

**WARNING:** Read this document carefully and sign only if you clearly understand and agree to the content of the Key Fact Statement (KFS), which is available in English and Arabic. You may also use this document to compare different Credit Cards offered by other Banks. You have the right to receive KFS from other Banks for comparison.

Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

aafaq Islamic Finance (AIF) Home Financing Product provides Home Financing solutions to end users and investors looking for residential properties. This Key Facts Statement provides you with an indicative information that you should know prior to availing your finance from AIF.

This Key Facts Statement is provided to help you (you", "Consumer or "Customer") compare this Home/Property Finance with the Home/Property Finance of other financial institutions.

Below are the information you provided in the application form enabling aafaq Islamic finance (the" finance company" or "aafaq") to prepare this Key Fact Statement.

Customer Name

Emirates ID No:

Property Value:

Requested Tenor:

Property from Dealer (Name of the Dealer) or Individual Seller:

Nationality:

Anticipated Down Payment to be Paid by Customer (min. 20%):

#### Definition

"You", "your", "Consumer "or "Customer "means the customer "We", "our" and "us refers to aafaq Islamic finance private Stock Company licensed and regulated by the Central Bank of the UAE or "aafaq" or the "finance company" and/or its successors and assigns or to any "Affiliate" if any services are being provided by an Affiliate under the general terms and conditions for accounts and Islamic Banking services of aafaq (where applicable)

#### Product Definition

The following types of home financing are available  
New Purchase Financing: Financing a purchase of ready properties from current owners, which includes:

- Direct purchase from developer
- Purchase from current owner in the secondary market
- Financing of final handover payment due to the developer where the consumer is the original purchaser or has purchased the unit in the secondary market and required to make the final payment to the developer

Buyout: Transfer of consumer's existing home finance from another financial institution, bank, or any housing program to AIF  
Finance Against Property: Availing a finance against consumer's equity in the property for the purpose of purchasing another property, construction, or renovation.

#### Product Definition

This product is based on Ijarah, where aafaq purchases the property from developer/seller in accordance with the application of Customer and subsequently leases the purchased property to the Customer, with an undertaking to sell at the end of the lease term.

## Shari'a Structure

AIF Home Financing is offered based on two Shari'a Structures, a Purchase and Lease Back Ijarah (Identified Lease) as well as Istisna' and Forward Lease Ijarah.

**Purchase and Lease Back (Identified Lease):** A financing structure where AIF purchases the property (which is already in existence), possesses it and then AIF (The Lessor) lease it back to you (The Lessee) with a promise to sell at the end of the financing tenor and a promise to purchase given by the Lessee. The Customer (The Lessee) pays monthly installments as rentals that comprise of fixed, variable, and supplementary elements. At the end of Ijarah, the Lessor will sell the property to you through a Real Property Sale Contract to be concluded between AIF (as the Seller) and the Consumer (as the Purchaser).

**Forward Lease:** A structure used for construction financing using two contracts. Istisna' in which AIF appoints you to construct and deliver the fully specified and described property, which AIF (as Owner and Lessor) undertakes to hand it over to you (as the Lessee) on future date (upon completion of the construction) under a Forward Ijarah Contract. The ownership of the property during the Ijarah period will be with AIF and shall be transferred to you (The Lessee) after successful completion of the lease period through a Sale Contract to be concluded between AIF (as the Seller) and you (as the Purchaser).

Fee and Charges Description	Fee and Charges Amount Details	Example
Applicable fixed profit rate	2.10% p.a to 5.50% p.a fixed rate (3.84% p.a to 10.06% p.a in reducing financing) * Maximum financing tenure up to 5 years	Profit rate (reducing) 5.00% p.a Finance balance at the beginning of the month x profit rate 12 x 100 Profit charged at the beginning of the month = AED 100,000 x 5.00% / 12 x 100 = AED 417
Applicable due diligence and processing fee	Minimum AED 500 - Maximum AED 2,500 (All processing fees calculated based on actual expenses)	If the total financing amount/ lease amount is AED 100,000 then the Processing Fee calculation will be as follows 100,000 x 1% = AED 1000 (Min AED 500 - Max AED 2,500)
Applicable late payment undertaking to donate	AED 700 The amount will be donated to the designated charity through Aafaq as per Sharia guidelines	
Applicable documentation coordination / credit appraisal fee /deferment /postponement fee	A maximum of 2 deferment per finance year are permissible subject to the conditions below.  * Customer should not be delinquent on any of his/her facility at time of deferment request.  * No back to back deferment allowed, at least 2 installments should be paid between deferrals.  * For new finance, minimum of 6 installments should be paid before first deferment.	In case of customers' request to defer an instalment the finance company needs to process the Deferral request where some documentation coordination and credit appraisal will be involved and the finance company will charge the customer for these services throughout the Ijarah tenor, the customer is allowed to postpone up to (2) installments
Applicable early settlement charges	If the consumer decided to Early Purchase (Settle) his finance, an additional amount of 1% of the Outstanding Base Amount or AED	Calculated as following based on assumptions: If the total outstanding is AED 79,000 then the calculation of early settlement fee will be as follows: AED 79000 x 1.0% = AED 790.00

