

Sr. No.	FAQ	Proposed Response
1.	Can financing under the facility be utilized for the purchase of plot?	A plot of land can only be purchased under the facility if a house is to be constructed on the plot and financing is meant both for purchase of land and construction thereon provided all other terms and conditions of the facility including maximum price of house and maximum loan under the relevant tier are complied with.
2.	How can the first time homeownership be established?	In order to establish first time homeownership, financing bank will obtain an undertaking to the same effect from its borrower/customer with necessary provisions for termination of subsidy and other penalties, in case it is established at a later stage, that the borrower/ customer owned a house at the time of application for availing subsidy facility.
3.	Is the financing also available for purchase of flat	Yes, financing will be available for purchase of flat which meets covered area requirements specified for 'apartment' under the Facility.
4.	Is the financing for expansion/extension in the existing housing unit allowed?	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.
5.	Can financing under the scheme be utilized for renovation of the existing residential unit?	No, financing for renovation of existing housing unit will not be allowed under the facility.
6.	Is bank staff eligible to avail financing under this facility?	No, bank staff is not eligible under the facility
7.	What does new house mean?	New house/ apartment/ flat means a unit not more than 1 year old from the date of application, as established by Completion Certificate.
8.	What does first purchase mean?	First purchase means first transfer of the house/ apartment/ flat.
9.	How much income of co-borrower can be clubbed and how many co-borrowers/applicants are allowed?	In case of co-applicants, 100% income of co-applicants may be clubbed for credit assessment. Up to four co-applicants are allowed for a single housing unit.
10.	While availing the markup subsidy, is it allowed to sell or rent out the residential unit?	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.
11.	What is difference between Tier 1 (T1) and Tier 2 (T2)?	The residential units announced by NAPHDA fall under Tier 1 (T1). All other residential units with the same specifications/measurements fall under Tier 2 (T2).
12.	What would be the size of housing units under Tier 3 in terms of Marla?	Housing units under Tier 3 are required to be greater than 5 Marla but up to 10 Marla.

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13.	In case the plot size of housing unit is 5 Marla but the covered area is more than 850 square feet, what would be its classification in terms of Tiers defined in the scheme?	The housing units of up to 5 Marla with covered area of more than 850 square feet and upto 1,100 square feet will be covered under Tier 3 (T3).
14.	What Loan-to-Value (LTV) ratio should be observed while extending financing under the scheme?	The housing finance under Tier 1 and Tier 2 shall be provided at a maximum LTV ratio of 90:10 whereas it is 85:15 for Tier 3.
15.	Will the markup subsidy be available even after the loan is classified as loss?	Markup Subsidy will be discontinued on categorization of a loan as "Loss".
16.	Is unequal monthly installment for the repayment of loan allowed under the scheme?	The repayment of financing under this Facility will be in equal monthly installments.
17.	Will there be any prepayment penalty?	In case of early payment, banks will not charge penalty to the customer.
18.	Which KIBOR shall be used for loan pricing?	The KIBOR used for pricing will be One Year KIBOR to be reset every year.
19.	Is the pricing spread for banks mentioned in the scheme fixed for each Tier?	The spread mentioned in the scheme for each Tier is the maximum spread. Banks may opt for less spread.
20.	Can banks obtain documents in addition to checklist provided by PBA?	The financing banks will not require borrowers to provide documents in excess of standard checklist of documents circulated by Pakistan Banks' Association.