

Frequently Asked Questions

- 1. I heard about RAKBANK's UK Mortgage Loan offer and want to understand more about it.**

The UK Mortgage Loan is a standard mortgage loan extended to UAE residents both in Individual and Company names for residential properties in England and Wales. The bank will also lend to Special Purpose Vehicle (SPV) off shore companies which is set up only for the purpose of holding the asset. You can avail of the UK Mortgage Loan to buy a ready residential property to let it out to an unrelated third party.
- 2. What is a Special Purpose Vehicle (SPV)?**

A Special Purpose Vehicle (SPV) is an offshore company set up for a specific purpose of holding the property. The customer can set up a Special Purpose Vehicle (offshore company and the residential property purchased by the customer is registered under the name of the Offshore Company).
- 3. Can I avail the loan to purchase an under construction property?**

The UK Mortgage Loan is extended for purchase of ready residential property for both freehold and leasehold and we regret that it is still not open for under construction property. We will notify our customers of any further changes in our offering.
- 4. Is there an Islamic variant of the UK Mortgage Loan that I can apply for?**

At this time, the UK mortgage Loan is offered under the conventional scheme and we regret that there is no Islamic variant of the loan.
- 5. What is the eligibility criteria to apply for the UK Mortgage Loan?**

UAE residents that includes UAE citizens, expatriates, both salaried and self-employed and companies owned by UAE nationals & expats registered in the UAE including Special Purpose Vehicles (SPVs) can apply for the UK mortgage Loan for ready residential properties. All applications are subject to provision of required documentation and the approval is subject to the sole discretion of RAKBANK.
- 6. What are the fees and charges applicable on the UK Mortgage Loan?**

The detailed list of charges and fees for the UK Mortgage Loan is available on our published Service & Price guide at our branches or [Click here](#). These charges are limited as per the Banks list of tariff. It is recommended that you consult a lawyer on the charges levied by the UK authorities.
- 7. Can you offer refinance options against the property purchased under the UK Mortgage Loan?**

Only primary sale, resale and buy out will be offered under the UK Mortgage Loan. Refinance is not offered under UK Mortgage Loan.
- 8. How will interest apply on the UK Mortgage Loan?**

Interest is calculated daily on your UK Mortgage Loan and debited monthly on the installment due date. The Rate of interest will be fixed for 1st year and move to 6 Months EIBOR + 3% Margin thereafter, will be applied on your loan balance.
- 9. Is it possible to change the EMI, Tenor, Interest Rate and Due Date of the loan and how I can do this? Are there any charges if I wish to change these details?**

Yes, you may change the EMI, Tenor, Interest Rate and Due Date of your UK Mortgage Loan by visiting any of our mortgage centres and submitting a mortgage services form duly filled in and signed by the all the applicants to the account. Charges, if any, will be applied as per the Bank's published Service & Price guide.
- 10. Can the UK Mortgage Loan be availed by joint account holders?**

Yes, the UK Mortgage Loan can be availed by joint account holders.
- 11. What are the other features or benefits of this Loan?**

We assure all our customers excellent customer service throughout the processing of the loan. In addition, we offer you ease of payment by servicing the loan in UAE Dirhams as well as offer Competitive interest rates and high loan amounts that can be financed under our Mortgage offer.

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12. Will I get a monthly or periodic statement so that I can track the transactions on the Loan?

A half yearly statement will be provided for the mortgage loan and sent across to your registered email address.

13. I hold a current account with RAKBANK and heard about your UK Mortgage Loan. I would like to apply for the Loan. How Can i apply?

Please [click here](#) to drop your details and we will contact you shortly.

14. I heard about the UK Mortgage Loan and would like to avail it for a residential/ commercial property. Is it possible to do so?

If residential:

The product is available to finance ready residential properties in England and Wales. Please [click here](#) to drop your details and we will contact you shortly.

If Commercial property:

Unfortunately, this cannot be offered for financing commercial properties. However, we do offer this for ready residential properties in England and Wales.

15. If I wish to early settle or prepay an amount on the loan, can I do so?

Yes, there is an option to early settle or prepay an amount on the facility subject to applicable charges as mentioned in the Service and Price Guide. [Click here](#) to view the Service and Price Guide

16. Can I apply for more than one UK Mortgage Loan to purchase more than one property?

Every applicant can apply for one loan to finance a property in UK or Wales.

