

Oman Housing Bank - Questions

1. What is the maximum finance repayment period?

The maximum repayment period is 25 years including the grace period.

2. How is the finance amount calculated?

The finance amount calculation is based on the net monthly income, taking into consideration the age of the borrower as well as the financial obligations at that time.

3. I am a beneficiary of a housing finance from the bank or other banks previously. Is it possible to have another subsidised finance?

It is not possible. The borrower has one opportunity to benefit from the subsidised housing finance only.

4. I am a beneficiary of a housing finance from the bank and still settling the finance installments. I would like to obtain a finance to build a first floor on the same building financed by the bank taking into consideration that the house was constructed as per the required conditions. Is it possible to get a financed?

It is not possible. The borrower has one opportunity to benefit from the subsidised housing finance only.

5. I am self-employed, not working in the government or the private sector is it possible to obtain a home finance?

Yes. After conducting a detailed study of the financial situation of the applicant, there will be repayment guarantees accepted by the bank.

6. I am self-employed (fisherman, driver, taxi driver etc...). Is it possible to obtain a home finance?

Yes. You can, after studying and deciding the income generated from your profession.

7. Currently, I have a personal finance. I want to get a finance for settling the personal finance amount and build a new house. Is it possible to get a finance?

If the purpose of the personal finance application is to buy a property (land) to be built on it, the land finance will be settled and the procedures will be completed. Otherwise, the personal finance cannot be settled.

8. Does the bank give a finance to a wife separated from her husband?

The Omani family is entitled to a one-time subsidised housing finance which will be granted to one of the spouses.

9. Is a retired person entitled to a subsidised finance?

Yes. He deserves, after taking into account the net monthly income and the age, as well as the financial obligations as per the regulations of the Central Bank of Oman.

10. Can a finance application be transferred from a branch to another?

Yes. A finance application can be transferred from a branch to another.

11. Does the bank grant a finance to unmarried, divorced or widow woman?

According to Iskan program, the applicant must be married to be eligible for housing finance from Oman Housing Bank or from the cooperating banks. Any other exceptional cases may only be considered by Oman Housing Bank.

12. Can a borrower have a finance to build on a jointly- owned plot?

Yes. The borrower can build on a jointly-owned plot, provided that the co-owner agrees for the same purpose, and signs the finance contract in order to guarantee the real estate mortgage and to be a guarantor of the finance.

13. Can brothers take a joint finance to build or buy?

It is not possible. The joint finance is granted to the husband and wife only, but brothers can be granted individual loans for each one separately for the purpose of (purchase / construction) of a residential building, provided that each one has an independent housing unit, and he should meet all the eligibility criteria applicable by Oman Housing Bank.

14. If the finance is settled before expiry of the period, will the borrower be charged any interest or fess?

No additional banking and administrative fees are calculated on the finance, but a fee of 1% of the finance balance will be paid at the time of the finance issuance as an early repayment commission in accordance of specific conditions.

15. Are there any fees imposed for transferring a finance application from a branch to another?

Yes. The finance application transfer fee from one branch to another is R.O 5 which will be collected at all stages of the finance.

16. Is there a difference in the percentage of banking and administrative services fees for private and government borrowers?

No. There is no difference in the banking and administrative services fees, as the total monthly income determines the banking and administrative services fees for both sectors.

17. Is it possible to buy a commercial residential building or to construct a commercial residential building?

Yes, but the bank finances the residential building only. The finance applicant will bear the cost of the commercial part of the building.

18. In case of death of the borrower, do the heirs have to continue paying the installments?

In case of the death of the borrower, the finance amount balance will be paid by the insurance company.

19. If the borrower moves to work in another country (after resignation from his work in the Sultanate), is it possible to pay the installments through the account of his new work?

Yes. It is possible, provided presenting the required bank guarantees and transferring the monthly installments.

20. Does the bank have the right to increase the banking services fees in the future?

The banking and administrative fees specified by the bank are fixed till the full finance balance is repaid, unless affected by the market conditions and the prevailing financial conditions at the time of application.

21. Is it possible to use part of the finance to buy a residential land and the other part for construction?

Yes. It is possible, as 50% of the actual amount of the finance is disbursed to buy a residential land and the other part (50%) of the amount is used for construction.

22. Why was the interest rate raised from 2% to 3%?

The change of the interest rate is applied only for the new applications starting from the launch of Iskan program, and the monthly income range is from R.O. 401 – 1000 .