

KEY FACTS IN CONTRACTS (KFic) AND OTHER INFORMATION -**MUTUAL AID HOME LOAN – TRAINEES / STUDENTS NURSE / PROBATIONERS FROM CIVIL SERVICE**

Customers are kindly requested to read the following instructions and loan conditions before completing their loan application.

1.0 Purpose

1.1 The purpose of the home loan is exclusively for:

- (i) Construction of a first or second house;
- (ii) Extension of existing house (*see note A*);
- (iii) Purchase of residential property (flat/house/residential land) (Purchase of agricultural land is excluded);
- (iv) House renovation;
- (v) Loan refinancing as per conditions below:

(i) To offset Mutual Aid loan only	-	-	-	-	-	Yes
(ii) To offset loan with other institution(s)	-	-	-	-	-	Yes
(iii) To offset Mutual Aid loan(s) and use remaining sum for renovation projects	-	-	-	-	-	Yes
(iv) To offset Mutual Aid loan(s) and use remaining sum for construction.	-	-	-	-	-	Yes

1.2 For financing of agricultural land, please refer to KFIC – Green Loan.

1.3 For external Home Loan Refinancing only, please refer to KFIC-MAEHLR-Mutual Aid External Home Loan Refinancing).

Note A: Amount of loan for extension is restricted to the extent of works to be undertaken and supported by a Building and Land Use Permit.

2.0 Maximum Loan Amount

Applicant needs to bring quotation for full value of the home loan project. The maximum amount of loan disbursed, subject to eligibility, will be as follows:

- 2.1 For a single borrower, or husband and wife in case of a joint application, for the purchase/construction of a first, second or third residential property, the maximum loan amount should not exceed:-
 - (i) Rs15m for civil servants and Premium Non-Government and Rs10m for non-civil servants – a maximum Loan To Value (LTV) ratio of 100% of value of the residential property.
- 2.2 For the purchase/construction of a residential property, in case of joint applications (other than husband and wife), the maximum loan amount will not exceed 70 per cent of the value of the property.
- 2.3 The loan will not be disbursed until the borrower has shown that the difference between the cost of the project and the loan extended, is readily available in his/her savings account. The borrower must declare that this difference has not been borrowed from any financial institution, including those financial institutions not regulated by the Bank of Mauritius.
- 2.4 Application should be submitted by loanee in person.
- 2.5 The loan ceiling for Mutual Aid Home Loan-Trainees (MAHLT) to be as follows:
 1. Applicant (Civil Servant) & Premium Non-Government - Rs15m
 2. Applicant (non-Civil Servant)- - - - - Rs10m

3.0 Loan deduction**3.1 Debt To Income Ratio**

- 3.1.1 The Debt to Income (DTI) ratio of a borrower, who is applying for the grant of credit facilities for the purchase/construction of residential property, shall not exceed 50% of the borrower's monthly income.

4.0 Interest Rate (subject to Mutual Aid Base Rate (MBR) / Key rate change) (Effective Date 05.02.2025)

- (i) Floating interest rate as per hereunder:

SN	RANGE OF LOAN	INTEREST RATE (%) P.A
1	Up to Rs 1m	6.60
2	> Rs 1m up to Rs2m	6.50
3	> Rs 2m up to Rs3m	6.40
4	> Rs 3m up to Rs7m	6.20
5	> Rs 7m up to Rs10m	6.10
6	> Rs 10m up to Rs15m	6.00

- (ii) Any review of interest rate will be applied prospectively and will not affect loan already granted unless there is a change in Repo or Mutual Aid Base Rate.
- (iii) The rate of interest is calculated daily based on the outstanding capital and is tagged to the Mutual Aid Base Rate (MBR). The interest rate will be automatically adjusted in case of any percentage change in the said MBR. Consequently, the loan maturity date may be increased or reduced to take into account fluctuations in interest rate during the loan period. Please note that the monthly loan instalment will remain the same.
- (iv) In case where renovation is mentioned in the application form and it is subsequently found that the loan has not been used for renovation, the Association reserves the right to review the interest rate and align on that applicable for Personal Loan.

5.0 Moratorium Period (optional) - 5 years on capital payment; however, interest is payable over these five years.**5.1 Maximum Repayment Period** -For all purposes: up to 35 years subject to maximum age of 65 years.

