



What *stress-free* banking is all about.

Dear Sir/ Madam,

RE: MORTGAGE FINANCING - KIHINGO VILLAGE, KITISURU

Following our discussion and several others held with our Corporate Department, Commercial Bank of Africa is pleased to offer the following financing arrangement for buyers of the above-mentioned properties.

FACILITY : MORTGAGE LOANS

Purpose: To provide financing for the purchase of Executive Residential Homes.

Location: Kihingo Village, Kitisuru, Nairobi.

Amount Financed: Up to 90% of the cost or value of the house whichever is lower.

Amount Advanced: Minimum of Kshs.1, 000, 000. The Maximum amount advanced will be dependent on the property value and the applicant's ability to service the loan. Total repayments should not exceed 50% of the borrower's net monthly income. The ultimate amount qualified for will be determined by the Bank's credit approval process.

Disbursement

Criteria: The proposal is for the bank to finance up to 90% of the cost or value of the property whichever is lower. The customer will meet the remaining 10%. The proposed disbursement of funds will be as set out in the Sales Agreement with the final disbursement of funds being upon completion and successful transfer of property to CBA. The contribution by the borrower shall precede any disbursement by the Bank. Interim disbursements will be upon presentation of the Architect's certificate of completed work. Applications will be approved within 48 hours of receipt of all the required documents.

Repayment

Tenor: Up to a maximum of 15 years.

Interest: 12.5% p.a. (CBA Base Lending Rate currently at 14% p.a. minus a margin of 1.5%)

Facility Fee: One-off 1% of loan amount subject to a minimum of Kshs 10,000

Security: First Legal Charge over the property.

Costs: Stamp Duty, legal and valuation fees, Insurance and all other costs associated with the purchase and/or transfer of the property will be borne by the borrowers.

Early

Repayments: There will be no penalties charged for those wishing to repay their loans early or make lump sum payments.

Interest Rates:

- The interest rate quoted above is pegged to the CBA's Base Lending Rate currently at 14% p.a
- The interest rate quoted is on a reducing balance basis, unless otherwise stated.
- The Bank will reserve the right to revise the interest rate from time to time without prior notice depending on prevailing market conditions.

TERMS & CONDITIONS

Introduction: Buyers wishing to borrow under this Scheme may be referred to the bank by officials of Kihingo Village Development. Alternatively they could contact the bank directly via the provided contacts.

Repayment: Borrowers will be required to open a current account at CBA to facilitate mortgage loan repayments. Interest will be paid monthly for all disbursements done to date.

Credit

Evaluation: The Bank will have the right to perform its usual vetting and evaluation process on any loan application received, in accordance with the Bank's current credit scoring and evaluating system. The final decision to grant such a mortgage under this financing arrangement rests entirely with the Bank.

Default: Should the borrower default at any time during the tenor of the loan, the Bank shall have the right to call for the full amount outstanding on the mortgage loan and shall take necessary action to recover overdue repayments from the borrower.

Required Documents:

- Duly completed application forms (Mortgage Application Form, Account Opening & Internet Banking Forms)
- Certified copy of National I.D or Passport
- Copy of PIN Certificate
- 3 Passport size coloured photographs
- Letter of Introduction from Employer or Copy of Current Employment Contract
- Proof of Income (Latest 6 Months Pay Slips)
- 12 Months Bank statements
- Copy of Sale Agreement
- Copy of Title Deed/Lease Agreement
- Valuation Report. Valuation to be done with a CBA approved valuer.
- Compulsory Mortgage Protection and Domestic Package Insurance covers for their mortgage loans. Insurance costs will be borne by the applicants. This will be done after approval of the mortgage.

For further information or clarification on this product, kindly contact Justina Nyambu on Tel. 020-2884000/301 or email address: jsnyambu@cba.co.ke.