

Key Fact Document

Product Type – Home Loan in Sri Lankan Rupee / Foreign Currency

Description of the product/ delivery channel

The Home loan scheme was introduced in 1996 under the brand name "Shanthi" and value additions have been made over time, with convenient payment plans, longer repayment period, mortgage advisory service and much more value additions to have hassle free access for a Home loan with a property mortgage.

1. Eligibility

- Age 18 – 70
- Borrower has to be a Sri Lankan Citizen

2. Purposes

- Purchase of Land/land with house/Fully completed apartment
- Purchase of apartment/individual houses under tripartite (construction not completed)
- Construction
- Reimbursement
- Takeovers from another bank

3. Target Segment

- Salaried Borrower - Employed in a Government/Private or Family controlled company
- Salaried or Business Professionals
- Business Borrowers
- Sri Lankan citizens working abroad including Sri Lankans permanently residing abroad (PR) and Dual citizens

4. Interest Rates - Please refer the HNB Web site - (www.hnb.net → Loans → Home Loans View Interest Rates)

5. Repayment Terms - Repayment period is maximum of 25 years. (Maximum 5 Year repayment for Sri Lankans who are working abroad and PR/Dual citizens)

Financial and other benefits to customers including incentive and promotions

- Competitive interest rates
- Longer repayment up to 25 Years
- Flexible repayment options available to meet the monthly commitment
- Facilitate in principle approval for loan amount based on income
- Further loans can accommodate based on existing leeway or using same collateral (Additional loan for Home improvement, Second Home loan, Consideration of agreement to mortgage options)
- Mortgage Advisory service available with prior arrangements

Cost to Customers – Fees/charges, commission, interest, etc.

- Fixed/Floating interest rates and combined fixed cum floating rates
- Penal interest on overdue capital
- Penalty on overdue instalments
- Standard documentation charges
- Land registry search
- Standard early settlement charges/Interest reduction charges
- Valuation charges
- Legal charges (Mortgage bond)
- Stamp Duty
- Mortgaged Reducing Policy
- Fire Insurance if applicable
- Title insurance if applicable

Procedure to be followed to obtain the product/delivery channel

- Call or Visit the closest branch (250+ island wide)
- Obtaining, completing and forwarding an application with required documents. (All the Branches island wide)
- Call one of Mortgage Advisor on 076 3613401 / 076 6478787 / 076 2900632 / 0762900639

Key Terms & Conditions

- Minimum income should be Rs. 100,000/-
- Minimum loan amount Rs.1,000,000/-
- Consider in Sri Lankan Rupee (LKR) and selected foreign currency
- A letter of undertaking from the employer to route the salary to an account maintain at HNB or Standing Order instructions along with undertaking from the customer that he/she will not change same within the tenure of the facility.
- Maximum exposure is limited to 75% from Purchase price or Forced Sale Value (FSV) whichever is less / 80% from the BOQ if construction
- Acceptable CRIB Report
- Total deductions including instalments of the proposed loan, together with the existing deductions/loan commitments to be within 50% of the net salary.
- Repayment up to the retirement age for salaried borrowers and up to the 70th birthday for Business Clients.

Security Details

- Mortgage over residential property

For more information – 0112 462 462/ hnbconnect@hnb.lk