

MCB Pyara Ghar Under Government Markup Subsidy Scheme for Housing Finance

MCB Bank offers home loan to the customers for purchase of newly constructed affordable housing units, plot & Construction and construction on an already owned plot under the subject scheme.

Salient features:

1. Hybrid mark-up rates (Fixed & Floating)
2. Financing Up to PKR 10 Million
3. Prepayment Option available with no prepayment penalty
4. Property Insurance
5. Processing Fee of PKR 2,500 + FED.
6. Scheme is offered throughout the country

Frequently Asked Questions (FAQs):

Q1: Who are eligible to Apply for Home Loan under Government's Markup Subsidy Scheme for Housing Finance?

A: Individuals fulfilling the following criteria are eligible to apply for Home Loan under Government's Markup Subsidy Scheme for Housing Finance

1. The borrower includes all men/women holding a valid CNIC.
2. The borrower must not be an owner of any residential housing unit /flat / apartment.
3. An individual can have a subsidized house loan facility under this scheme only once.
4. Loan can be applied against property on which the borrower will be the first purchaser (first transfer of house/apartment/flat) of newly constructed affordable housing units (Not more than one year old from the date of application). However, this requirement will not be applicable till March 31, 2023 under Tier 0, Tier 2 and Tier 3.
5. Loan can also be applied to finance a plot as well as construction on the same.
6. Customers can also utilize the loan for an expansion/extension in their existing homes.

Q2: In case where both spouses are working, can they both apply on their own?

A: Yes, both spouses can apply. However, only one of the spouses can avail financing under the scheme.

Q3: Is bank staff (Permanent/Contractual/3rd party) eligible to avail financing under this facility?

A: No, bank permanent employees are not eligible in any case. However 3rd party staff and contractual employees who are below officer grade and who are not eligible for staff housing finance are eligible under this scheme. Further, staffs of Microfinance banks are also eligible for the scheme.

Q4: Is the financing under Government’s Markup Subsidy Scheme for Housing Finance also available for purchase of a flat or an apartment?

A: Yes, financing will be available for purchase of flat/apartment which meets covered area requirements specified under the Facility.

Q5: Is the financing under Government’s Markup Subsidy Scheme for Housing Finance for expansion/extension in the existing housing unit allowed?

A: Yes, financing will be available for expansion/extension of existing housing unit provided the housing unit after expansion/extension falls within the criteria specified under the facility.

Q6: Can financing under the scheme be utilized for renovation of the existing residential unit?

A: No, financing for renovation of existing housing unit will not be allowed under the facility.

Q7: What is the minimum income requirement?

A: Minimum Income requirements are as follows:

Salaried: Net PKR 30,000 per month.

Self-Employed (businessman/professionals): Net PKR 50,000 / month.

Q8: Can we club co-borrower’s income under this facility:

A: Yes, co – borrower’s income can be clubbed under this facility.

Q9. What happens if the applicant does not qualify for the Government’s Markup Subsidy Scheme for Housing Finance?

A: If the applicant is not eligible for the Government’s Markup Subsidy Scheme for Housing Finance, then the customer can still apply for a regular house loan on standard markup rates.

Q10: What is the standard markup rate applicable on my loan without the impact of SBP subsidy?

A: Following is the standard markup rate on your facility, which will be applied throughout the tenor of the loan, without the inclusion of SBP subsidy.

Category	Standard Markup Rate
T1	One Year KIBOR + 250bps (2.5%)
T2	One Year KIBOR + 400bps (4%)
T3	One Year KIBOR + 400bps (4%)

Q11: As a result of the SBP subsidy, what will be the effective rate of my home loan?

A: If the customer’s subsidy on the loan is approved by SBP, the following markup rates will apply for end customer. The subsidy provided by the SBP is only for the first 10 years, after which the original markup rate will apply on the facility.

