



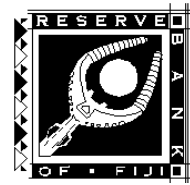
**RESERVE BANK OF FIJI**

# **HOUSING FACILITY GUIDELINES**

**(For the use of Commercial Banks, Licensed Credit Institutions, Fiji  
Development Bank and Housing Authority)**

**Revised 01 June 2021**

**Financial Markets Group**



# RESERVE BANK OF FIJI

## 1. Introduction

In August 2012, the Reserve Bank established the Housing Facility with Housing Authority to assist low income earners purchase their first home with a funding allocation of \$25.0 million and was later increased to \$60.0 million in August 2017. Lending was also extended to “**approved lenders**”; Commercial banks; licensed credit institutions (LCI)<sup>1</sup> and the Fiji Development Bank (FDB). In June 2019, total funding under the Facility was increased to \$100 million.

Approved lenders may access advances under this Facility at 0.25 percent interest per annum and on lend these funds to eligible house owners up to a maximum interest rate of 3.99 percent per annum for a term of six months which can be rolled over up to a maximum term of five years.

To be eligible, applicants must be purchasing or refinancing their first home and be able to meet the credit requirements of an approved lender, and earn a combined income of \$50,000 or less at the time of lodgment of their loan applications.

This Facility is effective and available for use immediately.

## 2. Approved Lenders

The following institutions may access advances under this Facility:

- i. Housing Authority of Fiji
- ii. Licensed commercial banks
- iii. Licensed credit institutions
- iv. Fiji Development Bank

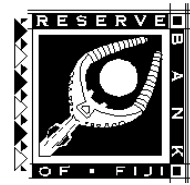
## 3. Eligibility

Funds under this Facility will be made available to approved lenders to on-lend to borrowers meeting the following eligibility criteria:

- i. Single applicants or joint applicants earning not more than a combined income of \$50,000 per annum at the time of application;
- ii. Purchasing of a first home or property;
- iii. Refinancing of the first home or property from another approved lender;
- iv. Meeting all other standard housing loan credit requirements of the approved lender.

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<sup>1</sup> LCIs include Credit Corporation Fiji Limited, Merchant Finance Company Limited, BSP Finance (Fiji) Limited and Kontiki Finance Limited.



# RESERVE BANK OF FIJI

## 4. Loan Application

Preferably, applications for advances under this Facility must be submitted three (3) working days before the proposed drawdown date using a copy of the attached Housing Facility Application Form.

## 5. Loan Term

The maximum loan term under this Facility is six (6) months but may be rolled over for up to five (5) years.

## 6. Interest Rates

The Reserve Bank will charge approved lenders an interest rate of 0.25 percent per annum for all advances under this Facility. Interest on all loans is payable twice annually on 30 June and 31 December.

The maximum interest rate that can be charged to eligible businesses will be 3.99 percent per annum.

The above rate is subject to periodic review. RBF reserves the right to make changes in line with movements in market interest rates.

## 7. Loan Disbursement

Upon approval, the advance will be credited to the approved lender's nominated account<sup>2</sup> with the Reserve Bank.

## 8. Repayment

All advances under this Facility are due and repayable on maturity. In instances where the Facility is rolled-over, only interest due must be paid twice annually on 30 June and 31 December.

Should a borrower effect settlement or refinanced within the agreed term, the approved lender is required to immediately reimburse the funds advanced under this Facility to the Reserve Bank.

## 9. Approved Lenders Responsibility

Granting of the loans is at the discretion of the approved lender. Eligible applicants are subject to their lending institution's credit requirements since the institution bears the credit risk without recourse to the RBF.

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<sup>2</sup> Commercial bank's exchange settlement account, the FDB and HA call accounts, LCI's advance account.



# RESERVE BANK OF FIJI

In the case of default, the approved lender's account with the Reserve Bank will be debited with the total outstanding amount loaned and the interest owing.

## 10. Exceptions and Clarifications

The Reserve Bank undertakes to exercise reasonableness and accord due consideration in case there is any doubt or queries arising from these guidelines. Decision by the RBF, once taken, will be final.

**Reserve Bank of Fiji**  
**Private Mail Bag**  
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# RESERVE BANK OF FIJI

## HOUSING FACILITY APPLICATION FORM

Application Details	
Name	
Address	
Location of Property	
Phone/ Mobile	
Fax/ Email	
Funding Details	
Total Funding Required (\$)	
Estimated Funding Duration	
Proposed Drawdown Date	
Declaration of the Applicant(s)	
I/ We hereby certify that the information provided is true and correct to the best of my knowledge.	
Name:.....	Signature:.....
Title:.....	Date:.....
Name:.....	Signature:.....
Title:.....	Date:.....
<i>Names and Signature(s) of applicant(s).</i>	
Lending Institution Verification	
Institution Name	
Branch	
Assessing Officer	
Declaration of the Lender	
I hereby certify the above applicant (s) has fully satisfied all the conditions outlined under the Housing Facility.	
Name of Assessing Officer	
Signature	
Date	
<p><b>Note:</b></p> <p>1. Loans under the Housing Facility are only offered to first home owners who earn up to \$50,000 per annum.</p> <p>2. In the event that the lender is unable to pay the RBF on the specified date, the RBF will debit the respective lending institution's ESA/Call/Advance account for the total outstanding advance, including interest accrued.</p> <p>3. Completed forms should to be submitted to Manager Domestic Markets, Tower 2, Reserve Bank of Fiji.</p>	