17. I would like to apply for the UK Mortgage Loan. What are the documents that you will require?

To apply for this product, you will need to submit the application form duly signed by the applicant(s), passport copies with valid visa page and other documents as required by the Bank and by the Bank's appointed lawyers to evaluate the applicant's eligibility.

18. I am a non-resident customer of RAKBANK and would like to apply for your UK Mortgage Loan.

At the moment, only UAE resident individuals and corporates can apply for the UK Mortgage Loan to purchase a ready residential property in England and Wales.

19. Can the UK mortgage loan be availed to purchase property in any part of the UK?

The Bank has identified a list of areas which includes major cities including London and Greater London where the Bank can finance the property. In case you have selected a property which does not fall in the list of identified areas, this can be evaluated exceptionally at RAKBANK's discretion.

20. Am I as a customer required to pay any tax or file any returns in connection with the UK Mortgage Loan if I avail of the same?

The Bank does not have expertise to advice on tax related matters, hence it is highly recommended for you to engage with a tax consultant for advice on tax related matters.

21. Are there any other legal requirements and charges in connection with the UK Mortgage Loan that I should be aware of?

Please refer to the Bank's published Service and Price Guide for the Bank's related charges. It is recommended that you consult the lawyer for all charges and regulatory requirements in the UK.

22. Can I service the loan on my income earned in the UK or any other country?

The loan can be serviced only through your UAE income. Income from UK cannot be used to service the loan.

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23. Do I need to appoint a lawyer?

- As a standard practice in UK, lawyers carry out the due diligence on the property and prepare a title report.
- Bank has appointed Layton's a leading commercial law firm headquartered in UK, as the Bank's solicitors for completing the property transaction in UK.
- Appointing Layton's as your solicitor, will not only have a cost advantage but also it will assist in a smooth transaction to getting your mortgage completed.

24. Will my loan be booked in Pounds?

The loan will be booked in AED and will be serviced for payments in AED.

25. What do you mean by buy to let purpose?

The property that is being financed can be used only for investment purpose. You can rent out the property only to a non-related member. The property cannot be used for self-occupancy or occupancy of a related person.

26. What type of properties can I finance?

You can finance an Apartment, a Detached House, a Semi Detached House, a Terraced House and a Bungalow in England and Wales through our UK Mortgage loan offering.

27. Can I buy a property for my residence or holiday home?

Under our UK Mortgage Loan offer, you can only purchase a property that will be used for investment purpose. This means that the mortgaged property should be rented out and not for self-occupancy or occupancy by a related person.

28. Can I rent out the property to my relatives?

You can rent out the property only to a non-related member. The property cannot be occupied by a related family member.

29. Is there any application fees?

Yes there is an application fee of AED 5,000. This is in addition to the IPA (in principal approval) fees.

30. What is the loan amount that can be financed?

We can finance high loan amounts, up to 70% of the property value as assessed at the time of application. This will be subject to the Bank's review and discretion.

31. Can I finance freehold/lease hold?

Yes, we offer financing for both free hold and lease hold properties.

32. What if the GBP currency fluctuates? Will this impact my loan amount and EMI?

The loan will be disbursed in AED and will be serviced for payments in AED. Hence, GBP currency fluctuation will not impact the loan amount, once the loan is disbursed.

33. Will I have to assign the rent to the Bank?

The rental proceeds from the property are not required to be assigned to the Bank

34. Do I have to take life insurance policy?

The Bank offers an individual life insurance cover through a group insurance arrangement offered by RAK insurance, at a very nominal charge paid monthly as part of your instalment.

35. Do I have to take property insurance policy?

You will have to purchase a property insurance policy through an insurance company, and assign the policy to RAKBANK. The property insurance should be purchased upon successful title report issued from the lawyers. The property insurance policy will be reviewed by the Bank as well before being accepted for processing of your loan.

36. How long can I take the loan for?

You can take the loan for up to 25 years, however this will be subject to the Bank's review and discretion.

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37.What is the maximum loan amount that I can take?

Maximum loan amount: AED 10,000,000 for salaried individuals. Maximum loan amount: AED 15,000,000 for company including SPV and self- employed. However this is subject to the bank's review and discretion. The Debt Burden Ratio or ratio of total monthly instalment of Credit Card or Loans and total income of the customer should not exceed 50%.

38.How much stamp duty do I have to pay? Can the Bank finance these charges?

Please refer to the lawyers for details on the Stamp Duty Land tax charges. These cannot be financed by the Bank.