Category	Effective Subsidized Markup for the first 10 years	Markup Rates after 10 years
T1	Tenor Up to 5 years: 3% Tenor 6-10 Years: 5%	One Year KIBOR + 250bps (2.5%)
T2	Tenor Up to 5 years: 5% Tenor 6-10 Years: 7%	One Year KIBOR + 400bps (4%)
T3	Tenor Up to 5 years: 7% Tenor 6-10 Years: 9%	One Year KIBOR + 400bps (4%)

Q12: What if my loan is initially approved by the bank under the Government's Markup Subsidy Scheme for Housing Finance but is rejected by State Bank?

A: In such a case, the bank will inform the customer of the same and the loan's standard markup rates will apply from the loan's inception, which are as follows:

Category	Standard Markup Rate
T1	One Year KIBOR + 250bps (2.5%)
T2	One Year KIBOR + 400bps (4%)
T3	One Year KIBOR + 400bps (4%)

Q13: What are the Loan Categories for which I can apply under Government's Markup Subsidy Scheme for Housing Finance?

A: Applicants can apply for any of following Categories :

Category	Ownership	Property Size	Maximum Market Price (PKR)	Maximum Loan Size (PKR)
T1	NAPHDA Projects	<p>(a) House upto 125 sq yds (5 Marla) with maximum covered area of 850 sq ft and</p> <p>(b) Flat/apartment with maximum covered area of 850 sq</p>	3.5 Million	2.7 Million
T2	Non NAPHDA Projects	<p>(a) House upto 125 sq yds (5 Marla) and</p> <p>(b) Flat/apartment with maximum covered area of 1,250 sq ft.</p>	No Cap Million	6 Million
T3	Non NAPHDA Projects	<p>(a) House upto 250 sq yds (10 Marla) and</p> <p>(b) Flat/apartment with maximum covered area of 2,000 sq ft.</p>	No Cap Million	10 Million

Q16: What is the minimum and maximum loan tenor I can apply under Government's Markup Subsidy Scheme for Housing Finance?

A: Applicants can apply for minimum 5 years and maximum upto 20 years (depending on the choice of the customer).

Q17: What is the debt burden requirement for Government's Markup Subsidy Scheme for Housing Finance?

A: 50%. The total monthly installment to not exceed 50% of the customer's current net monthly

salary/income.

Q18: What is the Due Date of the monthly installments and what will be included in the installment?

A: Monthly installments will be due on the 1st working day of each month and the total monthly Installment (TMI) will include principal, mark-up and property insurance amount.

Q19: What are the modes of monthly repayment?

A: You will submit your dues in your designated Re-payment account opened with MCB bank, either directly or through your PLS/Current account on which an auto-debit-authority (ADA) has been provided to the bank. You can make your monthly repayments through following modes;

- IBFT
- Cash/Cheque Deposit
- Transfer into Direct A/c
- Direct debit instructions. Or any other option (if applicable)

Q20: What if I pay my monthly installments late?

A: Rs. 1,000/- will be charged for every missed payment plus applicable FED. The charges will be applied on monthly basis on missing the due date / payment and the overdue payments shall be reflected in your E-CIB.

Q21: Can I early settle/terminate facility/finance before the maturity? What are the prepayment charges (if any)?

A: Yes, you can early settle/terminate the facility before the maturity of facility and no prepayment charges will be applicable.

Q22: While availing the markup subsidy, is it allowed to sell or rent out the residential unit?

A: Home owner will not be allowed to sell the housing unit before expiry of 5 years from the date of acquisition. Further, during this period, he/she will not be allowed to rent out financed housing unit.

Q23: Will the markup subsidy be available even after the loan is classified as loss?

A: After the loan is classified as loss, Markup Subsidy will be discontinued on categorization of a loan as "Loss".

Q24: How and where to apply for the NOC?

A: Customer will visit customer Services/branch and request in writing for NOC along with his CNIC. They will further send request to asset ops department, they will generate NOC and send it back to customer Services.

Q25: In case of any queries related to Government's Markup Subsidy Scheme for Housing Finance, whom should the customer contact?

A: For any queries please contact MCB Bank 24/7 Helpline 111-000-622.
