount, as may be due to State Bank of Pakistan under the Agreement for affording credit to Government of Pakistan. We further agree that in the event of our failure to comply with the State Bank's written requisition as aforesaid, we shall pay to the State Bank of Pakistan late payment surcharge @ 2% per month or part thereof until final payment.

State Bank of Pakistan shall not be obliged before making any demand upon us:-

- i) to make any demand on the company,
- ii) to take any legal proceedings against the Company,
- iii) to make or file any claim in winding up of the Company, or
- iv) to exercise any right which the SBP or the Government of Pakistan has under any security or against any other guarantor for the obligation of the Company under the Agreement,
- v) our obligation under this Guarantee shall not be discharged or affected by:
  - (a) any time (whether as to payment or otherwise) or any indulgence given by you to the Company in respect of any obligation of the Company under the Agreement;
  - (b) any variation of any provision of the Agreement and other arrangements executed by the Company ( whether or not we are a party to or cognizant of the same );
  - (c) any dissolution, winding up or corporate reorganization of the Company;
  - (d) any transfer or extinguishing of any of the liability of the Company by any law, regulation, decree, judgement order or similar instrument, or
  - (e) on any other account, omission or things which but for this provision would or might constitute legal or equitable discharge of surety.

Our liability under the Guarantee shall, in any case, not exceed the sum of Rs \_\_\_\_\_ ( Rupees \_\_\_\_\_ principal plus markup). We will be released and discharged of our liability, if no claim is lodged with us on or before \_\_\_\_\_. This Guarantee shall constitute an irrevocable arrangement binding on us and our successor in-interest, and shall inure to the benefit of your successor in-interest, assigns etc. under this Agreement.

Yours faithfully,  
For Name of the commercial Bank / Branch (if applicable)

for (Seal and Signature of authorized person of the bank)

(Designation)\_\_\_\_\_

FORM OF APPLICATION/UNDERTAKING TO BE SUBMITTED  
BY HFCs TO THE CONCERNED OFFICE OF SBP TO OBTAIN REFINANCE  
AGAINST HOUSING FINANCE PROVIDED TO THE  
BONAFIDE BORROWERS UNDER HOUSING REFINANCE SCHEME.

The Chief Manager,  
State Bank of Pakistan,  
Lahore / Karachi.

Dear Sir,

In terms of the agreement executed by us with the President of Pakistan on \_\_\_\_\_, 2001\_\_\_\_\_ (attested copy enclosed), we do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ million has been allowed by us as Housing Finance to \_\_\_\_\_ (number) of bonafide borrowers against their mortgaged residential properties, and we now hereby apply to you for grant of refinance facility against the above-mentioned housing finance. Further, as provided in the said agreement we enclose a bank guarantee, promissory note and undertaking on the prescribed form alongwith the other documents mentioned therein.

We confirm that the property documents held in our custody confer on us legally valid title as mortgagee and the relative properties offered to the State Bank for obtaining refinance are free from all encumbrance, conflicting rights, title etc. (list showing names of bonafide borrowers and the details of properties and certificate from Legal Advisor of HFC is enclosed at Annexure –A).

We certify that to the best of our knowledge and belief the finances provided by us to the bonafide borrowers specified at Annexure – A have been used or are being used by them for purchase, or construction of house, covered under the HRF Scheme and we ensure to watch constantly the proper utilization of the funds till the accomplishment of the project for which refinance is being availed.

Subject to any modification in the scheme and unless earlier recalled, we understand that the refinance shall be repayable in equal monthly instalments commencing from the month following the month in which the refinance facility has been availed by us. The monthly instalment becoming due shall be paid latest by the 10<sup>th</sup> of each subsequent month to which it relates. In case 10<sup>th</sup> of the month happens to be a public holiday the due date of payment shall be the next working day immediately falling after the said holiday.

Without prejudice to the right of the Government of Pakistan to obtain repayment of the amount of refinance outstanding at any time on demand, we undertake that the refinance taken by us on each occasion will be repaid by us within the period prescribed under the scheme through monthly instalments. In case of any facility extended to our borrowers, against which refinance is availed, has been liquidated / repaid before due date we shall repay proportionate amount to the Bank for credit to the Government of Pakistan's Account within three days from

the receipt thereof, failing we shall be liable to pay a fine @ 60 Paisa per thousand or part thereof per day for the period of default.

