

First Abu Dhabi Bank PJSC Master National Housing Loan Terms and Conditions

1 Regulatory status

First Abu Dhabi Bank PJSC (the “**Bank**”) is licensed and regulated by the Central Bank of the UAE. Its registered office address is P.O. Box 6316, Abu Dhabi, UAE.

2 Customer’s Relationship with the Bank

2.1 The following terms and conditions, as amended from time to time (the “**Master National Housing Loan Conditions**”) govern the relationship between the Bank and a natural person (hereinafter called the “**Customer**”) in respect of any National Housing Loan offered by the Bank to the Customer.

2.2 Words or expressions defined in the Bank’s General Terms and Conditions for Accounts (the “**General Conditions**”) shall, unless the context so requires, have the same meaning when used in these Master National Housing Loan Conditions and the principles of construction contained in the General Conditions apply as if fully set out in these Master National Housing Loan Conditions. Definitions of other capitalised terms used in these Master National Housing Loan Conditions are set out in the Glossary. Where such terms are used elsewhere by the Bank throughout any of its documentation, agreements or on its website, they shall have the meanings set out in the Glossary unless given a different meaning in the context in which they are used.

2.3 References to the “Master National Housing Loan Conditions” throughout the Bank’s documentation, including Security Documents, Requests, Loan Agreements, account mandates, advertisements, notices, brochures, schedules, agreements or such other documents, are references to these Master National Housing Loan Conditions.

2.4 These Master National Housing Loan Conditions constitute an integral part of the Bank’s agreement to provide a National Housing Loan to the Customer and apply, unless expressly excluded, to all National Housing Loans made available to the Customer.

2.5 The legal and contractual relationship between the Bank and the Customer is determined by these Master National Housing Loan Conditions, the General Conditions, any Security Document, each Request, each Loan Agreement, the Schedule of Charges, any guidelines issued by the Bank and any other agreement or document specified by the Bank for this purpose.

2.6 If there is any conflict or inconsistency between:

- (a) these Master National Housing Loan Conditions or the General Conditions and a Request or a Loan Agreement, such Request or Loan Agreement shall prevail; and
- (b) a Loan Agreement and a Request, the Loan Agreement shall prevail,

in each case to the extent of that conflict or inconsistency.

3 General National Housing Loan Conditions

3.1 A National Housing Loan is an interest-free loan. The Bank may, subject to these Master National Housing Loan Conditions and the approval of ADHA, grant to the Customer a National Housing Loan.

- 3.2** By signing or otherwise submitting a Request or borrowing a National Housing Loan, the Customer is deemed to have read and understood these Master National Housing Loan Conditions and agrees to be bound by them.

4 Conditions Precedent

The Bank's obligations to make available (or continue to make available) a National Housing Loan pursuant to these Master National Housing Loan Conditions is subject always to:

- (a) no Event of Default having occurred;
- (b) the Customer submitting a duly completed Request;
- (c) the Customer complying with all of the Customer's obligations set out in these Master National Housing Loan Conditions;
- (d) the Bank being in receipt of all Conditions Precedent and other documents relating to the National Housing Loan that the Bank may require (including the approval of ADHA); and
- (e) the Customer granting the security and other protections contained in the Security Documents.

5 Purpose

- 5.1** The Customer may only use a National Housing Loan for the Approved Purpose.
- 5.2** In the case of an Under Construction Loan, the Bank's engineer and the project's engineering consultant must issue a pre-approval of the "Interim Completion Certificates" issued by the Customer's contractor before any amounts of an Under Construction Loan will be paid.

6 Repayment

- 6.1** The Customer shall repay a National Housing Loan by paying the relevant Instalment on each Payment Date.
- 6.2** In respect of an Under Construction Loan, the first Instalment shall be due on the earlier of:
- (a) the completion of the works on the Property;
 - (b) the date falling two years after the date of disbursing the first payment; and
 - (c) the date, if any, that ADHA notifies the Bank to start the collection process.
- 6.3** In respect of a Ready Villa Loan, the first Instalment shall be due on the earlier of:
- (a) the date falling six months after the date of the Loan Agreement; and
 - (b) the date, if any, that ADHA notifies the Bank to start the collection process.
- 6.4** When due, the Customer irrevocably authorises the Bank to debit the amount of each Instalment from any of the Customer's Accounts held with the Bank.

