

REFINANCE APPLICATION FORM
TO BE SUBMITTED BY THE BANK/DFI UNDER
Financing Facility for Low Cost Housing for Special Segments (Scheme)

The Chief Manager,
SBP BSC (Bank),
_____ (City)

Dear Sir,

**REQUEST FOR RELEASE OF REFINANCE
FACILITIES UNDER THE CAPTIONED SCHEME**

With reference to the Limit of Rs.__(total)_____ sanctioned by Infrastructure, Housing & SME Finance Department (IH&SMEFD) of State Bank of Pakistan vide its Letter No. _____ dated _____ under the captioned scheme for the Financial Year ____; we submit herewith our application for refinance facility amounting to Rs. ____ (current application) _____ only against the finance disbursed by us under Financing Facility for Low Cost Housing for Special Segments (scheme) to our borrower(s) as per particulars given hereunder:-

- (i) Name(s) of the borrower(s)¹ _____
- (ii) Residential address of the borrower _____
- (iii) Address of housing unit/flat² to be financed _____
(street, lane, area, city, district) _____
- (iv) Particulars of finance as per financing agreement executed by bank/DFI with the borrower
- | | |
|-------------------|-------|
| Amount | _____ |
| Date of Agreement | _____ |
| Mark-up Rate | _____ |
- (v) Tenor of financing _____

2. We certify that the details of the financing arrangements for construction of new housing unit (including purchase of plot), made with the borrower mentioned above and the payments made by us to them have been placed in our record and shall be invariably provided to the inspection team(s) of SBP during the inspection of our bank/ DFI.

¹ Name(s) of borrower(s) include co-borrowers, if any.

3. We submit herewith/ have already submitted the securities documents required under the captioned Scheme for the purpose of availing refinance, to the extent of the amount mentioned in IH&SME Finance Department's letter referred to above, to your office vide our letter No. _____ dated _____. We also submit herewith/ have already submitted a Demand Promissory Note for Rs. _____ (Rupees _____ only) in your favor and request you to provide refinance of Rs. _____ (Rupees _____ only) by crediting our Current Account maintained with SBP Banking Services Corporation.

4. We hereby certify that:-

- i) the instructions as stipulated in the captioned Scheme have been complied with;
- ii) all the requirements of the Scheme including those at (iii), (iv) & (v) below have been fully met;
- iii) the eligibility of borrower and the housing unit for which financing is being availed has been properly determined by us in accordance with the prescribed criteria/ conditions set out in the scheme in force on the date of the Financing Agreement/undertaking as required under the scheme;

5. We understand that the Infrastructure, Housing & SME Finance Department, State Bank of Pakistan has right to appoint independent consultants to verify cases of refinance and agree to reimburse the cost so incurred, to SBP, in case the report of consultants indicates any irregularities on our part. We also agree to pay back any amount of refinance disbursed to us by the State Bank on the basis of this application if the State Bank subsequently concludes that such refinance was wrongfully claimed and also pay fine on such finance @ paisa 60 per day per Rs. 1,000 or part thereof, or such other rate as may be announced by the State Bank from time to time, for the period for which such finance is availed by us immediately.

6. We also undertake that in case irregularities are found to have been committed by the borrower due to negligence of our officials/staff to ensure compliance of the instructions or that such irregularities have been made by the borrower with the involvement of our officials/staff, besides taking appropriate action against our staff under our staff regulations or code of conduct, we shall indemnify and agree to indemnify and save harmless the State Bank against any claims, actions, costs, losses and expenses that it may incur due to litigation or otherwise on account of recovery of amount of refinance and the fine thereof for availing of refinance to which we/they were not entitled otherwise.

7. We hereby also authorize SBP BSC to recover the full or remaining outstanding amount of refinance along-with mark up and fines, if any, from any monies held in our account maintained with SBP BSC or on our behalf in case the amount(s) falling due is not repaid by us on the due date agreed to by us.

Yours faithfully,

(Authorized Signature with
name and designation)

(Authorized Signature with
name and designation)

FORM OF THE AGREEMENT

TO BE OBTAINED FROM THE BANK/DFI UNDER

FINANCING FACILITY FOR LOW COST HOUSING FOR SPECIAL SEGMENTS (Scheme)

(To be stamped as an agreement in accordance with the law in force in each province)

(Place) _____

Date _____

The Chief Manager,
 SBP Banking Services Corporation (SBP BSC),
 _____ (City)

Dear Sir,

In consideration of your agreeing to make available to us refinance under Section 17 (2) (d) read with section 22 of State Bank of Pakistan Act, 1956, not exceeding Rs. _____ (Rupees _____ only) under State Bank of Pakistan's Financing Facility for Low Cost Housing for Special Segments (scheme), for _____ years vide Infrastructure, Housing and SME Finance Department's Letter No.-----dated ----- for which amount we i.e. _____ (concerned bank / DFI) have delivered to you a Demand Promissory Note made by us in your favour against the requested amount.

