Key Facts Statement – Home Finance

PRODUCT INFORMATION	
Product Description	
The Home Finance product enables customers to acquire residential properties in the UAE using a Sharia-compliant structure. The customer is able to acquire ownership of the property; subject matter of the financing (the "**Property**") through a Sale Contract either upon successful completion of the lease term and all obligations or at any time during the financing period upon payment of the outstanding finance amount and other associated amounts under the financing in a Sharia-compliant manner.	
Sharia Structure	
Sharia Concept	The Home Finance product is based on the Sharia concept of **"Ijarah Muntahia Bittamleek"** (lease ending with ownership). This structure facilitates the use of the Property during the lease period with the ability of the customer to acquire ownership through a separate Sale Agreement either at the end or at any time during the financing period upon payment of the outstanding finance amount and other associated amounts under the financing.
Transaction flow	➢ Siraj Finance purchases the Property from the seller. ➢ The customer leases the Property under the Ijarah agreement. ➢ The customer pays rental installments over the lease term under the Ijarah agreement. ➢ Ownership of the Property is either transferred to the customer at the end of the lease term, upon fulfilling all obligations pursuant to the exercise of the Purchase Undertaking or at any time during the financing period pursuant to the exercise of the Sale Undertaking.
Type of Finance	
➢ This is for individual customers who may apply for financing on ready-to-use property from Siraj Finance.	
Finance Currency	
AED (United Arab Emirates Dirham)	
Key Products Features	
Lease Agreement	A contractual lease agreement between Siraj Finance PJSC (Lessor) and the customer (Lessee) for the lease of the Property for a fixed lease term, comprised of successive lease periods commencing from the commencement date for the consideration of the rental payment.
Ownership Transfer	Upon successful payment of all rental obligations, title to the Property is transferred to the lessee through a sale contract pursuant to the exercise of the Purchase Undertaking or at any time during the financing period pursuant to the exercise of the Sale Undertaking.
Maintenance Obligations	- **Lessee:** Is responsible for ordinary maintenance and upkeep. - **Lessor**: Is responsible for major structural repairs and insurance of the Property and in this regard the Lessor appoints the Customer as its service agent to discharge such role under the Service Agency Agreement

Max. facility Tenure	Varies by agreement; typically, up to 20 years depending on the nature of the Property and financing.
Min. and Max. financing amount	Min. AED 200,000/- Max. AED 5 million (Subject to not exceeding the 50% of DBR and/or the Property value and income eligibility criteria.
Profit Rate	Profit type: Fixed and Variable profit rate (Both options are available) Profit method: Flat method
Early Settlement	Finance can be fully settled any time before the maturity date by providing proof of source of funds and by the Customer exercising its right under the Sale Undertaking, thereby requiring Siraj Finance to conclude the sale of the Property.
Early Partial Settlement	Partial settlement is allowed with fee as per SOC based on the outstanding amount and lease period. Proof of source of funds is required.
Donation Commitment to Charity in case of Late Payment Event	In case of late payment of monthly instalment, you undertake to pay 2% p.a. on the delayed amount on pro-rata basis (Max. AED 700) into charity subject to the Sharia approved mechanism stated in the relevant documentation.
Takaful Cover	Mandatory insurance to cover the asset against risks, such as Total Loss or Partial Loss, as per the Service Agency Agreement. For more details on the Takaful cover please refer to the Takaful Terms and Conditions.
Key Finance Terms	
Lease Term	Defined duration based on the agreement, typically aligning with the tenor requested by the customer (e.g., 5-20 years) and which shall be comprised of lease periods.
Down Payment	Standard Down Payment of Property price or the valuation amount (**whichever is lower**), as per UAE Central Bank regulations, the down payment requirement varies by customer nationality and property count, i.e. minimum 15% for UAE nationals and 20% for expatriates on its first property, while higher down payment requirements apply for second and subsequent properties. The down payment paid by the Customer shall be deducted from the Property price and the balance shall be considered as the finance amount, which shall be used to calculate the rental amount.
Rental Payments	- Includes, **Fixed Rental, Variable Rental and Supplementary Rental** components. - Payment schedule and the Lease Rental formula and determination mechanism are outlined in the Lease Agreement.
Early Termination Options	- Early settlement is available at specified fees as mentioned in SOC (which will be structured and collected in a Sharia compliant manner under the financing documentation), depending on whether own funds or third-party financing are used.
Event of Default	The agreement specifies consequences and remedies in case of default by the customer.

