

1. Government of PNG and Bank South Pacific First Homeownership Scheme (FHOS) Loan

The First Home Ownership Scheme Loan is for a first time home owner who wishes to construct a new home on vacant state land or to purchase a newly constructed home on state leased land.

TYPE OF PROPERTY TO BE PURCHASE

The first home ownership loan is geared specifically for the following:

- Purchase of land and construction of a house on State Lease land;
- Construction of a new house on land under a State Lease;
- Purchase of land and house packages under a State Lease which is not more than 6 months old; or
- Purchase a newly constructed house which is not more than 6 months old and exists on land under a State Lease.
- This property is to be occupied by the owner/borrower and not to be used for commercial purposes.

Amount - Minimum K200, 000.00 and maximum K400, 000.00

Interest Rate – 4.00% per annum (fixed)

Term – 40 years maximum: not limited by the retirement age of client

Equity – 10% of purchase price

Equity Options – Savings, Superfund housing advance eligibility and employer homeownership scheme (HOS).

Bank Fee -1% application fee

Property Outright Purchase Condition: The house has to be built within the last 3 months from date of loan application; confirmed by the Occupancy Certificate.

Refinance - *No refinancing of existing home loans*

State Declaration -*Provide state declaration to confirm lack of property*

2. Requirements – Basic (Purchase of an existing house)

- Fully completed BSP Loan Application Form
- Provide 3 x copies of latest payslips
- Your latest confirmation letter of employment from the employer (3 months old) or signed copy of contract of employment (if any)
- Copy of ID; passport, driver's license etc.
- Letter of offer from purchaser disclosing the purchase price
- Acceptance of offer by vendor
- Copy of Title Deed from Vendor
- Evidence of Equity contribution (for Superfund members letter from NASFUND/NAMBAWAN Super confirm housing advance/deposit to vendor)
- Statement from outstanding debts from other banks or lenders
- If you bank with other banks, please provide your bank statement for the last 6 months.

Hence if you decide to construct a new home you will need to provide the basic requirements with the subsequent requirements below.

Construction of New Building on vacant land – BSP Approved Builder/Contractor

- Building Board Approval
- Building Plan/Specifications
- Building plans must be approved & stamped by Building Board, Water, Sewerage,
- Fire and Electricity Authorities
- Engagement of Certified contractor
 - ✓ Provision of Builders insurance Policy covering workers compensation insurance
 - ✓ Contractors all risk insurance – with bank name included
 - ✓ Public Liability Insurance
 - ✓ Insurer must be acceptable to the bank.
- Copy of quotation and plan of works to quantify funding requirements
- Property must be located on state lease land with Title issued
- BSP Approved Builder/Contractor (Refer to BSP Approved Builders and Contractors List)

INDICATIVE LOAN REPAYMENTS - FIRST HOME OWNERSHIP SCHEME LOAN (FHOS)										
INTEREST RATE 4.00% fixed per -annum - REPAYMENT PER FORTNIGHT										
Price	Equity (10%)	Bank Loan	5 years	10 years	15 years	20 years	25 years	30 years	35 years	40 years
200,000.00	20,000.00	180,000.00	1,629	941	714	603	538	496	468	447
210,000.00	21,000.00	189,000.00	1,705	983	745	628	560	516	486	464
220,000.00	22,000.00	198,000.00	1,782	1,025	776	653	582	536	504	482
230,000.00	23,000.00	207,000.00	1,858	1,067	806	679	604	556	523	499
240,000.00	24,000.00	216,000.00	1,935	1,109	837	704	626	576	541	516
250,000.00	25,000.00	225,000.00	2,011	1,151	868	729	648	596	559	534
260,000.00	26,000.00	234,000.00	2,087	1,193	898	754	670	615	578	551
270,000.00	27,000.00	243,000.00	2,164	1,235	929	779	692	635	596	568
280,000.00	28,000.00	252,000.00	2,240	1,277	960	804	714	655	615	586
290,000.00	29,000.00	261,000.00	2,317	1,319	990	830	736	675	633	603
300,000.00	30,000.00	270,000.00	2,393	1,361	1,021	855	757	695	651	620
310,000.00	31,000.00	279,000.00	2,470	1,403	1,052	880	779	714	670	638
320,000.00	32,000.00	288,000.00	2,546	1,445	1,083	905	801	734	688	655
330,000.00	33,000.00	297,000.00	2,622	1,487	1,113	930	823	754	706	672
340,000.00	34,000.00	306,000.00	2,699	1,529	1,144	955	845	774	725	690
350,000.00	35,000.00	315,000.00	2,775	1,571	1,175	980	867	794	743	707
360,000.00	36,000.00	324,000.00	2,852	1,613	1,205	1,006	889	814	762	725
370,000.00	37,000.00	333,000.00	2,928	1,655	1,236	1,031	911	833	780	742
380,000.00	38,000.00	342,000.00	3,005	1,697	1,267	1,056	933	853	798	759
390,000.00	39,000.00	351,000.00	3,081	1,739	1,298	1,081	955	873	817	777
400,000.00	40,000.00	360,000.00	3,158	1,781	1,328	1,106	977	893	835	794

Disclaimer:

The above repayment schedule is ONLY indicative and does not take into account other fees and charges emanating from the origination, municipal rates and charges (e.g. land rates, water and sewerage etc.) and where applicable the maintenance of a home loan. This is to be used as a guide.

For more information visit your nearest BSP Branch or contact BSP Call Centre on the following:

Phone Number: 320 1212 / 7030 1212 / 305 7959

Information is also available on our website: www.bsp.com.pg

Alternatively email: gkala@bsp.com.pg or kchapiu@bsp.com.pg



INDEPENDENT STATE OF PAPUA NEW GUINEA

STATUTORY DECLARATION

I (a) of (b)

do solemnly and sincerely declare that (c):

1. *I do not own, either jointly or individually, any property whether commercial or residential on State Lease land in Papua New Guinea.*
2. *I hereby state that I am a first-time home buyer.*
3. *I hereby also state that the property to be purchased will be for owner-occupied purposely only.*
4. *I hereby state that the property to be purchased will not be used for any commercial ventures including but not limited to any lease or sub-lease*

And I make this solemn declaration by virtue of the Oaths, Affirmations and Statutory Declarations Act (Chapter 317) conscientiously believing the statements contained herein to be true in every particular.

Declared at (d) _____ (e) _____

Before me (f) _____ (g) _____.

The _____ day of _____, 20_____.

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- (a) *Here insert name, address and occupation of person making the declaration.*
 - (b) *Insert here the address of the loan applicant*
 - (c) *Here insert the matter declared to. Where the matter is long it should be set out in numbered paragraphs.*
 - (d) *Location of the Declaration*
 - (e) *Signature of person making the declaration.*
 - (f) *Print name and Signature of person before whom the declaration is made.*
 - (g) *Here insert title of person before whom the declaration is made.*

NOTE: Any person who wilfully makes a false statement in a Statutory Declaration is guilty of an indictable offence, and is liable to imprisonment, with or without hard labour, for four years.