- 5.2 About two months moratorium will be provided on loan repayment, thus the first deduction will be made by end of the 2nd month. Consequently, the loan period will be extended accordingly and the interest accrued during this period will be deferred and claimed after the maturity of the loan. This deferred interest would be indicated in the periodic loan statement issued to clients.

6.0 Special Conditions Applicable for Trainee / Student Nurse / Probationers
 Security to be offered:
 (i) Security mentioned at 7.0 plus personal guarantors.
 (ii) In case of default within 24 months the loan to be serviced by guarantors instead of enforcing the fixed charge.
 (v) After 24 months of successful repayment by the loanee, the guarantors to be waived from the loan contract and the MCIB database.
 (vi) Potential beneficiaries appointed under delegations of powers should not be entitled to any loan scheme during their probationary period

7.0 Security to be offered
 The following securities are acceptable:
 (i) First Rank Fixed Charge on property to be acquired (title deed to be in the name of borrower) or on property on which construction is projected (with bare ownership at least belonging to the applicant or on which he/she has a 'droit de surélévation'); or
 (ii) A 'Pari-Passu' fixed charge provided that the total loan amount (i.e. Mutual Aid Home Loan plus other loans secured by the same property) does not exceed 70% of the value of the property offered as security; or
 (iii) A land on which the applicant has acquired a 'droit de surélévation' from his parents, brother or sisters and witnessed by a duly registered notarial deed; or
 (iv) In the case of leasehold, permission/clearance from Government of Mauritius/Rodrigues Regional Assembly.

8.0 Loan Coverage Fee (LCF)
 Contribution to the Mutual Aid Solidarity Contribution (% of loan amount to cover death of applicant only) based on applicant's age.

SN	AGE	MSC RATE - %
1	Up to 55	5.00
2	More than 55	5.50

Client may contract external insurance to cover fire and natural calamities (optional)

9.0 Other costs

Processing Fee	(a) 1% of Loan Amount up to a maximum of Rs25,000. (b) For refinancing of loans with other institution, a processing fee of 1% with a maximum of Rs20, 000 to be charged.
Registration Cost	25% will be borne by the Association.
Cost of inspection	

9.1 The applicant must contact any one of the Land Surveyors as per below for a Valuation Report.

List of Land Surveyors			
SN	Land Surveyor	Contact Numbers	Address
1	Dharamraz Appadoo	466-8933	1 st Floor Meldrum Tower Meldrum Street Beau-Bassin
2	Prime Pillar Valuations Services Ltd	467-5001	61 Avenue Des Goyaviers Quatre-Bornes
3	Aestima Ltd	697-0909	28 Leclézio Street Curepipe
4	Realty Valuers Ltd	214-5800 5707 9700	Ground Floor, Belmont House, Intendance Street, Port Louis

9.2 Each applicant will be charged **Rs150** as Bank of Mauritius (MCIB) fee and valuation report will be valid for 2 years for bare land with intention for future construction.

10.0 Disbursement

10.1 **Maximum of Project Value** (as per paragraph 2.0 of the "Key Facts In Contracts (KFIC) and other Information" (Ref. KF1) – Mutual Aid Home Loan) subject to following:

- For Purchase of Land / House / Flat subject to Valuation Certificate.
- For Land Purchase with intention to construct a house: 50 % for acquisition of land and remaining amount in two stages: 20 % at start of construction and 30 % upon reaching beam stage.

10.2 For House Construction (for loan amount disbursed): in 3 stages: 25% on completion of document; 40% of reaching beam level and 35% after casting of slab(s).

10.3 For land/house/flat purchase, Notary's Bank account will be credited (All KYC documents to be submitted).

11.0 Other Conditions

11.1 Contribution to the Retirement Savings Scheme (compulsory)
 Applicants will be required to join the RSS and contribute as follows:

11.2 The accumulated RSS contribution will not be refunded until the home loan has been fully settled.

SN	LOAN AMOUNT (RS)	MONTHLY RSS CONTRIBUTION (RS)
1	Up to 3 Mn	200
2	More than 3 Mn and up to 4 Mn	300
3	More than Rs4 Mn	400

