

# Investment Real Estate Financing Risks

Serial	Risk Related to Investment Real Estate Financing	Required Action
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## Personal Responsibility

**Personal Responsibility**  
Choose a suitable property that meets the client's needs and aligns with their income and obligations.

Disclose accurate essential expenses in the Basic Expense Statement Form (according to responsible financing policies) so that the bank can conduct a credit study for the financing that aligns with the client's needs and financial obligations.

Provide accurate information (personal, current job, financial ability) in the real estate financing application form, and update the data in case of any changes with the bank (such as national address or job information).

Answer the health condition declaration questions correctly in the financing application form.

Inform the bank about the retirement plan before starting the financing process so that suitable solutions and alternatives can be developed to match the client's circumstances.

The client must receive a draft of the financing contract, read it, and seek consultation if desired before initiating the financing process.

Submitting the required documents (income, employment, and property) and ensuring their accuracy is the client's responsibility.

The client must ensure the property is free from engineering or structural defects, as the bank's appraisal depends on the market price and does not guarantee engineering quality.

The client must receive and review the financing offer and communicate with the bank's



2	<b>Delay in Payment</b>	<p>The client must commit to regular payment and avoid delay or default, as this will affect the client's credit report with the credit information company "SIMAH," and will reflect on their future credit profile if they wish to obtain credit products.</p> <p>The client must communicate with the bank for credit consultation in case of financial difficulty repaying obligations, so the bank may offer possible options that suit the client's financial status, without being obligated to waive any of its rights.</p> <p>The client must pay regularly. If the client fails to pay a due installment (quarterly, semiannual, or annual) for more than 60 business days, or delays four separate installments by more than 20 business days from their agreed due date in the financing contract, or more than five scattered months during the entire financing period, and for every five years of the contract duration — the bank may take further action.</p>
3	<b>Death or Total Disability</b>	<p>The client must contact the bank in case of total disability or the heirs in case of death (God forbid) with the required documents mentioned in the (Takaful Life Insurance Policy) to benefit from insurance coverage within the time frame specified by the insurance company.</p>



4	<b>Non-Refundable Expenses the Client May Be Charged</b>	<p>The bank is not entitled to request the client to pay any amount beyond what has been incurred under the financing contract, except in the following cases:</p> <ul style="list-style-type: none"> <li>- The bank is not entitled to request the client to pay any amount beyond what has been incurred under the financing contract, except in the following cases:</li> <li>- In case taxes, levies, or fees are imposed on the property in the future, including Value Added Tax (VAT).</li> <li>- If the client refuses to pay and is considered in default, and all collection procedures have been exhausted, the client will be referred for judicial resolution and will bear legal expenses after the court ruling.</li> <li>- The property appraisal fee paid by the client to obtain financing is non-refundable once the appraisal process begins.</li> </ul>
5	<b>Insurance</b>	<p>The client must review and receive the insurance documents and adhere to their terms (Takaful Life Insurance Policy, Property Damage Insurance Policy) and keep them.</p> <p>The client must not perform any act that affects the validity or effectiveness of the insurance coverage.</p>
6	<b>Structural Defects in the Property</b>	<p>The client must ensure that the property is free of structural or engineering defects by personal inspection or hiring an engineering firm, and verify warranties on foundations, structures, and internal systems from the seller (if any) before starting the financing procedures to avoid defects that may partially or fully affect the property and to avoid future maintenance costs.</p>



7	<b>Guarantees</b>	<p>The client must maintain the continuity and validity of all guarantees provided to the bank and refrain from any action that diminishes their value or affects the bank's related rights.</p> <p>The client must pay regularly to avoid default and avoid the bank enforcing these guarantees.</p>
8	<b>Breach and Termination of the Contract</b>	<p>The bank has the right to unilaterally terminate the financing contract in the following cases:</p> <ul style="list-style-type: none"> <li>- The client fails to pay due installments and does not correct the default within the period agreed upon with the bank.</li> <li>- The client breaches any terms or conditions in the financing contract documents and does not correct them.</li> <li>- It is proven that any information, undertakings, or declarations provided by the client under the financing contract are incorrect.</li> </ul>

For more information and consultations regarding the business credit card risks, please do not hesitate to contact:

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