2. Now, we do hereby agree to the terms and conditions as set out herein under:-

- (a) We shall pay / repay the principal or mark up amount of refinance and any other charges / penalty thereon, to you in accordance with the agreed schedule of payment. In no case our liability to pay / repay you the principal amount of refinance, or mark up or any other charges or penalty thereon shall be dependent upon the recovery from the borrower nor shall our liability be affected by any default on the part of the borrower.
- (b) As security for the said refinance, on each occasion we intend to avail refinance against finance extended by us, we shall deliver to you, demand promissory notes duly endorsed in your favour, as are acceptable to you and drawn on and payable in Pakistan, arising out of bonafide finance provided by us to our borrowers eligible for financing as per criteria spelt out in the Financing Facility for Low Cost Housing for Special Segments (scheme) and it is understood that the aforesaid accommodation may be made and will continue on the faith of the truth and correctness of such certificates.
- (c) We undertake that we shall not extend finance or deliver to you any demand promissory note in terms of this agreement unless we are satisfied that all parties liable there under are financially sound and credit worthy.
- (d) We undertake that we shall extend finance under this scheme, only for construction of new housing units (including purchase of plot).

- (e) The maximum rate of mark up to be charged by us from the borrower, on the amount refinanced by the State bank, shall not exceed 5 % p.a. from the service charges (mark up) payable to you on refinance as worked out under the provisions of the Scheme.
- (f) Service charges shall be payable by us to you on monthly basis on last day of each month. Where the above schedule date falls on a public/weekly holiday, we shall make payment of the due amount of service charges on next working day after such due date. You are hereby authorised, at your discretion to reimburse State Bank with the amount of service charges by charging the same to our current account with you in case we fail to make payment on the due date in full, as required under the Scheme without seeking any debit authority from us. You shall also be entitled to charge fine/penalty on us, at a rate specified in the Scheme from time to time, on our failure to make payment whether on account of inadequate balance in our account or otherwise.
- (g) The maximum amount of refinance that you shall provide to us, in the case of each borrower financed by us would be in line with the provisions of the scheme and shall not exceed the amount actually disbursed by us under the Scheme.
- (h) The Demand Promissory Note (notice of dishonour of the same is hereby waived in terms of Section 98 of Negotiable Instrument Act, 1881), furnished by us with this agreement and the demand promissory note delivered to you in terms of clause (k) below shall, notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations of accounts or withdrawal of any part of this security, be a continuing security for repayment of all sums due or found due under this agreement, along-with Service Charge due thereon to you, and all costs, charges or expenses, which you may be entitled under the law to recover from us.
- (i) We shall neither sanction nor permit any of our customers to use the finances for any purpose other than those prescribed under the Scheme. Further, we shall obtain a declaration from our customer to the effect that he shall not utilize the finances or any part thereof except for the purpose spelt out in the Scheme.
- (j) No financial assistance shall be given by us to any of our Directors .
- (k) Without prejudice to your rights against us as financier for the realization of any demand promissory note delivered to you under clause (j) at maturity, we agree, if you so desire, to take at our expense, all steps as may be necessary to realize the money from the borrower and forthwith pay the same to you. We agree that the fact of your not taking steps to endorse payment of such demand / usance promissory note or any of them against the signatory or signatories thereon shall in no way release us from our liability there under and we agree that it shall not be necessary for you to give any notice of dishonour of such Promissory Note.
- (l) We shall hold upon trust securities / security documents presently held by us or which may be obtained by us from our borrowers to whom finance is made available under this Scheme, as security for due repayment of finance with return / profit thereon. Further, on your demand we undertake to assign to you all such securities and secured documents, and agree that upon such assignment the provisions of clauses (j) and (k) shall, mutatis mutandis, apply.
- (m) In addition to the preceding clauses, we agree that as and when you demand, we shall create valid legal charge on any or all of our assets as may be demanded by you.