7 Representations and warranties

- 7.1** By submitting a Request or borrowing a National Housing Loan, the Customer represents and warrants to the Bank that:

- (a) The Customer is not aware of any order or thing that may prevent him or her or impose any restriction on him or her of any kind whatsoever regarding the entry into or performance of his or her obligations arising out of these Master National Housing Loan Conditions or any documents referred to in these Master National Housing Loan Conditions, and these Master National Housing Loan Conditions constitute legal, valid and binding obligations of the Customer, enforceable against the Customer in accordance with their terms.
- (b) The Customer has full capacity to contract and has full authority to submit a Request, and sign, deliver and perform the Customer's obligations under these Master National Housing Loan Conditions.
- (c) Any signature, delivery and execution of any documents referred to in these Master National Housing Loan Conditions does not constitute a violation of any mortgage, document, contract or another undertaking to which the Customer is a party or which is binding on the Customer.
- (d) There is no Event of Default that has occurred and is still ongoing.
- (e) The Customer does not intend to initiate any legal proceedings, and there are, to the Customer's knowledge, no pending legal proceedings or threats to commence any legal proceedings against the Customer related to the bankruptcy of the Customer or otherwise in connection with his or her solvency or financial condition.
- (f) The Customer acknowledges and agrees that the Bank's records and accounts shall constitute the only evidence of the amounts due or due to be paid by the Customer in connection with the National Housing Loan and these Master National Housing Loan Conditions, and the Customer specifically waives any right to challenge the validity of such records.
- (g) The Customer shall grant the Mortgage in favour of the Bank as security for the payment of the National Housing Loan Amount as well as all commission and expenses.

7.2 Each of the representations and warranties set out above are deemed to be repeated on each day throughout the period the Bank provides a National Housing Loan to the Customer.

7.3 If any representation and warranty set out above is or becomes untrue at any time, the Customer must notify the Bank immediately.

8 Undertakings

The Customer undertakes to the Bank that for as long as any amount remains payable under these Master National Housing Loan Conditions:

- 8.1** The Customer shall abide by and perform all of the Customer's obligations and commitments arising out of these Master National Housing Loan Conditions.
- 8.2** The National Housing Loan shall only be used for the Approved Purpose.
- 8.3** The Customer shall abide by the Security Documents and shall refrain from selling, transferring, assigning and/or disposing of the assets that are the subject of any Security Documents in any way whatsoever.

- 8.4** The Customer shall notify the Bank in writing of any material negative change in the Customer's financial condition or financial stability.
- 8.5** The Customer shall comply with all laws and regulations that may be imposed by any competent authority or authorities from time to time in connection with the conduct of the Customer's business.
- 8.6** The Customer shall pay all fees and expenses associated with the registration of the Mortgage, and shall also take all actions, sign and deliver any documents, papers or additional confirmations as may be necessary or as reasonably requested by the Bank from time to time in order to maintain any Security Document.
- 8.7** In respect of an Under Construction Loan, if the consultant appointed by the Customer in connection with the Property submits the "Project Design" file to the Citizens Housing Loans Department of the Bank, six months after the date of the Customer's Request, the Customer shall submit a salary certificate dated no earlier than one week from the date of submission to the Bank or otherwise shall submit an official document proving the value of the Customer's monthly income. The Customer acknowledges and agrees that processing of the Request for the National Housing Loan will be suspended until the documents required by this Clause are submitted and that in the event the Customer fails to submit such documents, the Request will be rejected.

