

"Mubadarat" by the Ministry of Presidential Affairs Product FAQs

1. What is Mubadarat by the Ministry of Presidential Affairs?

Mubadarat is a government Housing program that aims to provide appropriate housing to UAE Nationals through various alternatives, such as granting residential plots, government houses and ready houses, and maintaining and extending existing houses.

2. Who is eligible for Mubadarat?

It is exclusively for UAE Nationals, as per the list provided to FAB Islamic by Mubadarat.

3. How much is the home finance amount offered?

The maximum Mubadarat home finance amount is AED 1,200,000 (at a profit rate subsidised by Mubadarat). If you require an additional finance amount, subject to your eligibility, the financing will be provided based on the commercial rate.

4. What is the maximum tenor of Mubadarat finance?

The maximum tenor for the finance is 20 years.

5. At what profit rate is the financing provided?

The profit of Mubadarat home finance amount of up to AED 1,200,000 is subsidised by Mubadarat.

6. What type of properties can be financed under this programme?

Financing is provided for both under-construction and completed residential projects as follows:

- a. Ready Property Finance – developed by Mubadarat
- b. Ready Property Finance – developer/seller from the market
- c. Construction Finance – own plot/gifted land

7. Can I get home financing to construct a property on available land?

Yes, you can apply for home financing for construction on land that you own.

8. Do I have to make a down payment for financed property?

For an under-construction property on land that you own, no down payment is required. It is taken from the Mubadarat grant. For a completed property purchase, you will pay a down payment minimum of 15% of the additional finance value taken over and above the grant.

9. Do I have to transfer my salary to FAB Islamic to apply for this scheme?

No, a salary transfer is not mandatory. However, you are encouraged to transfer your salary to FAB Islamic if you intend to get additional financing as you may be eligible for a lower profit rate than the non-salary transfer customer segment.

10. Am I eligible to purchase a readymade property even if my approval letter mentions "for construction on land"?

Yes, you can purchase a readymade property if your approval letter mentions "for construction on land". However, if your letter says "WIP construction" you cannot purchase a readymade property. This is because of the terms and conditions issued by the government authority managing the Mubadarat programme.

11. The validity of the Mubadarat (MOPA) letter is six months; is that from the date of issuance, the bank approval date, or the disbursement date?

A MOPA letter is valid from the date of issuance by MOPA. The customer must apply for finance within six months of the date of issuance.

12. If customers have their own construction sources, should they fund the construction first and then apply for government home finance?

No, you should first apply for the Mubadarat home finance as the government home finance has to be used for construction at first and any extra funds can be used subsequently. However, if construction has already started, you can establish that the work has begun using government funds and request that the bank pay the contractor up to AED 1,200,000 against the percentage of work completed.

13. Can we put the PPC amount directly into our client's account if he was the one who paid for it? And, if yes, what documents/proof do we need from both the client and the contractor before we do so?

As per regulations, we are not permitted to hand cash over to the owner. Any PPC payment must be paid directly to the contractor.