

FAQS- AFFORDABLE HOUSING PROGRAMME

1. Who is eligible for Affordable Housing Loans?

- A customer with a fixed monthly salary or income,
- Workplace banking customers,
- Business owners,

2. What products qualify for the concession?

- Home loan up to 105% financing
- Buy and Build
- Construction loan
- NCBA Easybuild
- Directors Mortgage

3. What will be the loan limits under AHP?

Loans will be capped at KES.6 million in Nairobi metropolitan area (Nairobi, Kiambu, Machakos & Kajiado) and KES.5 million elsewhere to individual borrowers whose monthly household income is not more than KES 150,000.

4. What is the applicable facility fee?

The applicable facility fee is 1.5% and 3% for business banking customers

5. What is the applicable tenor of the mortgage?

The applicable term will be of 25 years subject to retirement age.

6. What is the minimum rate?

The minimum rate on offer will be capped at 9.5%% p.a.

7. What will happen to customers not banking with NCBA?

For customers currently not banking with NCBA, on mortgage loan approval and return on letter of offer, the customer must show proof of instructions to employer to channel his/her salary or income to NCBA.

8. Can existing mortgage clients qualify for the concessional rate?

Existing mortgage clients, will not qualify for the Affordable Housing mortgage rate.

9. What will happen to facilities going through conveyancing or existing facilities?

All mortgages under conveyancing will retain the rates as per the executed and returned letter of offer.

10. What are some of the benefits for accessing funds under the AHP?

Borrowers are able to access longer-term home loans leading to lower monthly repayments thus improved disposable income, and customers are able to match their rents to mortgage repayments.

11. Is the product available in FCY

The product will be available in KES only

12. If a client is borrowing less than 105%, for example, if the bank is advancing them 80% but for a term of 25 years, do they get 9.9% or 9.5%?

The determinant is the LTV if a customer is borrowing below 90% of the value of the property or purchase price whichever is lower, the applicable rate will be 9.5% for a term of 20 years.

13. Are we restricted to government projects?

Affordable Housing Financing is open to both private and government developers.