

## HomeLoan



Applying for a mortgage is a big step in your life and sometimes it can be a little confusing. Now, whatever you need to know about a Standard Chartered Mortgage, from our approved developers to other formalities, you'll find the answers here. Should you have any more questions, please do not hesitate to contact us.

**1. Can I get a mortgage to buy land and then build my own house?**

Standard Chartered Bank offers mortgages for the purchase of already completed residential properties only and under- construction residential properties being developed by Standard Chartered approved developers. Self-build projects are not financed.

Our Approved Developers List is on a separate sheet

**2. I want a mortgage to purchase a block of serviced apartments which I plan to let out.**

Mortgages are provided for the purchase of self-occupied residential properties only.

**3. I want to purchase a house in Kaduna where my account with your bank is domiciled.**

We currently finance the purchase of residential property in Lagos and Abuja only.

**4. I want to buy a house and the proof of ownership provided by the vendor/seller is an agreement signed by his father who is the original owner of the house.**

We accept the following as proof of ownership;

- A Government issued Certificate of Ownership
- A registered Deed of Assignment, Deed of Sub Lease or Deed of Conveyance.

**5. What is the minimum loan amount I can get and for how long?**

The minimum loan amount we offer is NGN 5 Million for a minimum of 5 years.

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#### **6. What do you mean by equity contribution or Loan to Value?**

Equity contribution refers to the part of the purchase value of the property the buyer must provide. It is currently a minimum of 20% of the value of the property being purchased. i.e. For a property worth NGN 10 Million, the buyer must provide a minimum of NGN2 Million and the Bank provides NGN 8 Million. Conversely, Loan-to-value refers to the portion the Bank finances which is up to a maximum of 80% of the market value of the property, or the forced value (whichever is lower).

#### **7. What are perfection charges, and must I pay them when I am granted the loan?**

Perfection fees are the fees paid to the state government for the transfer of ownership of title from the original owner to the customer. Yes, you will be required to pay these fees upfront as it is a condition precedent to draw-down of the mortgage facility.

#### **8. How do you calculate interest on the mortgage?**

Interest is computed as a percentage of the principal amount outstanding on a daily basis, i.e. on a reducing balance basis. The interest component of your monthly repayments is therefore larger at the start of the loan and reduces progressively over the life of the loan.

#### **9. Are interest rates fixed for the entire term of the loan?**

Interest rates are only fixed for a period of six months after which they are reviewed in line with prevailing market conditions.

#### **10. How much must I earn to be able to secure a mortgage?**

The minimum you must earn to qualify for a mortgage is NGN 150,000 net of tax and other deductions monthly.

#### **11. What is EMI?**

EMI refers to equal monthly installments. It is computed using a formula which spreads interest and principal repayments into equal monthly amounts over the tenure of a loan.

#### **12. What is DBR?**

DBR refers to your debt burden ratio. This is the percentage of your monthly net income (after tax and other deductions) which we would permit you to use to service your mortgage facility.

#### **13. I earn a housing allowance which is paid in bulk annually. Can I use this to service my loan repayments?**

Yes you can. However, we will still require that you make monthly repayments of interest and principal (EMI) and your DBR.

#### **14. Can I settle my loan before it matures?**

Yes you can, but it'll attract an early settlement fee of 5% of the outstanding loan amount if 65% of the loan is paid earlier than 5 years.

#### **15. I am about to retire from government service and want to purchase my government-owned house. Can you provide a mortgage for this?**

Yes, as long as you are less than 60 years of age and the tenure of the loan you can take will expire before you clock 60 years. Our mortgage facilities are provided to individuals who are 25 years and above and under 60 years at maturity of the loan.

#### **16. I started at my job 2 years ago and I want to purchase my first house in Lagos. Can you provide financing for this?**

Yes we can, subject to your having a total of 5 years work experience including the time you have spent at your new job.

**Call 01 270 2167**

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