11.3 All loan agreements should be registered prior to disbursement.
 11.4 Eligibility will be computed based on basic salary plus salary compensation only.
 11.5 Other Terms and Conditions may apply subject to change in regulations / policies.
 11.6 The applicant is strongly advised not to sign any agreement (re-construction or purchase of the land / property) before his/her application is considered by MCSMAA and a loan offer is made to him/her by MCSMAA.
 11.7 The applicant for a loan of Rs 4 million and above should not have a past history of defaults / arrears in loans (Mutual Aid and other institutions).
 11.8 In case of renovation, there should be a net disbursement of at least Rs200,000 after offsetting of other loans with other financial institution (*Mutual Aid Loan offset is not allowed*).
 11.9 The applicant should submit the relevant documents concerning the renovation and including photos of the house to be renovated along with the application.
 11.10 Once the renovation has been completed, an inspection would be held by an officer of Mutual Aid to ascertain that the loan proceeds have been used for that purpose.
 11.11 The applicant should ensure safety of Mutual Aid staff who will carry out regular inspections and give all necessary facilities to them for the inspection. Failure to do so may lead to delay in the disbursement or suspension of the loan.
 11.12 Shareholders are informed that it is mandatory for the Association to make necessary enquiry from the Mauritius Credit Information Bureau (MCIB) before approving, increasing or renewing any loan facilities and to provide the MCIB with relevant information regarding the present loan.
 11.13 According to Section 52A of the Bank of Mauritius Act, it is mandatory that the 'Know Your Customer' (KYC) records of our members be submitted to the KYC Registry of the Bank of Mauritius.
 11.14 When a loan renewal is granted to a member, the first EMI of the loan renewal will be deducted after two months. Consequently, the two instalments of the previous loan will be deducted from the capital balance of the new loan. For example, if the new loan is granted in March, the first EMI will be demandable in May. However, the EMI for March and April receivable for the previous loan will be deducted from the capital balance of the new loan.

11.15	For any early repayment /offset of a Mutual Aid Home Loan within a period of two years following full disbursement, the total amount of valuation fee and registration fee paid by the Association should be refunded by the loanee.
11.16	For any settlement of a Mutual Aid Home Loan-Trainees / Students Nurse / Probationers from Civil Service, the borrower will be required to pay a fee of Rs500 to the Registrar General Department for each property offered as collateral security. This fee is for the removal of the fixed charge (s) on the property or properties provided as collateral security
11.17	A loan contract is valid when the proceeds of the loan have been credited to the account of the Applicant who is alive.
11.18	The Association reserves the right to reject a loan application after assessing the risk profile of the Applicant and Security provided. It can also keep in abeyance the loan application of an applicant who is in litigation with the Association until the final outcome of the case.
11.19	There should not be any overwriting or use of correction fluid on the application form . However in case of overwriting there must be signature. All photocopies must be clear; all signatures affixed must be identical to that on the National Identity Card of bearer.
11.20	In case a borrower is proceeding on any overseas leave, he/she shall communicate in writing to the Association his/her overseas address, prior to leaving the country. Non submission of such information would be a breach of the loan contract/agreement .
11.21	In case borrower is abroad and the Standing Order Instruction has failed and no deduction can be effected from guarantor's salary, the matter will be treated as a case of defrauding the Association of its property. The Association will proceed with legal action against the borrower and guarantor(s) via the Central Criminal Investigation Department and Interpol . The Association will also inform the borrower's employer or institution of the above matter with the assistance of <u>Embassies and Ministry of Home Affairs in the relevant countries</u> .
11.22	Members may download copies of the application form from our website: www.mcsmutualaid.mu
11.23	Approval of loan is subject to terms and conditions.
11.24	Your request will be resolved on the spot if this is possible. In case you are not satisfied, you may refer to the 'Complaints Handling Policy and Procedures' as available on www.mcsmutualaid.com Further information may be obtained by phone on the following numbers: 213-0200 (queries on existing loan accounts) 213-6073 (Direct line for Home Loan)

12.0 GUARANTORS

12.1 Except for pensioners, applicants need to provide **personal guarantors**, provided the loan amount is fully covered. Personal guarantors must be **members of the Mutual Aid**. Upon disbursement of the loan, **both applicant and guarantor(s)** will be issued with a credit advice showing loan details.