9 Postponed Loans

The Customer undertakes to the Bank that for so long as any National Housing Loan is deemed by the Bank to be a Postponed Loan:

- 9.1** The Customer shall notify the Bank and ADHA immediately in the event of any increase in the Customer's total financial income in order to enable the Bank to begin collecting Instalments.
- 9.2** The Customer acknowledges and agrees that:
 - (a) the Bank may take all measures it deems appropriate to start collecting Instalments of a minimum of AED4,000 (four thousand dirhams) (or such other amount as agreed with the Customer) as soon as it is instructed to do so by ADHA; and
 - (b) the Bank is authorised to collect Instalments directly from the Customer's salary from any local, federal, private or government agency.
- 9.3** The Customer shall, upon the Bank's request (and within the time period specified by the Bank), visit any branch of the Bank in order to make any changes to the Postponed Loan repayment plan and to agree and commit to the Bank to repay the Postponed Loan in accordance with the amended repayment plan. The Customer undertakes to sign any additional documents requested by the Bank in this regard.
- 9.4** The Customer undertakes to sign any additional Security Documents requested by the Bank from time to time as the Bank deems appropriate, and to sign any amendment to existing Security Documents or provide any additional security or guarantees as requested by the Bank.

10 Events of Default

- 10.1** If any of the events or circumstances listed in Clause 10.2 below (each an “**Event of Default**”) occurs, the Bank shall have the right, in its absolute discretion, to declare that the National Housing Loan Amount be immediately due and payable whereupon such amount shall become immediately due and payable.
- 10.2** The occurrence and/or continuation of any of the following events is considered an Event of Default:
- 10.2.1** If the Customer fails to pay any amount payable under these Master National Housing Loan Conditions.
 - 10.2.2** If any representation, undertaking or covenant made by the Customer under these Master National Housing Loan Conditions, expressly or implicitly, has been proven or may prove in the future to be untrue, inaccurate or not complied with in any respect whatsoever.
 - 10.2.3** If any Security Document is no longer in full force and effect, or if the Customer has assigned or transferred any or all the assets subject to a Security Document in favour of any natural or legal person.
 - 10.2.4** If the Customer dies or loses legal capacity to enter into contracts.
 - 10.2.5** If unfavourable conditions arise in the market and/or if the value of the assets subject to the Security Documents deteriorates in a way that, in the opinion of the Bank, results in a material negative impact on the ability of the Customer to perform and abide by the Customer’s obligations arising from these Master National Housing Loan Conditions or any document referred to in these Master National Housing Loan Conditions.
- 10.3** In the event the Bank declares that the National Housing Loan Amount has become due and payable in accordance with the provisions of Clause 10.1 above, the Bank shall have the right to enforce the Security Documents and claim the entire National Housing Loan Amount. The Bank may exercise this right without prejudice to any other rights available to it under the laws of the UAE.

11 Special Condition

These Master National Housing Loan Conditions (and the Bank’s agreement to provide a National Housing Loan) are conditional on the validity of the information provided by the Customer and the absence of any change affecting the Bank’s decision to make available the National Housing Loan. If any change occurs to the information and data of the Customer, then the Bank may suspend, cancel and/or amend the amount of the National Housing Loan in its absolute discretion in light of any such changes. The Customer therefore undertakes to provide proof of the Customer’s monthly income upon the Bank’s request (which, in the case of an Under Construction Loan, may be before the contractor begins any work on the Property).

12 Variation

Notwithstanding the provisions of the General Conditions, it is not permissible to modify or change these Master National Housing Loan Conditions or any of its provisions except by

virtue of an agreement or written agreements entered into between the Customer and the Bank.

13 Governing Law and Jurisdiction

13.1 These Master National Housing Loan Conditions, including any non-contractual obligations arising out of or in connection with them, shall be governed by the laws of the UAE.

13.2 The Bank and the Customer agree to the exclusive jurisdiction of the courts of the UAE to settle any dispute arising out of or in connection with these Master National Housing Loan Conditions, any National Housing Loan or other transaction or matter between the Bank and the Customer, provided that the Bank may bring proceedings in any other jurisdiction (inside or outside the UAE and including, without limitation, the Abu Dhabi Global Market) if it deems appropriate.

