



[MFIGROUPDUBAI.COM](http://MFIGROUPDUBAI.COM)



**MFI GROUP**

A LEADING GROUP OF COMPANIES IN DUBAI

# MORTGAGE GUIDE





# TABLE OF CONTENTS

- Introduction
- What Is A Mortgage
- Types Of Mortgages In Dubai
- Mortgage Introduction
- Mortgageable Properties
- Mortgage Example
- Additional Benefits
- Documents Required
- Salaried Worker Application
- Self Employed Application
- Mortgages For Non-Resident
- Non-Resident Application
- Non-Resident Fees & Charges
- Rental Income Application
- Finalise The Mortgage
- Mortgage Tips
- Specialists In Rejected Cases
- Investment Plans
- Thank You



# INTRODUCTION

Dubai has emerged as a global epicenter for commerce, recreation, and opulence. Its awe-inspiring skyline, unparalleled amenities, and advantageous location have rendered it a highly sought-after destination for individuals from all corners of the world.

With its diverse populace, Dubai has transformed into a crucible of cultures, languages, and nationalities. As a consequence, the demand for real estate in Dubai has been steadily surging, and numerous non-citizens are contemplating property investments in the city.

For non-citizens seeking to procure property in Dubai, one may ponder on the means of financing the purchase. Mortgages are one alternative that can aid in the materialization of their aspiration to own property in Dubai. In this exhaustive manual, we shall scrutinize every aspect of mortgages in Dubai for non-citizens in 2023.



# WHAT IS A MORTGAGE

A mortgage is a loan that finances the acquisition of a property. The borrower consents to repay the loan over a fixed period, usually lasting between 15 and 30 years. The property is offered as security for the loan. Mortgages can be procured from banks or other financial institutions, and the interest rates and loan conditions may differ based on the lender and the borrower's creditworthiness.

# TYPES OF MORTGAGES IN DUBAI

There are different kinds of mortgages you can get in Dubai, and the type you choose depends on your financial situation and what you want to achieve. Here are some common types of mortgages you can get:

**Fixed-rate mortgage:** With this type of mortgage, your interest rate stays the same for the whole time you're paying back the loan. This makes it easier to budget and know how much you'll be paying each month.

**Variable rate mortgage:** This kind of mortgage means your interest rate can change depending on what's happening in the market. It can be riskier because your monthly payments can go up if the interest rate goes up.

**Islamic mortgage:** This is for people who don't want to pay interest on their loan. Instead, the bank buys the property and sells it to the customer for a higher price, so they can pay back the loan without interest.

**Interest-only mortgage:** With this type of mortgage, you only pay the interest on the loan for a set amount of time, usually between five and ten years. After that, you have to pay back the amount you borrowed plus interest.

# ***MORTGAGE INTRODUCTION***

## **Resale / First sale**

Buying a property either from secondary market or directly from developer

## **Mortgage Types**

### **Buyout**

Moving a mortgage from one bank to another for better interest rates or extra cash.

### **Buyout**

Mortgage for a property that is not yet completed

## **Refinance**

Cash against existing property

# ***MORTGAGEABLE PROPERTIES***

## **Mortgage Types**

### **Residential properties**

- Apartment,
- Villa, House
- Residential building

### **Project based funding**

Project-based funding mortgage is financing secured by the value of a real estate project, with funds released as the project advances

### **Commercial properties**

- Shops,
- Offices,
- Building,
- Malls,
- Hotel

### **Land financing**

Vacant land suitable for construction.

### **Off Plan**

Loans to buy a property before it's built, with payments made in stages as construction progresses



A LEADING GROUP OF COMPANIES IN DUBAI



# MORTGAGE COSTS EXAMPLE

MORTGAGE EXAM			
MORTGAGE PROPOSAL BASED ON 80% FINANCE AND MORTGAGE			
BANK PAYMENT		DETAILS	FINANCE
Property Value	2,400,000		
LTV	80%		
DOWN PAYMENT	20%		
LOAN AMOUNT	1,920,000		1,920,000
Processing Fees 1%	1%	19,200	
Evaluation fees	3,150	3,150	
Mortgage Registration Fees	0.25%	4,800	
Land Department Fees	4%		96,000
Title deed Fees	290	290	
Trustee Fee	4,200	4,200	
Installments/EMI			
Proposed Rate	3.50%		
Tenure propose - Years	25		
Life insurance	0.10%	1,920.00	
Property Insurance - Annual	0.05%	960.00	
REAL ESTATE AGENT FEE	2.00%	48,000.00	38,400

Note: This page only provides information for completed residential properties.

If you're interested in commercial properties or properties that aren't built yet, please contact us separately as rates and charges are different.

Non-residents cannot purchase commercial or off-plan properties, but we can arrange handover payments for off-plan properties.

We also offer a mortgage proposal based on 80% financing, mortgage costs, and income. An example of calculations is available for non-residents with a visa from our company.