12.1.1 **Loanees have the option to provide up to 6 guarantors subject to the following:**

Sn.	Loan amount	Minimum number of guarantor (s)	For loan of Rs1.5m and above, guarantors need to come and sign in person in the presence of Officer of the Mutual Aid Association.
1	Up to Rs 1.0m	One	
2	> Rs 1.0m ≤ Rs 2.0m	Two	
3	> Rs 2.0m ≤ Rs 3.0m	Three	
4	> Rs 3.0m	Four	

12.1.2 **Guarantors must sign undertaking of acceptance if applicant is under report.**

12.2 **The following conditions shall apply if the loan is secured by a single guarantor:**

12.2.1 **In case there is only one guarantor**, the net pay into bank of the guarantor excluding bonuses, travelling, overtime and allowances **other than** rent should be **at least equal** to the monthly loan instalment of the loanee;

12.2.2 The guarantor should be eligible to at least 100% of the loan amount applied for by the loanee. However, where the remuneration is not sufficient to cover for the repayment of the loan, the Association shall require the applicant for a second eligible guarantor.

12.2.3 The guarantor should also sign an **undertaking** that he is agreeable to be sole guarantor;

12.3 **The following conditions shall apply if the loan is secured by two guarantors:**

12.3.1 The net pay into bank of each guarantor excluding bonuses, travelling, overtime and allowances **other than** rent should be **at least half of** the monthly instalment of the loanee;

12.3.2 Each guarantor should be eligible to at least **50%** of the loan amount applied for by the loanee.

12.3.3 In case of more than two guarantors the above conditions will differ accordingly.

12.4 GENERAL CONDITIONS

12.4.0 **The Association reserves the right to make amendments to any of its loan policies and/or procedures at any point in time. The Association furthermore reserves the right to apply such amendments to loans already approved and granted.**

12.4.1 The loan repayment period may not exceed the retirement age of a guarantor, unless the latter's future pension is sufficient to repay the loan in case of default payment.

12.4.2 The Association reserves the right to reject a guarantor after assessing his/her risk profile and to keep in abeyance the loan application of an applicant who is in litigation with the Association until the final outcome of the case.

12.4.3 Guarantors should be fully aware of their responsibilities when they guarantee a loan as mentioned in the loan contract.

12.4.4 Guarantors can stand as surety for a total liability limit (loan balance) of **Rs4m** for monthly salary up to Rs50,000 and **Rs5m** for those earning above Rs50,000 monthly. Guarantors shall not be more than 5 years older than loanees.

12.4.5 In case the applicant **bears the same surname** as any of the guarantors or in case both guarantors bear the same surname, **their relationship must be disclosed** on the loan application form. Applicant should submit marriage certificate to establish relationship with guarantors.

13.0 NOTES :

13.1 Applicant and Guarantor/s must sign at part 2 of the application form and should write in their own handwriting in the space provided at sections 2.0 and 2.1 of the application form the following : "Read and approved: good for the sum of Rupees in principal to which shall be added the accrued interest."

13.2 In case of default in payment on the part of a loanee, within 24 months the total outstanding loan balance will in the first instance be recovered from the salary of the guarantor(s) instead of enforcing the fixed charge.

13.3 After 24 months of successful repayment by the loanee, the guarantors will be waived from the contract.

13.4 The Association reserves the right to reject a loan application after assessing his/her risk profile of the Applicant/Guarantor and to keep in abeyance the loan application of an applicant who is in litigation with the Association until the final outcome of the case.