We have already submitted to the State Bank, a bank guarantee (in original – HRF-2) favouring the Government of Pakistan for an amount of Rs \_\_\_\_\_ issued by \_\_\_\_\_ (name of the bank ) \_\_\_\_\_ and attested copy of the agreement (HRF-1) dated \_\_\_\_\_ executed between us and the Government of Pakistan.

We hereby confirm that we the M/s. \_\_\_\_\_ (name of HFC) \_\_\_\_\_ are complying with the NBFIs Rules / SROs / other instructions issued by the State Bank of Pakistan from time to time.

We enclose following documents in respect of the above properties and undertake that in the event of any mis-statement / mis-reporting / suppression of facts, we shall be liable to penalty imposed by the SBP as an agent of the Government of Pakistan or other legal provisions framed from time to time:-

- a) Original D. P. Note drawn by \_\_\_\_\_ (Name of HFC) \_\_\_\_\_ endorsed in favour of SBP (HRF-4).
- b) Mortgage Deeds (--- Nos) in original.
- c) Memorandum of Deposit of title (equitable mortgage ) (---- Nos.)
- d) Non-encumbrance certificate of the properties (--- Nos) in original.
- e) Property valuation reports. (--- Nos.) in original.
- f) Duly attested photo-copies of :-
  - i) Sale deeds (--- nos.)
  - ii) Mortgage loan agreement ( --- Nos)
  - iii) Personal guarantees of the Mortgagors (---Nos.)
  - iv) Comprehensive Insurance Policy in respect of mortgaged properties including FRSD and earth quake cover ( --- Nos.) in original.

Yours faithfully,

Authorized Signature \_\_\_\_\_  
Designation \_\_\_\_\_  
Name of HFC \_\_\_\_\_

Apex-2\my docs ws#2\LMM\changes in HRF Circular-again.doc

Name of Housing Finance Co. \_\_\_\_\_  
(attachment to the HRF-3)

Sr. No.	Particulars of sanction / disbursement			Loan No.	Name and Address of Borrower	Security submitted as mortgage				Due Date of Repayment		Amount of Mortgaged Loan at the time of:		Remarks, if any
	Date	Amount	Period			Full Particulars and Address of Mortgaged Property	Nature of Mortgaged Property/ Registration No.	Date	Valuation	Date	Amount of instalment	Originat-ion	Refina- nce	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

### **CERTIFICATE**

It is certified that all properties and allied documents as stated above against which a request for extending housing refinance has been made by \_\_\_\_\_ (Name of the HFC) vide application dated \_\_\_\_\_ have been duly examined as to contents stated in Column 6 and Column 10 and it is confirmed that titles to the properties are free from all types of defects / encumbrances etc., and contain no legal flaws, lacunae or violation of any Government Rules / Regulations / Act or any other law for the time being applicable to HFCs. It is further certified that the refinance amounting to Rs \_\_\_\_\_ proposed to be obtained from the Government of Pakistan through the State Bank of Pakistan, \_\_\_\_\_ (name of city) \_\_\_\_\_ Office is fully secured.

Name and signature (Legal Advisor of HFC) \_\_\_\_\_

Seal \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Name and Designation \_\_\_\_\_

Demand Promissory Note

Rs \_\_\_\_\_

Place \_\_\_\_\_

Date \_\_\_\_\_

On demand we \_\_\_\_\_ (Name of HFC) \_\_\_\_\_ promise to pay to the State Bank of Pakistan or order the sum of Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only) for value received plus mark up @ 7.97% per annum thereon against which amount of refinance has been provided to us, as laid down in the scheme for Housing Refinance on the date thereof.

For and on behalf of \_\_\_\_\_ (Name of HFC) \_\_\_\_\_

Signature of authorized person

Designation \_\_\_\_\_

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No.

Dated

The Director,  
Banking Supervision Department,  
State Bank of Pakistan,  
Central Directorate,  
Karachi.

Dear Sir,

HOUSING REFINANCE FACILITY TO M/S. \_\_\_\_\_

It is advised that M/s. \_\_\_\_\_ (Name of HFC) \_\_\_\_\_ have approached this office for availing HRF amounting to Rs \_\_\_\_\_ being the 80% of mortgage package. The documents submitted alongwith the application have been checked and found them to be in order.