## KEY FACTS STATEMENT - Ijarah Home/Property Finance



	10,000 whichever is lower will be charged	
Takaful Contribution	Life & Permanent Disability Takaful is required: 0.0365% per month on finance outstanding balance.	If the total outstanding is AED 100,000 then the Takaful calculation will be as follows $100,000 \times 0.0365\% = \text{AED } 3,650$
Liability Letter (LL) issued to Govt. Depts., Embassies, Banks/Financial Institutions, etc.	AED 85/-	
Other certificates	AED 75/-	
Non-standard statement production/copy of original document	AED 100/-	
Issuance of NOC	AED 150/-	
Property Evaluation fee	AED 3,000/-	
Other fees and charges	All charges related to Home/Property finance product are available in the aafaq schedule of charges at the aafaq website. These charges are subject to changes which will be notified through the proper channels to the customers. Please refer to <a href="https://www.aafaq.ae/en/products?38&amp;Schedule-of-Charges-&amp;Fees">https://www.aafaq.ae/en/products?38&amp;Schedule-of-Charges-&amp;Fees</a> for other charges that may apply during the tenor of your relationship with the finance company.	
Down payment	Standard down payment of 20% of Property value is required as per the UAE central bank regulations.  The down payment may vary based on the Property category, Client segment, self-employed and Companies.  The down payment paid by the customer shall be made part of the Ijari sale price and shall be deducted from the cost (financing Amount) _____ AED	

\*All fees and charges are excluding 5% VAT.

### Estimated Cost of this product

Total amount to be paid back (including finance amount and fees)	AED
Due diligence /documentation fee/processing fee	AED
Payment per month (EMI)	AED

There may be circumstances in which other fees such as Property evaluation fee (if applicable) and Property registration fee may be payable. Fees applicable for the finance you apply for will be shown in the finance contract. You can also obtain a list of fees applicable to this type of finance through our website at [www.aafaq.ae](http://www.aafaq.ae)

### How to find the best deals for you?

To obtain the best deals for you, it is important to check other aafaq Home/Property finance or other financial institutions offers and compare profit/rental rates, fees and features before you apply for an Home/Property finance. Choosing the best Home/Property finance for you may save your money. You should request key facts statements when looking for an Home/Property finance from other financial institutions to help you find the Home/Property finance that is right for you.

### Services and features

As part of availing this product, you will be entitled to the following services and features:

- Installment postponement
- Liability certificate
- Early settlement
- Add-modify delete guarantor
- Mortgage release (Active/closed/temporary)
- Registration services
- Change of Property description
- Block/unblock/change block amount
- Deal cancellation
- Booking/amendment/cancelation
- Change of payment account

All charges related are available in the aafaq schedule of charges at the aafaq website if applicable. These charges are subject to changes which will be notified through the proper channels to the customers.

Please refer to <https://www.aafaq.ae/en/products?38&Schedule-of-Charges-&-Fees> for other charges that may apply during the tenor of your relationship with the finance company.

### Warnings and consequences

By availing this product, you might be exposed to the following risks:

- You will lease the Property and bear its associated risk including takaful and maintenance.
- Property management agreement should be signed by Customers whereby an AIF-appointed property management company will take over the property management in case of default.
- The financial institution and or its authorized collections agents might visit your office premises for follow up against the overdue and outstanding instalments amount towards the financial institution in the event of default in the payment of monthly instalments of credit facilities availed
- If you default, financial institution will report any default or payment delays to Al Etihad Credit Bureau and Central Bank Risk Bureau (CBRB) which may affect your credit rating and may limit your ability to access financing in the future.
- In case of early settlement of this Home/Property Finance, the financial institution will be entitled to charge the actual cost incurred by it which will be decided at the time of early settlement
- In case of late payments or non-payment of this Home/Property Finance, you may be exposed to the following consequences and others
  - Late payment donation, where the financial institution will ask you for donation of a specified amount you have undertaken pursuant to the facility documents as mentioned under fees and charges section.
  - A negative Credit Information Agency rating and the possible limitations on the ability to obtain financing in the future.
  - Collection measures Involving collateral collection Fees and claim on guarantees.
  - Legal actions through the courts.
- in case of Home/Property Finance against fixed deposit as security. the financial institution may liquidate your fixed deposit in case of payment default

- As a collection measure on Default Finance company may sell/Rent Your asset in order to Recover the dues
- Aafaq may use your Personal data to send you promotions.
- You shall pay the instalments specified into respective Home/Property finance agreement when due as set out and if you fail to pay two installments for any reason after being notified in writing to pay within (14) days, all the remaining installments shall fall due and payable in one single payment, and you shall pay them accordingly