Other Key Information, Requirements and Obligations

- The applicant should be above 21 years
- The applicant should be a Salaried individual residing in UAE and meet the income criteria of Siraj Finance.
- The applicant shall meet the affordability assessment criteria.
- **Important Note:**
- Siraj Finance has the right to decline any application at its own discretion, and the decline reason will be communicated to the customer.
- All charges paid to Siraj Finance for services already rendered are Non-Refundable.
- Based on the Home Finance Product agreements (e.g., Lease Agreement, Purchase Undertaking, and related financing documents), Siraj Finance PJSC may recover the outstanding balance of the Property through exercise of its rights under the financing documentation.
- Upon the occurrence of an Event of Default, Siraj Finance may, at its discretion:
- Siraj Finance has the right to terminate the Lease Agreement or any related financing agreements.
- Demand immediate payment of all outstanding rental payments, including any accrued amounts, and otherwise declare all amounts payable under the financing documents as immediately due and payable; and
- Siraj Finance may exercise its rights under the Purchase Undertaking and require you to purchase the Property for the consideration of all outstanding rental payments, including any accrued amounts, and otherwise declare all amounts payable under the financing documents as immediately due and payable.
- Siraj Finance may exercise its rights under the applicable security arrangements, including but not limited to enforcing any guarantees or collateral, and take all necessary legal actions and remedies available to Siraj Finance under the law or as stipulated in the Home Finance Product agreements.
- Siraj Finance reserves the right to amend the Terms and Conditions, Schedule of Charges and other fees payable by you from time to time, at its sole discretion, after giving a notice period of at least 60 calendar days, after which the changes shall become effective in case of no response received by the customer within the given notice period.
- In the event of early settlement, Siraj Finance PJSC may collect the profit for deferred payments, ensuring it does not exceed the agreed total profit. Applicable early settlement documentation charges will also apply as per the financing terms and SOC.
- Siraj Finance reserves the right to request security / conditions, including but not limited to security cheques, guarantor, co-signer, etc.
- Siraj Finance reserves the right to terminate the financial relationship with you in the event of a failure to meet the terms and conditions.
- You may have to pay an additional amount under the Sale Price of the Property if you pay off the finance early as per SOC.
- Profit Rate applicable to each Lease Period other than the first rental period may vary depending on movements in the EIBOR Index.
- In case of monthly rental payment calculated on the variable element, the monthly rental payment may increase or decrease based on the actual EIBOR rate during the term of the finance. You are responsible to ensure sufficient funds are available on due date in your account for the payment to avoid any paying charity or negative reporting to Credit Bureau.
- You can contact Siraj Finance for any enquiries, assistance or complaints by visiting our website: www.Sirajfinance.com.
- Current Siraj Finance's Home Finance Terms and conditions are available at: (https://sirajfinance.com/retail.html#home-finance), and Schedule of Charges are available at: https://www.sirajfinance.com/latest-schedule-charges-new.html
- Siraj Finance PJSC is a financial institution, licensed and regulated by the Central Bank of the UAE.

FEES AND CHARGES OF THE PRODUCT	
Processing fee for due diligence and documentation	1% of the finance amount
Processing Fee for Due Diligence and Documentation for Additional Finance	1% on the additional finance amount
Processing Fee for Documentation for Deferment of Installment	AED 100 per deferment
Down Payment	Minimum 15% for UAE nationals and 20% for expatriates on its first property, while higher down payment requirements apply for second and subsequent properties values
Donation Amount (For Delayed Payment)	2% on the delayed amount p.a. on pro-rata basis (Max. AED 700) *Note: Siraj Finance shall route any such amounts on behalf of the customer to a charity approved by the Siraj's Internal Shariah Supervision Committee, after deducting the actual expenses.*
Processing Fee for Documentation for Early Partial Payment	Max. 1% of the payment made or AED 10,000 (whichever is less)
Processing Fee for Documentation for Early Full Settlement	Max. 1% of the outstanding balance or AED 10,000 (whichever is less)

Note:

- A detailed schedule of charges is available on the website www.Siraj Finance PJSC. In case you need any clarification on the fees and charges, you may call us on +971-2-401 4999 or email us at customercare@sirajfinance.com.
- VAT is exclusive on all above fees and charges unless specified.

