

KEY FACTS IN CONTRACTS (KFic) AND OTHER INFORMATION - MUTUAL AID EXTERNAL HOME LOAN REFINANCING (MAEHLR)

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 **External Home Loan** is exclusively for **external refinancing of Home Loan** only as from Rs1.5m.
- 1.2 Loan refinancing as per conditions below:
- (i) To offset Mutual Aid loan / Home Loan - **No**
- (ii) To offset Home Loan with other institution(s)- **Yes**
- 1.3 For additional funding for housing purpose, normal interest rate on housing loan will apply.

2.0 Maximum Loan Amount

Applicant needs to bring updated statement(s) of outstanding balance with other institution(s) 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, the maximum loan amount should not exceed:-
- (i) Rs15m for civil servants /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 Application should be submitted by loanee in person.
- 2.3 The loan ceiling for Mutual Aid External Home Loan Refinancing (MAEHLR) to be as follows:
- (a) Applicant (Civil Servant) & Premium Non-Govt - Rs15m (b) 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 external refinancing, shall not exceed **50%** of the borrower's monthly income (Basic + Compensation).

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

- (i) Floating interest rate is **6.00% p.a.**
- (ii) Any review of interest rate will be applied prospectively and will not affect loan already granted unless there is a change in Key Rate 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.

5.0 Moratorium Period (optional) – up to 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 automatically, 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.

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

SN	LOAN AMOUNT	MINIMUM NUMBER OF GUARANTOR (S)	For loan amount Rs1.5Mn to Rs3Mn:
1	Up to Rs 1.0m	One	(a) No need for guarantors to come in person;
2	> Rs 1.0m ≤ Rs 2.0m	Two	(b) Guarantors to write letter confirming to be a Guarantor; or
3	> Rs 2.0m ≤ Rs 3.0m	Three	(c) Guarantor to send email (registered with the Association) confirming to be a Guarantor in lieu of letter.
4	> Rs 3.0m	Four	

- (ii) In case of default within 24 months, the loan to be serviced by guarantors instead of enforcing the fixed charge.
- (iii) After 24 months of successful repayment by the loanee and upon submission of official confirmation letter from the Ministry/Department certifying that the applicant has been confirmed in permanent and pensionable service, the guarantors to be waived from the loan contract and the MCIB database.
- (iv) 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 **refinanced** (title deed to be in the name of the borrower) or new properties subject to terms and conditions of the Mutual Aid Home Loan scheme.

8.0 Loan Coverage Fee (LCF)

Three options are available as follows:

Option 1 - Existing DTA policy with an insurance company (for same loan amount and repayment period) to be assigned in favour of the Association.

Option 2 - MSC deduction (of the loan amount) at the Association at the following rates based on age.

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

Option 3 - New external DTA policy with an insurance company (for same loan amount and repayment period) to be assigned in favour of the Association.

9.0 Other costs**9.1 Processing Fee, Valuation Fee and Registration Cost are free.**

- 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 and 1 year for property with existing building or construction.

Note: The Association reserves the right to request an updated valuation report in case of material improvements or changes effected to the property.

10.0 Conditions applicable for Household External Home Loan refinancing:

- 10.1 The Debt To Income (DTI) ratio of **joint borrowers**, who are applying for the grant of credit facilities for the **refinancing of External Home Loan**, shall not exceed 50% of the **joint borrowers' monthly income** (Basic + Compensation).
- 10.2 To offset **External Home Loan only**.
- 10.3 All other terms and conditions of the Household Home Loan will apply.

11.0 Terms and 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 3Mn 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, travelling allowances and permanent allowances at approved rate.
- 11.5 Other Terms and Conditions may apply subject to change in regulations / policies.
- 11.6 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).
- 11.7 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.
- 11.8 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.
- 11.9 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.
- 11.10 For any settlement of a Mutual Aid External Home Loan Refinancing, 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.
- 11.11 A loan contract is valid when the proceeds of the loan have been credited to the account of the Applicant who is alive.
- 11.12 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.
- 11.13 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.

- 11.14 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**.
- 11.15 In case borrower is abroad and the Standing Order Instruction has failed and no deduction can be effected from his/her 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 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 Embassies and Ministry of Home Affairs in the relevant countries.
- 11.16 Members may download copies of the application form from our website: www.mcsmutualaid.mu
- 11.17 Approval of loan is subject to terms and conditions.
- 11.18 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 DOCUMENTS TO BE PRODUCED

SN	Documents to be produced for refinancing of External Home Loan
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. Please note that the letter is valid for 4 weeks. <i>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	Title Deed and/or Notarial Deed certifying that land/property belongs to the applicant (PIN number should be included).
7	Site Plan / Location Plan
8	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 3 months preceding the application for the credit facility. (e.g Bank Statement for last 3 months).
9	A written declaration from the borrower on 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.
10	Original and photocopy of Marriage Certificate (<i>as applicable</i>).
11	Original & Photocopy of spouse's National Identity Card and Birth Certificate (KYC record) . Online Birth Certificate is acceptable.
12	Spouse's recent payslip (not more than 1 month). <i>E-payslip is acceptable.</i>
13	Original and photocopy of National Identity Card of co-owner or usufruct holder(s).
14	Letter for check-off to SICOM Ltd (applicable for parastatal bodies).
15	Updated statement of outstanding balance(s) with other institution(s).
16	Consent Form from property owner (where applicable, signed in the presence of a Notary)

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)		