## ***ADDITIONAL BENEFITS***

Banking in the UAE offers additional benefits such as tax-free income, high-interest rates on savings, convenient digital banking services, access to exclusive credit cards, and personalized financial advice. Below is an example of some of the financing that you can benefit from after certain periods of time

Details	Amount	Remarks
Credit cards	100 000	Within six months
Auto loan	100 000	After three months
Personal loan	250 000	After one year
<b>Total</b>	<b>450 000</b>	



**MFI GROUP**

A LEADING GROUP OF COMPANIES IN DUBAI

# DOCUMENTS REQUIRED

## INITIAL DOCUMENTS

- PASSPORT
- VISA, EMIRATES ID (R)
- LAST 6 MONTHS' BANK STATEMENT
- EXISTING LIABILITIES DETAILS (PERSONAL LOAN, AUTO LOAN, MORTGAGE LOAN, CREDIT CARD LIMITS )

## AFTER CHECKING INITIAL DOCUMENTS

- SALARY CERTIFICATE
- LAST 6 MONTHS' PAY SLIPS
- CURRICULUM VITAE/RESUME
- EXPERIENCE LETTER FROM PREVIOUS EMPLOYER STAMPED & SIGNED
- AECB CREDIT REPORT & SCORE (R)
- CIF REPORT (CUSTOMER INFORMATION REPORT)

## PROPERTY DOCUMENTS IF PROPERTY READY

- DOCUMENTS FROM THE PAST OWNER OF THE PROPERTY
- TITLE DEED
- FLOOR PLAN
- SOA (STATEMENT OF ACCOUNT)
- SPA (SALES PURCHASE AGREEMENT)

# ***SALARIED WORKER APPLICATION***

## **Basic Questions**

- Salary amount
- Company name
- Age
- Nationality
- Length of service in an existing company
- Want to buy from the primary market or secondary market
- Approximate property value

## **Initial Documents Required**

- Passport, visa, and Emirates ID
- Last six months' bank statements
- Existing liabilities details (If any existing personal, auto, or mortgage loan. Also, total credit cards limit)
- Salary certificate

## **Bank Proposal**

- Pre-approval fee: Zero (Some banks apply small fee)
- Processing fee: 1%
- Rate: Depends on bank and customer profile (Starting from 3.49% to 5,5%)
- Life insurance: 0.165% per year
- Property insurance: 0.04% per year
- Partial settlement: Free 25% of loan amount
- Early settlement: 1% of loan outstanding or AED 10,000 whatever is less



A LEADING GROUP OF COMPANIES IN DUBAI



# ***SALARIED WORKER APPLICATION***

**LTV: 80% + 5% or 10% (Depends on customer profile and bank)**

- 80% will go to the seller
- Additional 5% or 10% related to transaction-related charges

Note: We provide personalized quotations to each customer based on their profile and requirements. The information above is approximate and intended for illustrative purposes only.

# ***SELF EMPLOYED APPLICATION***

## **Basic Questions**

- Last 12 months sales (Turnover) as per VAT return
- Last 12 months sales (Turnover) as per company bank statement
- Business activity
- Owner age
- Owner nationality
- Length of business
- Approximate property value

## **Initial Documents Required**

- Passport, visa, and Emirates ID
- Last six months' personal and company bank statement
- Existing liabilities details (If any existing personal, auto, or mortgage loan. Also, total credit cards limit)

(Further documents can be advised after checking initial documents)

## **Bank Proposal**

- Pre-approval fee: AED 1050
- Processing fee: 1% of the loan amount
- Rate: Depends on bank and customer profile (Starting from 3.99% to 6,5%)
- Life insurance: 0.36% per year
- Property insurance: 0.04% per year
- Partial settlement: Free 15% of the loan amount
- Early settlement: 1% of the loan outstanding or AED 10,000 whatever is less

# ***SELF EMPLOYED APPLICATION***

**LTV: 80%**

Note: We provide personalized quotations to each customer based on their profile and requirements. The information above is approximate and intended for illustrative purposes only.



# ***MORTGAGES FOR NON-RESIDENTS IN DUBAI***

Dubai's sturdy real estate market entices investors from across the globe. Nevertheless, securing a mortgage in Dubai can pose challenges for non-residents.

Dubai's banks have grown more prudent in granting loans to non-residents, particularly since the emergence of COVID-19. Nevertheless, some banks still furnish mortgages to non-residents, and it's crucial to comprehend the stipulations and requirements.

Typically, non-residents seeking a mortgage in Dubai must put down a higher down payment than residents. The down payment for non-residents typically equals 35% of the property's value, compared to around 25% for residents. Non-residents must also exhibit a satisfactory credit score and furnish several documents, including a passport, evidence of income, and evidence of residency in their home nation.

# ***NON-RESIDENT APPLICATION***

## **Basic Questions**

- Customer age
- Nationality
- Income profile in the country of residence (Salaried or businessman)
- Approximate property value

## **Initial Documents Required**

- Passport
- Personal bank statements from the last six months are required, showing consistently good balances.

