

# **LOAN REHABILITATION POLICY**

## **1. THE POLICY AND ITS PURPOSE**

This policy is to enable the Authority to meet its social objective and corporate social responsibilities by assisting existing mortgage loan customers in arrears and village housing loan scheme accounts in arrears who have already paid 1.5 times or more than the principal loan amount after deducting fees and charges but continue to face financial difficulties to fully repay their loans subject to availability of Government Grant funds.

This policy covers all home loan accounts but excludes other types of loans.

## **2. SELECTION CRITERIA**

The following criterions shall be used to identify the eligible customers who are facing financial difficulties to repay their loans and who have paid more than 1.5 times the principal loan amount after deducting fees and charges.

1. Customers who have retired and over 55 years of age.
2. Customers who are medically proven unfit to work.
3. Customers who are physically or mentally disabled.
4. Customers who are unemployed.
5. Low Income customers - single annual income of \$5,000 or combined household annual income of \$10,000.

Note: The customer must comply with one or more of the above criteria to be considered under the scheme.

## **3. CONDITIONS TO APPLY FOR THIS ASSISTANCE**

The following conditions will apply when assessing the accounts for assistance:

1. The property should be occupied by the registered owner/s.
2. The assistance will not apply to land only accounts without any dwellings/ improvements.
3. The assistance will not apply to customers who have wholly sublet their properties.
4. The total Government grants provided shall be up to 60% of the debt outstanding and the Authority will also provide financial assistance from the Authority's specific provisions, suspended interest & fees. All cases selected would require to be audited by the Authority's Internal Auditors and submitted for Board's approval.
5. The Authority shall place a caveat on the property for the period of ten years and can be lifted subject to full repayment of the financial assistance provided.
6. The customers who will be assisted under this scheme will have to repay the full amount provided in the event of sale/transfer of properties within 10 years.
7. Further loan will not be granted to customers who will be assisted under this scheme within 10 years unless whole amount is repaid.

#### **4. HOW DOES THIS POLICY APPLY?**

Housing Authority conducts a detailed inspection and stringent assessment of each case based on the above approved criteria to ensure that a customer qualifies for this assistance before recommendations are made to the Board of Directors of Housing Authority for final approval.

For further information, please contact the following officers:

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