



The CBUAE issues new instructions regarding the Sheikh Zayed Housing Programme

Abu Dhabi (31 July 2022): The Central Bank of the UAE (CBUAE) has issued a notice to all banks and finance companies operating in the UAE on housing loans granted to beneficiaries of the Home Finance of the Sheikh Zayed Housing Programme (SZHP).

The notice included details of the CBUAE decision, in agreement with SZHP and in line with Article (5) of the Regulations Regarding Mortgage Loans, issued in 2013. According to the said decision, the debt burden ratio of the beneficiaries of the Home Finance Program of SZHP in monthly installments out of their total salary or any income from a known specific source has been increased from 50% to a maximum 60%. The decision also stated that UAE nationals, with long-term loans, shall be provided the flexibility to obtain housing loans of SZHP, after ascertaining their ability to pay within the DBR limit of 60%.

Banks are allowed to increase the DBR for retirees and senior UAE nationals from 30% to 50%, so that they can benefit from SZHP housing loans, after ascertaining their ability to repay, within the DBR limit of 50%, and after obtaining from them a no-objection statement to increase the monthly deductions against the housing loan.

Moreover, the SZHP housing loans borrowers' contribution of 15% in the down payment for the housing loans that their profit/interest is guaranteed and paid by the Federal Government, has been cancelled, subject to the following conditions:

- The property to be constructed/ purchased through financing is the first house for the UAE national and to be used for his personal residence.
- Should the amount of the loan exceeded the amount of loan profit/interest of which guaranteed and paid by the Federal Government, the UAE national shall be required to pay, from his own resources and not from other lending sources, the difference in the payable ratio of the down payment of 15% required by the regulations.
- Compliance with all other requirements stated in the Mortgage Loans Regulation and amendments thereto.

The CBUAE is keen to support the UAE government's efforts to achieve happiness, housing stability, and provide comfort and well-being for its people, in light of the new policy for federal government housing loans that was approved by the Cabinet to provide financing for housing loans in partnership with the private sector and national banks. This will reduce the waiting period for housing applications.



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The Mortgage Loans Regulation, issued by the CBUAE, aims at setting acceptable minimum standards for mortgage collaterals to safeguard the financial sector and consumer. It also aims at promoting financial stability and contribute to sound development and organisation of the mortgage loans market in the UAE, employing appropriate and advanced regulations.

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