14.0 DOCUMENTS TO BE PRODUCED

SN	The following documents should be submitted:	Construction	Extension of existing house / renovation	Purchase of		
				Flat	House	Residential land
1	Original & Photocopy of applicant's National Identity Card and Birth Certificate (KYC record) . Online Birth Certificate is acceptable.	√	√	√	√	√
2	Applicant's recent payslip / pension slip (not more than 1 month). <i>E-payslip is acceptable.</i>	√	√	√	√	√
3	Letter from Ministry/Department certifying that applicant is: not under report, not on leave without pay, not involved in a police case, not on prolonged sick leave and also was not on prolonged sick leave recently. <i>Please note that the letter is valid for 4 weeks. E-certificate is acceptable.</i>	√	√	√	√	√
4	Original & Photocopy of bank document showing bank account number and name of applicant (if changed) .	√	√	√	√	√
5	Original & Photocopy of bank statement showing name and address / Utility Bill (CEB or CWA or Mauritius Telecom) - not more than 3 months old of applicant (If utility bill is not in name of applicant , a written confirmation and copy of NIC should be secured from the utility bill account holder) or any other document showing relation (KYC record). <i>E-bills are acceptable.</i>	√	√	√	√	√
6	A written declaration from the borrower, together with supporting documents, on:- a. all outstanding amounts of credit facilities availed of by the borrower including details such as the types, outstanding amounts, monthly repayment instalments, applicable interest rates and tenures of the credit facilities; and b. all fixed/variable income earned by the borrower over a minimum period of 12 months preceding the application for the credit facility. (e.g Bank Statement for last 12 months).	√	√	√	√	√
7	A written declaration from the borrower on:- a. whether the borrower is applying for the grant of the credit facilities for the purchase/construction of a first housing unit or additional units; and b. whether the borrower has availed of credit facilities at other financial institutions including those not regulated by the Bank of Mauritius for the purchase/construction of a first housing unit or additional units, together with the supporting documents.	√	√	√	√	√
8	Original & Photocopy of guarantor/s' National Identity Cards and Birth Certificates (KYC record) . Online Birth Certificate is acceptable.	√	√	√	√	√
9	Guarantor/s' recent payslips (not more than 1 month). <i>E-payslip is acceptable.</i>	√	√	√	√	√
10	Original & Photocopy of bank statement showing name and address / Utility Bill (CEB or CWA or Mauritius Telecom) - not more than 3 months old of guarantor/s (If utility bill is not in name of guarantor/s , a written confirmation and copy of NIC should be secured from the utility bill account holder) or any other document showing relation (KYC record). <i>E-bills are acceptable.</i>	√	√	√	√	√
11	Original and photocopy of Marriage Certificate (as applicable).	√	√	√	√	√
12	Original & Photocopy of spouse's National Identity Card and Birth Certificate (KYC record) (as applicable). Online Birth Certificate is acceptable.	√	√	√	√	√
13	Spouse's recent payslip (not more than 1 month) (as applicable). <i>E-payslip is acceptable.</i>	√	√	√	√	√
14	Site Plan.	√	√	√	√	√
15	Location Plan.	√	√	√	√	√
16	Evidence of the remaining % contribution for the 90% or less financing. (Not applicable for 100% financing)	√	√	√	√	√
17	Title Deed and/or Notarial Deed certifying that land/property belongs to the applicant. (PIN number should be included)	√	√	√	√	√
18	Letter for check-off to SICOM Ltd (applicable for parastatal bodies).	√	√	√	√	√
19	Quotation / Invoice (<i>where applicable</i>) for full home loan project.	√	√	N/A	N/A	N/A
20	Two complete sets of House Plan.	√	√	N/A	N/A	N/A
21	Development permits/Building permits.	√	√	N/A	N/A	N/A
22	Original and photocopy of National Identity Card of co-owner or usufruct holder(s).	√	√	N/A	N/A	N/A
23	Photo of the existing house to be renovated.	N/A	√	N/A	N/A	N/A
24	Original and photocopy of National Identity Card of seller of property (<i>where applicable</i>).	N/A	N/A	√	√	√
25	Deed of Sale / Intention of Purchase	N/A	N/A	√	√	√
26	All statutory clearances must have been received from the relevant authorities like approval of the morcellement Board and Ministry of Housing for the morcellement prior to granting of loans (<i>Applicable For Purchase Of Land Under 'Projet De Lotissement' (Residential Lots)</i>).	N/A	N/A	√	√	√

ADDITIONAL UNDERTAKING FOR THE FOLLOWING DEPARTMENTS

SN	NAMES OF DEPARTMENT	SN	NAMES OF DEPARTMENT
1	Private Secondary Education Authority (PSEA)	7	Small and Medium Enterprises Development Authority (SMEDA)
2	Mauritius Telecom (MT)	8	Pensioners Sicom
3	Mauritius Ports Authority (MPA)	9	Pensioners (Loans Based On More Than One Pension)
4	State Informatics Ltd (SIL)	10	Cotton Bay
5	National Transport Corporation - NTC (NRB)	11	Mauritius Network Services (MNS)
6	National Empowerment Foundation (NEF)		