It is, therefore, requested to confirm whether the said HFC is complying with the NBFIs Rules of Business and that no case of any serious nature is pending against them.

Yours faithfully,

(  
Chief Manager )

Apex-2\my docs ws#2\LMM\changes in HRF Circular-again.doc

No.

Dated

The Chief Executive,

Dear Sir,

HRF AMOUNTING TO RS.

Please refer to your application dated \_\_\_\_\_ alongwith relevant documents requesting for grant of housing refinance facility amounting to Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only). It has therefore, been decided to allow you the required housing refinance to the extent of Rs \_\_\_\_\_ and accordingly we have credited your account maintained with us by Rs \_\_\_\_\_ on \_\_\_\_\_.

The amount of refinance shall be repayable in \_\_\_\_\_ monthly instalments of Rs \_\_\_\_\_ each, commencing from \_\_\_\_\_ 200\_\_\_\_\_.

You are advised to ensure that the monthly instalments are repaid latest by 10<sup>th</sup> of each month subsequent to the month to which they relate, commencing from \_\_\_\_\_.

Yours faithfully,

( \_\_\_\_\_ )  
Deputy Chief Manager

Endt. NO.

of date.

Copy forwarded for information to Banking Supervision Department, SBP, CD, Karachi with reference to their letter No. \_\_\_\_\_ dated \_\_\_\_\_.

Apex-2\my docs ws#2\LMM\changes in HRF Circular-again.doc





LIABILITY REGISTER SHOWING PARTICULARS OF HOUSING REFINANCE FACILITY.

NAME OF HOUSING FINANCE COMPANY \_\_\_\_\_

DATE OF COMMENCEMENT OF BUSINESS \_\_\_\_\_

LIMIT OF THE REFINANCE FACILITY RS. \_\_\_\_\_

DATE ON WHICH REFINANCE FACILITY WAS AVAILED FOR THE FIRST TIME. \_\_\_\_\_

NO. OF SBP HOUSING REFINANCE LOAN \_\_\_\_\_

SANCTION												
Sr. No.	Date of Application for Grant of Finance to the Borrower	Amount of Finance	Period of Finance	Security submitted as mortgage			Outstanding amount of package as on application date	Refinance required			Initials	
				Reg. No.	Date	Valuation		Refinance Requested	Refinance Allowed	Date of grant	Assistant Accounts Officer	Unit Incharge

REPAYMENTS									
Monthly instalment		Actual payment of monthly instalment		Delay in monthly payments		Initials		Fine recovered for late repayment (clause 2(xiii))	Remarks
Due date	Amount	Date	Amnt.	Days	Amnt.	Assistant Accounts Officer	Unit Incharge		

**MORTGAGE IN AND OUT REGISTER**

NAME OF HOUSING FINANCE COMPANY \_\_\_\_\_

DATE OF COMMENCEMENT OF BUSINESS \_\_\_\_\_

LIMIT OF THE REFINANCE FACILITY RS. \_\_\_\_\_

DATE ON WHICH REFINANCE FACILITY WAS AVAILED FOR THE FIRST TIME. \_\_\_\_\_

S. No.	Registration No. of mortgage			Identification No. given by HFC	Date on which Mortgage Deed is deposited with the State Bank	Initials		Date on which mortgage deed was returned to HFC	Purpose for withdrawing mortgage deed.	Initial of authorized signatory of HFC. Receiving mortgage(s)
	Registration No.*	Date	Amount			Assistant Accounts Officer	Unit Incharge			
1	2	3	4	5	6	7	8	9	10	11

\* Registration No. by concerned Registrar - should be same as mentioned in column ---- of HRF-7

STATEMENT SHOWING STATUS OF MORTGAGE LOANS AGAINST WHICH REFINANCE FACILITIES HAVE BEEN AVAILED OF FOR THE MONTH OF \_\_\_\_\_