(Further documents can be advised after checking basic documents)

## **Bank Proposal**

- Pre-approval fee: AED 1050
- Processing fee: 1% of the loan amount
- Rate: Depends on bank and customer profile (Starting from 3.99% to 6,5%)
- Life insurance: 0.165% per year
- Property insurance: 0.04% per year
- Partial settlement: Free 25% of the loan amount
- Early settlement: 1% of the loan outstanding or AED 10,000 whatever is less

# ***NON-RESIDENT APPLICATION***

## **LTV: 50%**

Note: We provide personalized quotations to each customer based on their profile and requirements. The information above is approximate and intended for illustrative purposes only.

Non-residents can obtain a 75% loan if their monthly salary in their country of residence is equivalent to or more than AED 15,000. However, this process is more difficult and may take longer to complete.



A LEADING GROUP OF COMPANIES IN DUBAI



Dubai presents a multitude of advantageous opportunities for non-residents seeking to obtain a mortgage, such as a highly profitable investment potential within the real estate market. The flexible repayment terms available to non-residents are diverse, permitting them to customize their mortgages to align with their particular circumstances. Once a budget has been established and a pre-approval letter has been acquired from the bank, the search for a property may commence.

An array of options is accessible in Dubai, including apartments, villas, and townhouses, located throughout the city. A reputable real estate agent can simplify the process of locating a property that aligns with your preferences, offering a comprehensive list of available properties, scheduling viewing arrangements, and even negotiating the purchase price on your behalf. Once you have selected a property that meets your criteria, it is time to draft a written offer that includes the purchase price, any stipulations, and the anticipated closing date. The seller will then review the offer and choose to accept, reject or present a counteroffer.

# RENTAL INCOME APPLICATION

## Basic Questions

- Rental income per year from existing properties
- Age
- Nationality
- Approximate property value

## Initial Documents Required

- Passport, visa, and Emirates ID
- Last 12 month's bank statement (where rental income is getting credit)
- Existing liabilities details (If any existing personal, auto, or mortgage loan. Also, total credit cards limit)
- All tenancy contracts and title deeds of rented properties  
(Further documents can be advised after checking initial documents)

## Bank Proposal

- Pre-approval fee: AED 1050
- Processing fee: 1% of the loan amount
- Rate: Depends on bank and customer profile (Starting from 3.99% to 5.5%)
- Life insurance: 0.36% per year
- Property insurance: 0.04% per year
- Partial settlement: Free 15% of the loan amount
- Early settlement: 1% of the loan outstanding or AED 10,000 whatever is less

# ***RENTAL INCOME APPLICATION***

**LTV: 60%**

Note: We provide personalized quotations to each customer based on their profile and requirements. The information above is approximate and intended for illustrative purposes only.



# ***FINALISE THE MORTGAGE***

When an offer is accepted, finalizing a mortgage with a bank becomes imperative. This process necessitates the provision of supplementary documentation such as insurance proof and an evaluation report. The mortgage agreement will also require signing.

Subsequently, the closing process can be initiated, which involves the transfer of property ownership from the seller to the buyer, clearing all outstanding fees and taxes, and registering the property with the Dubai Land Department. The closing costs are subject to variation depending on the property's value and mortgage terms, generally ranging from 4% to 7% of the purchase price. These expenses may comprise property registration fees, real estate agent fees, and transfer fees.

# ***MORTGAGE TIPS***

As a non-resident, it can be difficult to get a mortgage in Dubai. However, there are some helpful tips to make the process smoother. One of the best ways is to work with a reputable mortgage broker, such as MFI Group. A mortgage broker can assist you in finding the best mortgage rates and terms and guide you through the application process.

They collaborate with the top banks in the UAE to offer a diverse range of mortgage products, which helps you to comprehend your borrowing options. MFI Group provides an easy-to-use mortgage calculator that factors in important components like the down payment, interest rate, and other relevant factors to give you an accurate projection of your monthly payments. Try their mortgage calculator today and take the first step towards owning a home in the UAE.





# ***SPECIALISTS IN REJECTED CASES***

**do you have clients struggling  
to obtain finance**

For real estate agents who have clients struggling to secure financing for a mortgage, we offer specialized assistance in finding the right solution. With our access to a diverse range of lenders and loan products, we can help your clients find a suitable mortgage solution. Get in touch with us to learn more.





# ***INVESTMENT PLANS***

Our sister companies, Aizestate.com and MCHomes.ae, offer investment services to help clients find suitable opportunities. Our experienced team can assist with property searches and financing solutions, ensuring that clients make informed investment decisions. Contact us to learn more about achieving your financial goals





# THANK YOU

*We look forward to working  
with you*

## OFFICE



1902 19th Floor Marina Plaza  
Dubai



+971 565 078997



[www.mfigroupdubai.com](http://www.mfigroupdubai.com)

