

NMB sign mortgage lending deals with NHC, TBA, WHC

By Francis Kajubi

BOTH public and private employees stand a chance to win a decent house of between 10m/- and 700m/- by paying in regular installments thanks to an agreement signed between NMB Bank Plc and three major developers.

NMB Head, Personal Banking and Retail Sales, Omari Mtiga named the developers who the bank signed mortgage contracts with as National Housing Corporation (NHC), Tanzania Building Agency (TBA) and Watumishi Housing Company Limited (WHC).

"We chose these public companies for several reasons including their experience in the industry, model of apartments and housing units built which address people from all income brackets. But these companies also have several housing projects across the country which are ongoing and thus easy for our customers to access," Mtiga argued.

He asserted that the three developers also possess an extensive countrywide network which involves building affordable apartments, single units and commercial buildings needed by clients at every levels in line with the bank's thinking.

"Majority of Tanzanians earn less than one million a months and with such an amount, one with a family of two kids in school cannot easily service a loan and meet other basic needs, it's the reason we decided to come up with this mortgage product," he said.

Under the deal, NMB customers will be required to deposit only ten percent of the purchasing price of their intended house with a price ranging between 10m/- and 700m/- with a repayment period of up to 15 years.

"Our research findings established that the three developers have decent residential apartments and houses with all amenities costing a purchase price of not more than 650m/-. With such purchasing price, borrowers from both public and private sectors can be serviced. So, Tanzanians who meet our conditions are invited to chose any apartment from one of the developers'

blocks across the country as long as it does not exceed 700m/-,"said noted.

Miranda Lutege who is NMB's Mortgage Loan Manager, said that for non public and private sector employees to access the loans, they need to have title deed for their plots and a bank account with ten percent of price deposited in it.

"We are aware that about 70 percent of Tanzanians live in slums and thus they might be having no title deeds, but with the ongoing government initiatives to formalise property, we urge them to use the opportunity and get title deeds," said

Lutege. A report by Financial Sector Deepening Trust launched last month, pointed out that only three percent of Tanzanians have property with title deeds hence hindering them from qualifying to get bank loans using their property as collateral. The report said only 16 percent have title deeds for their property including plots of land while 28 percent have no property at all to qualify for loans from financial institutions.

"We are currently serving 2.5 million customers across the country with about 210 branches. During this campaign to promote our product

which runs between 1st November 2017 and 31 March 2018, we expect to reach a half of the customers countrywide," she said. She asserted that the loans can also be accessed jointly especially by spouses.

"Apart from the apartments and house units by the three developers, the people can opt to borrow money to build own houses," the NMB Mortgage Loan Manager, said saying there are three categories of loans namely: direct purchasing mortgage loan, refinance/equity release loan and the semi finished loan.



NMB Head, Personal Banking and Retail Sales, Omari Mtiga speaks during the launch of the bank's mortgage financing loans last week. File photo.