NAME OF HOUSING FINANCE COMPANY \_\_\_\_\_

Sr. No.	Name of Mortgagor (Borrower)	Address of Property Mortgaged	Mortgage Number	Mortgage Due Date	Amount of Mortgaged Loan	SBP Housing Refinance Loan No.	<u>Date of Refinance Availed</u>	<u>Period of Refinance</u>	Amount Paid by the Borrower	Outstanding Balance as of Application Date.	Instalment Due on	Amount of Instalment Due	No. of Instalment Due	Status of Mortgaged Loan
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

(AUTHORISED SIGNATURE )  
Name & Designation

(Please specify the date of each month on when they are due)

MONTHLY STATEMENT SHOWING DETAILS OF INSTALMENT OF THE REFINANCE  
PROVIDED BY THE BANK FOR THE MONTH OF \_\_\_\_\_

NAME OF HOUSING FINANCE COMPANY \_\_\_\_\_

Sr. No.	Amount of mortgage	Refinance facility availed		Due date & amount of instalment		Actual date of payment & amount.		Amount of instalment outstanding	Reason for not making payment(s)
		Date	Amount	Date	Amount	Date	Amount		

(AUTHORISED SIGNATURE )  
Name & Designation

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**Table I**

NAME OF HOUSING REFINANCE COMPANY \_\_\_\_\_

**INFORMATION IN RESPECT OF HOUSING FINANCE USES PERTAINING TO STATE BANK OF PAKISTAN'S HOUSING REFINANCE WINDOW.**

STATUS FOR THE MONTH OF \_\_\_\_\_

'A' Overall Position of the Refinance Provided to the HFC

(Rs. in Millions)

	<u>Refinance Limit allowed</u>	<i>Refinance Availed</i>	<u>Finance Disbursed</u>	<u>Refinance Outstanding</u>	<u>Remarks</u>
<u>As of month ended-----</u>					

**Table II**

'B' Operational Status of the Refinance Provided to the HFC \_\_\_\_\_

(i)

(Rs. in Millions)

	<u>No. of Applications Received</u>	<i>No. of Applications approved</i>	<u>No. of cases disbursed</u>	<u>No. of cases pending/ under consideration</u>	<u>Remarks</u>
<u>Opening Balance</u>					
<u>During the month</u>					
<u>Closing Balance</u>					

(ii)

(Rs. in Millions)

	<u>Amount requested</u>	<u>Amount approved</u>	<u>Amount disbursed</u>	<u>Amount rejected</u>	<u>Remarks</u>
<u>Opening Balance</u>					
<u>During the month</u>					
<u>Closing Balance</u>					

**Table III**

**STATEMENT OF CLASSIFIED ASSETS AND PROVISIONING  
THEREAGAINST  
AS OF THE YEAR ENDED**

**1- QUALITY OF ADVANCES**

	<i>CATEGORY OF CLASSIFICATION</i>				
	<u>OAEM</u>	<u>SUB- STANDARDS</u>	<u>DOUBTFUL</u>	<u>LOSS</u>	<u>TOTAL</u>
<u>Principal amount of classified loans/advances (i)</u>					
<u>Less (a) Value of liquid assets.</u>					
<u>b) Discounted realizable value of mortgaged / pledged assets in forced / distressed sale conditions.</u>					
<u>Sub-Total (ii) = (a+b)</u>					
<u>Net amount on which provision is required to be calculated (iii) = i – ii</u>					
<u>Provisioning requirement:</u>					
<u>Percentage (iv)</u>					
<u>Amount (v) = iii + iv</u>	<b>0%</b>	<b>20%</b>	<b>50%</b>	<b>100%</b>	

**2 QUALITY OF ASSETS**

	<u>Loans/ Advance</u>	<u>Investments</u>	<u>Other Assets</u>	<u>Total Assets</u>
<u>Gross Assets (vi)</u>				
<u>Amount classified:</u>				
<u>c) OAEM</u>				
<u>d) Sub-standard</u>				
<u>e) Doubtful</u>				
<u>f) Loss</u>				
<u>Total classified (vii)= c+d+e+f</u>				
<u>Provision required (viii)</u>				
<u>Provision held:</u>				
<u>g) At beginning of year</u>				
<u>h) Addition / reversal during the year</u>				
<u>At end of accounting year (ix)=g+/-h</u>				
<u>Excess / shortfall in provision (x) = ix – viii</u>				
<u>Infection Ratio (xi) = (vii/vi) * 100</u>				