

**Key Fact Statement (KFS) - Mortgage Loans (Loan)**

**Important Notice:** This document sets out key indicative information about the Loan. You should read it thoroughly. If you do not understand any item in this document, you should seek independent advice. This is not a legal contract. It does not bind you to take, or us to provide, the Loan. The Loan will be documented in an application which will include all the terms and conditions applicable to the Loan.

We are Invest Bank P.S.C. (The Bank), a commercial bank regulated and licensed by the Central Bank of UAE. You may reach us in writing on our postal address or by email on the addresses mentioned below. You can also contact us via our Customer Experience telephone line mentioned along with the addresses.

**Address:** P.O.Box 1885, Sharjah, UAE  
**Customer Experience:** 600 544404  
**Email:** [wecare@investbank.ae](mailto:wecare@investbank.ae)

**1. Description of the Loan**

The Loan is a Mortgage loan provided to customers, who are residents of the United Arab Emirates, to enable them to purchase a ready property or, for UAE Nationals, to construct villas under various Government housing programs (GHP). The loan should be repaid over an agreed tenure not exceeding 300 months.

**2. Product Key Details:**

- The Loan is offered as a commercial facility and for the purpose of buying a property
- The Loan is given against mortgage of the property in favor of Invest bank. The Loan also requires a Life and Property Insurance with Invest bank as the beneficiary. An undated, but filled and signed security cheque equivalent to 120% of the Loan amount is also taken along with a Promissory Note.

**3. Requirements and Eligibility:**

In order to apply for the Loan, you must: (a) be at least 21 years old; (b) be a UAE National or an expatriate legitimately working and residing in the UAE; (c) have a minimum Al Etihad Credit Bureau (AECB) score of 541; (d) have a minimum monthly salary of AED 5,000; (e) contribute to the price of property as mandated by CBUAE

**4. Key Features:**

- a) High Loan amounts up to AED 15 Million subject to fulfilling other lending criteria, including the Debt Service Ratios
- b) Up to 25 years repayment tenures
- c) Loan amounts upto 8 x your annual income (UAE Nationals) and 7 x annual income (Expatriates)
- d) The Maximum LTV on the Mortgage Loan is as per the regulation set by the Central Bank

**5. Processing Time:**

Your loan will be processed within 14 business days of signing the Loan application and submission of all required documents to the Bank. However, the disbursement of the Loan, if approved, may be deferred until the Bank receives confirmation on the property mortgage in favor of Invest bank and assignment of Life Insurance to the Bank..

**6. Interest Rate (Indicative and subject to change from time to time):**

The Interest rate for the Mortgage Loan is variable and is set to 1 month/3 months EIBOR + a Margin of 1.5% - 4.0%. The Bank may introduce a product variant by which the interest rates will be a hybrid between a fixed initially and then shift to variable rate linked to the prevailing EIBOR. The Initial Fixed Rate will be in the range of 3.5% - 6.5% per annum and upon the shift will be about 2% - 4.00% + EIBOR. Government Housing programs may have a different structure of Interest rates depending on the product variant chosen (Ready or Self-Construction). Please note that the variable interest rate is variable throughout the term of the Loan and may be changed in accordance with the provisions of the General Terms & Conditions during the tenure of the Loan. The Interest rate is charged on the reducing balance of your loan. We do not charge compounded interest (interest on interest).

The interest payable monthly as part of the Loan installment and is calculated on the principal outstanding each month based on the exact number of days in that month as per the formula below:

$$\text{(Principal Outstanding x Rate of Interest x No. of days in the month) / 365}$$

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Please note that there are factors that may impact the rate charged on your Mortgage Loan request which include, but not limited to, your Credit Score, Type of property and Salary Transfer relationship. Furthermore, promotional interest rates may be offered occasionally and on case to case basis. As and when such promotional interest rates are undertaken by the Bank, the same would be found on our website under Mortgage Loans and advised at time of applying for the facility.

#### Illustration on Interest Rate Consideration

If the Loan is granted based on standard Interest rate (Not Hybrid), then assuming the EIBOR Rate is 0.50% and the applicable margin is 2.99%, then the interest rate will be 3.49% on the Mortgage Loan. If the Interest charged is set as a hybrid, then assuming the fixed period is 5 years at a rate of 3.25% followed by 3 months EIBOR (assuming EIBOR is at 0.50%) + 2.99% Margin, and the floor rate is set at 3.75% (The Minimum rate to be charged on the loan given other costs involved) from the 6<sup>th</sup> year, the interest rate applicable on the 6<sup>th</sup> year will be the higher of either 3 months EIBOR + Margin, or the floor rate. In this scenario, 0.5% + 2.99% = 3.49% Vs. a higher rate floor rate of 3.75%, the the rate from the 6<sup>th</sup> year onward will be 3.75%.