- (n) We expressly understand that you are entitled to cancel or recall or advance the date of repayment of this finance at any time and for any reasons without any prior notice to us and that you are not obliged to provide any finance to us any time and for any reason against this Scheme and that by executing a promissory note in your favour of lodging demand promissory note under clause (k) or by providing finance to any borrower on the faith of this agreement, we have acquired no right or claim to demand finance from you under this Scheme. We also expressly agree that you have the sole right to vary, amend, alter or add the instructions issued under the Scheme without any reference to us and we agree to invariably comply with the same.
- (o) We agree that on default of repayment by us on any demand promissory note tendered under this agreement, you have our authority to debit without further reference to us, all of our accounts now held or held hereafter or adjust any money worth which may, howsoever, become due from you or come into your possession or control to the extent of the amount due from us under any such promissory note or in terms of the clauses referred herein before or otherwise under this agreement.
- (p) We agree that notwithstanding anything contained elsewhere in this agreement, the amount of this finance along-with Service Charge due thereon due to you will become due and payable, if we commit breach of any of the terms and conditions of this agreement.
- (q) No indulgence or delay in exercising any of your rights hereunder shall be deemed a waiver of any right and no waiver of any of your right hereunder shall be construed as a waiver of any other rights you may have.

Yours faithfully,

(Authorized Signature with name and designation)
for _____ (Bank / DFI)

(Authorized Signature with name and designation) for _____ (Bank / DFI)

Witnesses:

1. _____

2. _____

DEMAND PROMISSORY NOTE *
(TO BE SUBMITTED BY BANK/DFI)

Place: _____

Date: _____

Rs. _____

On demand we _____ (name of the bank/DFI) promise to pay to the State Bank of Pakistan, Banking Services Corporation, (City) or order the sum of Rs. _____ (Rupees _____ only) for value received plus service charges @ _____% p.a. plus fines and charges determined by State Bank of Pakistan for re-financing under Financing Facility for Low Cost Housing for Special Segments (Scheme).

(Authorized signature of the bank /DFI)

(Name & Seal)

* To be stamped in accordance with the law in force in each Province.

Witnesses:

1. _____

2. _____

**UNDERTAKING/AGREEMENT TO BE SUBMITTED BY THE BORROWER
UNDER FINANCING FACILITY FOR LOW COST HOUSING FOR SPECIAL SEGMENTS (Scheme)**

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

(Place) _____

Date _____

The Manager,

_____ Bank Limited/DFI,
_____ Branch,
_____ (CITY)

Dear Sir,

I/We do hereby certify and confirm that a finance of Rs. _____
(Rupees _____ only) has been allowed to me/us by you under Financing Facility
for Low Cost Housing For Special Segments (Scheme) of State Bank of Pakistan on service charges basis @
_____ % p.a.

2. I/We, further confirm and undertake that the aforesaid finance will be / has been obtained by me/us only for construction (including purchase of plot) of new housing unit in line with the conditions of the Scheme under reference. I/We confirm that aforesaid finance, or any part thereof, shall not be utilized except for the purpose spelt out in the Scheme.

3. I/We, do hereby confirm that I/We do not own any housing unit/flat, nor have I/We availed any financing from bank/DFI. I/We further confirm that no support or concession of Government of Pakistan has been made available for purchase / construction of a housing unit/flat. I/We also undertake that after availing financing under the facility, I/We will not apply for financing under this facility or any other support, against the same housing unit.

4. I/We, do certify that the finance is being obtained by me/us against bonafide transaction and I/We submit the requisite documents along-with this application for your consideration of extension of finance facility to me/us from your bank/DFI under Financing Facility for Low Cost Housing for Special Segments (scheme) of State Bank of Pakistan.

5. I/We, hereby confirm and agree that in the event of my/our failure to make payment on due date you have our Irrevocable Authority without reference to us, to recover from me/us and debit My/Our Account No. _____ maintained with you along-with fine or penalty applicable to me/us, if any as prescribed under the Scheme. I/We, authorize the bank/DFI to reimburse itself with the fine amount even if we have made a representation to SBP against imposition of fine under the Scheme.

6. I/We agree that notwithstanding anything contained elsewhere in this undertaking, the amount of this finance along-with Service Charge due thereon due to you will become due and payable immediately, if we commit breach of any of the terms and conditions hereof.

Yours faithfully,

Signature of the Borrower (s) (including co-borrower)

Signature verified by the authorized
Officials of Branch of Bank/DFI

Witnesses:

1. _____

2. _____