13.3 The Customer irrevocably waives all immunity (whether on the grounds of sovereignty or otherwise) that the Customer or any of the Customer's assets or revenue may otherwise have in any jurisdiction from:

- (a) the service of any process against the Customer or the Customer's assets;
- (b) any proceedings (whether for an injunction, specific performance, damages or otherwise) that the Bank may bring against the Customer or the Customer's assets;
- (c) any attachment of the Customer's assets (whether before or after judgment); and
- (d) any execution of a judgment against the Customer,

and, in each case, shall ensure that neither the Customer nor any person acting on the Customer's behalf will raise, claim or cause to be pleaded any such immunity at, or in respect of, any such action or proceeding.

Glossary

ADHA:	Abu Dhabi Housing Authority.
Approved Purpose:	The purpose for which a National Housing Loan has been made available, as approved by ADHA and which, in the case of an Under Construction Loan, may be: (a) construction of a Property; (b) demolition and reconstruction of a Property; (c) maintenance of an existing Property; (d) expansion and addition to an existing Property; or (e) refurbishment/expansion and addition to an existing Property; and, in the case of a Ready Villa Loan, will be the purchase of a Property from a developer or seller.
Conditions Precedent:	The conditions specified by the Bank and which the Customer must satisfy before the Bank makes a National Housing Loan available and which include: (a) A copy of the valid passport and family book of the Customer or of those who have the right to sign. (b) Copies of all financial guarantees and letters of guarantee duly issued for the benefit of the contractor(s) endorsed in favour of the Bank. (c) A copy of a search certificate issued by the Lands and Registration Department in Abu Dhabi relating to the Property. (d) For an Under Construction Loan only: (i) An organisational ground plan for the Property issued by the Abu Dhabi Municipality and Town Planning Department. (ii) A copy of the contractor contract. (iii) A copy of the consultancy contract.
Event of Default:	Has the meaning given to that term in Clause 10.1.
Instalment:	The payments of the principal and any other amounts in respect of a National Housing Loan to be made by the Customer on the Payment Dates specified in the relevant Loan Agreement.
Loan Agreement:	The agreement between the Bank and the Customer in connection with a National Mortgage Loan consisting of these Master National Housing Loan Conditions and the details set out in the Customer's Request, as approved by the Bank.
Mortgage:	A first degree mortgage granted over a Property in favour of the Bank.
National Housing Loan:	A loan, as approved by ADHA, and made available to the Customer by the Bank in accordance with these Master National Housing Loan Conditions.

National Housing Loan Amount:	At any time, the outstanding principal amount of a National Housing Loan owed to the Bank.
Payment Date:	The date on which an Instalment is to be paid, as specified in the relevant Loan Agreement.
Postponed Loan:	A National Housing Loan for which repayment of Instalments has been deferred by the Bank until such time as the Customer's financial condition improves. For the avoidance of doubt, a Postponed Loan may be a Ready Villa Loan or an Under Construction Loan.
Property:	The real estate property relating to a National Housing Loan (including any building constructed on such property).
Ready Villa Loan:	A National Housing Loan that is made available for the purchase of a ready Property.
Security Document:	Any Mortgage, guarantee or other security document required by the Bank to be executed to guarantee and/or secure the Customer's obligations in respect of a National Housing Loan and which include: (a) A search certificate issued by the Lands and Registration Department in Abu Dhabi relating to the Property. (b) A Mortgage over the Property. (c) In the case of an Under Construction Loan only, the endorsement or issuance of all guarantees and letters of guarantee of the contractor(s) related to the Property for the benefit of the Bank.
Under Construction Loan:	A National Housing Loan that is made available for any one of the following purposes: (a) construction of a Property; (b) demolition and reconstruction of a Property; (c) refurbishment of an existing Property; (d) expansion and addition to an existing Property; and (e) refurbishment/expansion and addition to an existing Property (whether existing or to be constructed on a plot of land).