Please note that the payment hierarchy under the Loan is as follow:

- |  |   |
|--|---|
| a) Life Insurance Policy (if financed by the bank) | b) Principal component of installemnts/overdues |
| c) Interest component of installemnt/overdue       | d) Late Payment interest                        |
| e) All other outstandig charges                    |   |

#### Warnings:

- **If you pay off the Loan before the due date, you will pay prepayment charges at the rates described in the Bank's Schedule of Charges**
- **The General Terms and Conditions contained in the Consumer Terms governing loans provided by us are subject to change from time to time. We will inform customers of any changes with the required notice period and will publish the revised Terms and Conditions on our website and other platforms for reference.**
- **If your income decreases, you will still be liable for the loan amount outstanding.**
- **If you are late in payment or fail to make the payment on time, you will pay default charges and penal interest at the rates mentioned below**
- **If you are late in payment or fail to make a payment on the due date, you will be a defaulter and the Bank will have the right, among other things, to:**
  - **Cancel the Loan and demand full repayment immidiatly**
  - **Report the default to appropriate regulatory authorities, including Central Bank of UAE, Al Etihad Credit Bureau, Collection agencies and other Credit rating agencies, which may impact your credit rating negatively and limit your future borrowing ability.**
  - **Undertake all possible means of recoveries, including, but not limited to, bring legal proceedings against you**
  - **Repossess the property and sell it to recover outstanding balances against the mortgage Loan**
  - **Use any assigned collateral, including the securirty cheque, to claim the Bank's money from you.**

#### 7. Fees & Charges

<b>Processing Fees (one Time Payment)</b>	1% of the Loan amount is payable at the time of disbursal
<b>Other Fees and Charges</b>	<ul style="list-style-type: none"> <li>• Charges for late payment is AED 200 per delay in instalment payable until instalment is paid.</li> <li>• Life Insurance charges of 1% of the Loan amount is payable at the time of disbursement and provides a life cover on the Loan outstanding.</li> </ul>
<b>Early settlement Charges</b>	<p>Early Settlement charges, for full or partial settlements, are 1% of loan outstanding / amount to be paid or AED 50,000, whichever is lower.</p> <p>For example: If your Loan amount outstanding is AED 1,500,000/- and you decide:</p> <ol style="list-style-type: none"> <li>1. To fully settle the outstanding, then: 1,100,000 * 1% = 15,000.</li> <li>2. To partially settle AED 250,000, then: 250,000 * 1% = 2,500.</li> </ol>

In addition, there may be other standards fees which apply to your dealings with the Bank. Please refer to our Schedule of Charges available through this URL [Invest Bank :: Schedule of Charges - Schedule Of Tariff For Individual Customers](#).

All Fees and charges are subject to additional 5% VAT as per the applicable law of the UAE

#### 8. Risks & Limitations

- You must understand that you should not borrow more than you can afford to repay. What you can afford to repay will be impacted by the repayments and interest that you must pay. This can change if your earnings change or your commitments change or if the interest rates increase.
- Although this Mortgage Loan allows you to request for an instalment deferral during the life of the loan, please note that availing frequent postponements within bank's policy may result in a longer period to settle the Loan.
- Instalment deferrals will not be given to customers with irregular repayments or if there are 4 or more returned cheques / DDAs in the last 12 month or if the deferral request from customer does not meet the internal criteria of the Bank.
- Failure to make the monthly payment on time for the Mortgage Loan, or you conduct a breach to any of the Loans terms and Conditions, you may lose your rights over the property as a result of mortgage enforcement proceedings that the bank may action.

#### 9. Customer Obligations:

- a) To ensure that your Loan payments are made promptly on the due date without any delay
- b) To review this documents and all other documents related to this Loan, including the terms and conditions, before you sign-off any of these documents
- c) To regularly check the Bank's website ([www.investbank.ae](http://www.investbank.ae)) for updates
- d) To notify the Bank in writing if there is a change in your employment, income details, contact details, residential status, identification details, other financial details, or any other material information as declared in the application form and/or other declarations signed by you.
- e) To notify the bank in writing if you wish to prepay your loan if full or partially before its maturity.
- f) To comply with all terms and conditions of the bank

#### 10. Key Terms & Conditions

- a) The Bank at its sole discretion reserves the right to amend the features, fees, charges, terms & conditions of the Loan on an advance 60 days' notice to you
- b) The bank at its sole discretion reserves the right to amend the interest rate on the loan on an advance 30 days' notice to you
- c) All fees and charges related to registration of the property and any outstanding penalties must be paid by the customer and the bank is not liable to pay any of these fees.

#### 11. Cooling-off Period

You are entitled to cancel the Loan within 5 business days of signing the facility documents/Application and the Bank will not disburse the Loan until this period expires. To take advantage of the Cooling-off period and cancel the Loan, you must intimate the Bank within the 5 business days in writing, and if you do cancel, you will need to pay the Bank the fees disclosed in the facility documents and application. You can waive the right to the Cooling-off period in writing to enable the Bank to disburse the Loan to your account immediately

For feedback or complaints, email us on [wecare@investbank.ae](mailto:wecare@investbank.ae) or call our Customer Experience line 600 544404

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I/We hereby confirm that I/We have been provided with Key Fact Statement prior to my application for the Loan and have read and understood this Key Fact Statement

**Name of Applicant**

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**Signature**

**Date**

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