VAT means value added tax imposed on the supply of goods or services under Law No. 8 of 2017 and the related executive regulations or any similar future taxes.

SAMPLE ILLUSTRATIONS (For calculation purpose only)	
Fixed Rental Calculation	
Property price:	AED 1,250,000
Down Payment at 20%:	AED 250,000
Finance amount:	AED 1,000,000
Profit Rate (Flat model):	5% p.a.
Lease Tenor:	10 years
Monthly Rental Payment (Fixed):	Principal Portion (Monthly) = Financed Amount / Number of Months = AED 1,000,000/120 = AED 8,333.33 Profit Portion (Monthly)= (Financed Amount * Profit Rate) / Number of Months = (1,000,000*0.05*10) / 120 = AED 4,166.67

	Monthly Rental Payment = Principal Amount + Profit Amount = AED 8,333.33 + AED 4,167,67 **= AED 12,500**
Variable Rental Calculation	
Finance Amount	AED 800,000
EIBOR Rate	3%
Siraj's Profit Margin	2%
Variable Rental (Monthly)	Variable Rental= (Outstanding Principal * (EIBOR Rate + Margin)) / 12 Variable Rental= (800,000 * 0.05) / 12 = AED 3,333.33
Supplementary Rental	Equal to the Service Agency Expenses in Previous Period
Early Full Settlement	
Outstanding balance	AED 50,000
Early Settlement Processing fee on Outstanding balance of 1 % or AED 10,000 (whichever is less)	AED 500
Early Partial Payment	
Outstanding balance	AED 50,000
Partial Payment Amount balance	AED 10,000
Early partial Settlement Processing fee on payment made of 1 % or AED 10,000 (whichever is less)	AED 100

WARNINGS
You are required to read and understand all terms and conditions (application forms & related documents) of Siraj Finance PJSC before acceptance.
You may have to pay early settlement processing fees (as per SOC) if you choose to pay off your home finance early.
If you do not meet the repayment/payments on your home finance on time and in full, your account will go into arrears. This may affect your credit rating, which may limit your ability to access financing in future.
Re-financing your finance facility may take longer to pay off than your previous finance facility and may result in higher profit payments.
In case you fail to fulfil your obligations as per the product Terms and Conditions, before and during your relationship with us, there will be consequences including, but not limited to your undertaking to pay the donation amount.
A downward market revision to property prices can result in an increase to your Exposure To Value (ETV) which may impact your ability to refinance the Property.
If you do not keep up with your rental payments, you may lose your right over the Property.

If you do not meet the payment obligations of your financing, your account will go into arrears. This may affect your credit rating, which may limit your ability to access financing in the future.
Your payment history in the credit bureau on other facilities held with Siraj Finance or other banks will impact customer's ability to get a new finance.
An income reduction due to retirement, change of employment or any other personal circumstances may result in an increase to your Debt Service Ratio (DSR) thereby impacting your payment ability towards this Home Finance.
You are required to provide Siraj Finance with copies of your updated documents at all times (Emirates ID, Passport, Visa, Trade License, etc.). Not providing these documents might result in charges, transactions being restricted.

COOLING-OFF PERIOD

Once you enter into the financing contract, you will be bound by the terms and conditions of the financing contract. However, in accordance with the Consumer Protection Regulation and Standards you have the right to a cooling-off period option. This is a right to cancel the financing contract within five (5) complete business days starting immediately after signing the financing contract (the "Cooling-Off Period"). However, you may choose to waive your right to the Cooling-Off Period.

If you choose to waive your right to the Cooling-off Period, you will be bound by the terms and conditions of the financing contract once it is concluded between you and the Bank. Consequently, you will be subject to the risks of price fluctuation of the item sold/leased to you starting from the finance contract signing date.

APPLICANT ACKNOWLEDGMENT

I / We hereby acknowledge and confirm that the product key facts statement has been read, understood, signed and a copy received by me.

Applicant Name:	
EID No.:	
Date:	
Signature:	