

Frequently Asked Questions

What does the Home Loan product provide?

- This Home Loan product is provided to customers who desire to buy a new home or construct a new home which they will occupy for residential purposes.
- This Home Loan product is only provided to first home buyers.

What are the general requirements for applying for a Home Loan from Merchant Finance?

1. Fiji Citizen and be at least 18 years of age.
2. Completed Home Loan application form.
3. 2 Valid Photo ID.
4. Birth Certificate and Marriage Certificate (if applicable).
5. TIN Letter or Joint FNPF/FRCS Card.
6. Pay slip for the last 3 months.
7. Proof of employment from Employer.
8. Bank and Credit statements for the last 6 months. To be provided for all existing bank accounts.
9. FNPF Statement on Housing Withdrawal Eligibility.
10. Copy of the Title or Lease for the property (Freehold, native, crown and housing authority lease).
11. Copy of Sale and Purchase Agreement or a Sale Note.
12. Copy of recent Valuation Report from one of MFL approved panel of valuers.
13. An Approved Building Plan (if you are constructing a home).
14. 3 Quotes from registered reputable Contractors or Builders (if you are constructing a home).
15. Contractors insurance (if you are constructing a home).
16. Stamped council or local authority approved building plan.
17. Engineer's Cyclone Certificate (if you are in the Northern and Western division).
18. Completion certificate from City or Town Council or local authority.

How much deposit is required for a Home Loan?

- For buying a house, zero deposit is required.
- For building or constructing a house, 10% deposit is required or 90% financing will be provided by MFL. If the land is already purchased, then the customer can use the land as equity contribution to cover for the 10% deposit, subject to MFL's satisfaction.

How much can I borrow for my first Home Loan?

- The minimum amount to borrow is \$5,000.
- The maximum amount is \$750,000

Who can apply?

- Personal customers who are salary or wage earners in permanent employment or those under fixed term contract or seasonal employment or self-employed.

What is the maximum term for a Home Loan?

- Maximum loan terms of up to 30 years, depending on the borrower's retirement age.

What is Merchant Finance's interest rate & fees for Home Loan?

- A fixed rate of 3.99% for 5 years will apply for first-time home buyers with a combined annual income of \$50,000 or below.
- A fixed rate of 5.99% for 1 year will apply for those with a combined annual income greater than \$50,000.
- Customers can apply for refix and extend their fixed rate upon expiry for a fee of \$300.
- The variable rate for all customers is 8.99%. This will apply at the expiry of the fixed rate and if the customer does not request to refix.
- An establishment fee of 1% is charged on the loan requested amount for all Home Loan and is collected prior to settlement.

Which type of properties are eligible for Home Loan?

- Home Loan finance is available for properties on freehold land, residential native leases and residential crown leases and housing authority leases. Or any other properties with proper title e.g. Methodist lease, tendered properties given that applicant has succeeded in attaining the tender. MFL will not fund e.g. land with no proper title such as land with agreement for lease other than residential purpose, Mataqali land with no title, Strata title. This excludes property under strata title.
- Home construction loan is not available for Agreement for Lease or Mataqali land.

Tell us how Home Loan approval process works if I want to build my home or buy a house.

- Visit any of our MFL branches and get an eligibility assessment done from one of our Lending Officers to help you know the total loan that you are eligible for.
- Identify a property that you want to buy taking into consideration your eligibility.
- Secure the property through an offer letter or signed sale and purchase agreement with the property owner/seller.
- Provide all required documentations to Merchant Finance.
- Merchant Finance will assess your application and determine whether to approve or decline it based on your ability to meet our Home Loan requirements.
- If approved, you will then need to meet all approval conditions including signing an offer letter and the loan agreement and the registration of security documents.
- Once all approval conditions are met, Merchant Finance will proceed with the settlement of the loan and the purchase of the property.
- For construction loans, funds will be disbursed progressively according to the stage or phase of construction

How much of my salary can be used for loan repayments?

- The maximum amount of salary used for your home loan repayment is 50%. This includes existing and new credit commitments as well as credit cards and hire purchase.
- For construction loan, there is the option for interest only payment during construction period.

How long does Home Loan approval take?

- If all documentations are in order, it will take a minimum of 10 working days to get a home loan approved.
- After a loan is approved and all approval conditions are met, it will then take at least 30 working days to settle a loan, provided all parties are ready.

Can you refinance to other banks after you secure your Home Loan with Merchant Finance?

Yes, you can refinance. However, there is an early termination fee that will be charged. Please refer to Fees & Charges brochure (Loan break cost fees).

Why should I choose Merchant Finance?

- Zero-deposit Home Loan for first home buyers.
- 10% deposit if you're constructing your first home.
- Competitive interest rate for first home buyers with combined income of \$50,000 and below.
- Cyclone cover is only required for properties in the Northern and Western Division. Central division is optional.
- Option to access government housing grant.
- There is no monthly service fee.