### Where to apply for this product?

This Home/Property finance is available through

- Outlets
- Direct sales team
- Branches
- Agents & affiliates

### Terms and conditions

- Key Facts Statement contains information about Home/Property finance product to help you compare and select the most appropriate Home/Property finance for you.
- This Key Facts Statement is not an offer of credit. The financial institution is not obliged to provide you with the Home/Property finance described in this Key Facts Statement. You will need to apply for the finance and meet the financial institution's credit eligibility criteria before we can determine whether you are eligible for this finance.
- The profit rates fees and charges are those that apply as at the date of production of this Key Facts Statement.
- The amount required to be paid does not include fees, which are dependent on events that may not occur (for example, late payment donation if you do not pay on time).
- If the property is under AIF possession, it has the right to negotiate the rental amount based on the terms of the contract and its agreement with the customer
- Please refer to the Warning Section for consequences in the event of a Consumer's failure to meet the financial institution's terms and conditions for more details visit [www.aafaq.ae](http://www.aafaq.ae)
- The Customer alone shall be responsible for the correctness of the information and data that are provided to make this Key Fact Statement.
- The financial institution may refuse to execute any requests. instructions or services requested by the Customer if the Customer fails to comply with the necessary procedures, or if the information or data are incorrect or are in violation of the law applicable in the United Arab Emirates.
- The financial institution shall reserve the right to change and modify these terms and conditions or the services and products offers as required by the applicable law or financial institution policy. Such changes shall be notified to the Customer within a period of 60 days.
- Aafaq Islamic Finance (aafaq) has a strict policy of keeping Customer information secret and secure.
- If the finance is approved, Aafaq Islamic finance (aafaq) will provide you with a copy of the Islamic financing contract to read and with appropriate time to review before signing it.
- In order to start with your Home/Property finance, you must Read and Sign this Key Fact Statement and submit it to a financial institution's sales representative.
- Full version of these terms and conditions is available on the website at the following [www.aafaq.ae](http://www.aafaq.ae)
- Governing Law and Jurisdiction of court: The finance facility agreement and other terms and conditions shall be governed by the UAE federal laws as applied by the competent courts of the UAE to the extent these laws do not conflict with the principles of Sharia as interpreted by the Internal Sharia Supervision Committee of the financial institution.
- This is a Sharia compliant product, please visit aafaq website [www.aafaq.ae](http://www.aafaq.ae) for details.

## Acknowledgement

I acknowledge the receipt of and understanding of this Key Fact Statement. I also acknowledge that I understand the product/service features, pricing, benefits, risks, fees and Consumer's rights and obligations as detailed in the Key Fact Statement, I confirm that the information provided in this Statement is accurate and complete. I authorize Aafaq Islamic Finance (aafaq) to verify the information provided herein or any other information available with aafaq from whatever source(s) it considers appropriate, including specifically any credit reports from any credit rating agency or bureau. I understand that aafaq is not obliged to provide me with finance solely based on the finance application. I acknowledge that any finance provided shall be at aafaq's discretion and subject to all applicable terms and conditions of Home/Property Finance agreement and aafaq financing Services General Terms and Conditions, which may be revised from time to time.

## How to file a complaint?

- Any branch
- Call center 600502006
- Internet
- Email [customer.care@aaafaq.ae](mailto:customer.care@aaafaq.ae)
- Our website complaint form
- By post: complaints management team, Aafaq Islamic finance, POBox 282400, Dubai UAE

We will acknowledge your complaint within 2 business days and strive to respond to your complaint within an estimated average of 5 working days.

Customer signature: \_\_\_\_\_

Date of signature: \_\_\_\_\_

## Disclaimer

This communication has been issued by Aafaq Islamic Finance PSC (aafaq) - regulated by the Central Bank of the United Arab Emirates. The information contained in the underlined documents has been compiled with the objective of summarizing the key features of the promoted products and services to confirm the Customer's understanding of the products and services and its associated risks before the Customer's application is executed by the financial institution. It does not constitute (i) an offer or a solicitation to deal in any promoted product, or (ii) legal, tax, regulatory, financial, or accounting or Sharia advice. Any decision to avail aafaq product and services should be based upon an independent analysis by the Customer of the information contained in the associated offering document or other legal document. The Customer is responsible for consulting his/her own legal, tax or financial advisors for this purpose.

I hereby the undersigned (.....), As applicant applying for Home/Property finance facility from Aafaq Islamic finance, Holding emirates ID no /.....

Nationality/....., Undertake and acknowledge that I have fully read and understood all the terms& condition written heretofore received by Aafaq Islamic finance.

- Wish to confirm I /we have read the Key Fact Statement
- Request to proceed after 15 days / wish to waive the 15-day waiting period to proceed