

# New housing bank debuts, charging lowest interest rates in market

By Guardian Reporter

A NEW housing bank, 1st Housing Finance Tanzania Limited was launched in Dar es Salaam last Friday and immediately offered clients the lowest interest rates of only 15 percent.

The bank which is sponsored by Bank M Tanzania Plc in partnership with World Bank's commercial lending arm, the International Finance Corporation, Housing Development Finance Corporation Limited (HDFC) which is the largest housing finance company in Asia and Karimjee family and Sanjay Suchak, will also deal in mortgage financing.

The bank which was licensed by Bank of Tanzania last July has a paid-up capital stands of 21.8bn/-. Speaking at the launch, 1st Housing Finance Tanzania Limited CEO, Omar Msangi said that his bank is the first dedicated housing finance company in the country with a focus on providing long term housing solutions to the public.

Msangi said that the shareholders aim is to distinguish the bank in the domestic market by offering the lowest interest rates for mortgage financing.

He pointed out that 1st Housing is the pioneer in the domestic market and will begin operations by offering four new mortgage products namely: loans to purchase a home, for improving an existing house, for extending an existing house and for financing equity in a house

"Some of the products being offered are novel in the Tanzanian market," the CEO noted. He further noted that 1st Housing will also distinguish itself in the market by offering mortgage finance for up to 20 years.

"This feature is expected to make home loans very affordable in the management of monthly cash flows of home seeking families," Msangi noted while emphasizing that 1st Housing will process loan requests in a turnaround time of 24 hours only.

1st Housing will commence operations from its offices at 19, Barack Obama Drive, Dar es Salaam. The company has plans to open branches across the country in a short timeframe.



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