

Loan Application

1) Personal Information		
	Main Applicant	Joint/Guarantor Applicant
Title	<input type="checkbox"/> Mr <input type="checkbox"/> Ms <input type="checkbox"/> Mrs <input type="checkbox"/> _____	<input type="checkbox"/> Mr <input type="checkbox"/> Ms <input type="checkbox"/> Mrs <input type="checkbox"/> _____
Name as in ID / Passport		
ID / Passport No.		
ID / Passport Expiry Date		
Date of Birth (dd-mm-yy)		
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Male <input type="checkbox"/> Female
Age		
Nationality		
Country of Residence	<input type="checkbox"/> Thailand <input type="checkbox"/> Others _____	<input type="checkbox"/> Thailand <input type="checkbox"/> Others _____
Marital Status	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed
No of Dependent(s)		
Highest Qualifications Attained	Pri/Sec/Pre-U/Dip/Degree/ Other _____	Pri/Sec/Pre-U/Dip/Degree/ Other _____
Relationship to Main Applicant	n/a	
Home Telephone No.		
Office Tel No.& Ext.		
Mobile Phone		
E-mail Address		
Current Address		
Contact Address <i>to be used in loan agreement (if different from Current Address)</i>	<input type="checkbox"/> Current Address <input type="checkbox"/> Office Address <input type="checkbox"/> Collateral Address <input type="checkbox"/> Others (specify)	<input type="checkbox"/> Current Address <input type="checkbox"/> Office Address <input type="checkbox"/> Collateral Address <input type="checkbox"/> Others (specify)
2) Employment/Business Information		
Name of Employer/ Business	<input type="checkbox"/> Tick here if self-employed	<input type="checkbox"/> Tick here if self-employed
Office Address		
Type of Business		
Position Held/Occupation		
No. of Years in Position		
Annual Gross Income	(Baht/year)	(Baht/year)
Other Sources of Income and Amount		
Previous Employer(s)/ Business (if less than 3 years with current employer)		
<p>Official Use Only (tick, if done)</p> <p><input type="checkbox"/> Official translation needed and obtained <input checked="" type="checkbox"/> Documents properly signed for 'certify true copy'</p> <p><input type="checkbox"/> Spouse consent form needed and provided <input type="checkbox"/> Applicant's age in line with credit policy</p> <p>Others (comment, if any)</p>		

3) Local Banks / Financial Institutions Reference (Deposit & Loan)					
Banks/ Financial Institution	Deposit A/C type (# a/c number)	Purpose of Account	O/S Bal (Baht)	Monthly Receipt (Baht)	
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
Tick one account for loan repayment purpose					
Banks/ Financial Institution	Type of Facility	Security	O/S Bal. (Baht)	Monthly Repayment (Baht)	
4) Other Properties Owned					
No of properties					
Address (please specify)					
Type	<input type="checkbox"/> Single Detached House <input type="checkbox"/> Townhouse <input type="checkbox"/> Apartment / Condo <input type="checkbox"/> Others _____				
Monthly Installment	_____ Baht/mth				
Purpose	<input type="checkbox"/> Own Use <input type="checkbox"/> Investment (rental income Baht _____/mth)				
5) Source of Wealth					
Please provide details of your source of wealth and estimated net worth:					
Wealth is generated from :			Estimated Net worth:		
<input type="checkbox"/> Employment <input type="checkbox"/> Investments <input type="checkbox"/> Inheritance			<input type="checkbox"/> < Baht 5,000,000 <input type="checkbox"/> Baht 5,000,000- 10,000,000		
<input type="checkbox"/> Business Ownership <input type="checkbox"/> Other _____			<input type="checkbox"/> above Baht 10,000,000		
6) Freehold Property being offered for Collateral					
Property Address (Please include project name, unit number, floor no. if any/specify as per the contact)					
Project Name			Developed by		
Area of Property (Sq.m.)	No. of (bed)room	No. of parking <input type="checkbox"/> Tick if fixed	Purchase Price (Baht)	Date of Purchase	(Expected) Completion date
Down Payment Amount (Baht)		Transfer Amount (Baht)			
Valuation by	Valuation Price (Baht)		Valuation Date		
Purchase Price Inclusive of: <i>Note: Indicate as per promotional campaign</i>	<input type="checkbox"/> Furniture _____ (please specify) <input type="checkbox"/> Appliances _____ (please specify) <input type="checkbox"/> Free of transfer fee _____ (please specify) <input type="checkbox"/> Others _____ (please specify)				
Property to be registered in name(s) of :	(if under company, please also provided corporation's documents)				
Purpose	<input type="checkbox"/> Own Use <input type="checkbox"/> Investment (expected income :Baht _____/month)				
Property Fire Insurance Policy (required)	<input type="checkbox"/> Available (Sum insured Bath _____, expiry date _____) <input type="checkbox"/> Not Available <i>If available, policy endorsement is required at time of loan disbursement</i>				
7) Financing Requirement <input type="checkbox"/> tick if off-plan loan					
Amount (in Thai Baht)	Term _____ years (no more than 10 yr)	Bullet payment at the end of contract as percentage of principal (optional) <input type="checkbox"/> 10% <input type="checkbox"/> 20% <input type="checkbox"/> 30% <input type="checkbox"/> 40% <input type="checkbox"/> 50% <input type="checkbox"/> _____ % (please specify up to 50%)			
Apply for Life Insurance Protection Plan <input type="checkbox"/> tick if need	Protection Period: <input type="checkbox"/> Same as Loan Term <input type="checkbox"/> _____ years (pls specify)	Sum Insured: <input type="checkbox"/> Same as Loan Size <input type="checkbox"/> _____ Mil Baht (pls specify)	Premium Payment Option <input type="checkbox"/> Add up to Loan <input type="checkbox"/> Cash Payment		
Official Use Only (tick, if done)					
<input type="checkbox"/> indicative monthly installment schedule sent		<input type="checkbox"/> client's Thai bank account available for loan repayment			
<input type="checkbox"/> appraisal fee quoted by valuer and agreed by client		<input type="checkbox"/> developer contact obtained, in case of new purchase			
<input type="checkbox"/> FET form needed and ready for land office		<input type="checkbox"/> share pledge required and documents obtained			
<input type="checkbox"/> Fire insurance premium quoted by the Insurer		<input type="checkbox"/> Life Insurance Protection Plan premium quoted			
Others (comment, if any)					

8) How did you know about us?

Newspaper / Internet / Friends / Direct mailer / Newsletter / Agent /Developer/Salesperson/Social Networking/
Others _____ (please specify name of person/company referred you to us)

9) Required Documents

Property documents: (tick, if submitted)

- Condo/Property title Valuation report (dated within 6 months) Deposit/installment receipts
 Others _____ (upon request)

Salaried Individual: (tick, if submitted)

- Valid ID/Passport
 Marriage/divorce certificate (if applicable)
 Spouse consent to borrow/mortgage property
 Latest 6 months' bank statements
 Employer's letter/Tax returns/Computerized pay-slip
 Credit bureau reports
 Others _____ (upon request)

Corporation/Self-employed Individual:

- Company official affidavit (valid within 3 months)
 List of shareholders
 Recent 2 years' Financial Statements
 Latest 6 months' bank statements
 Authorized directors' valid passport/ID
 Credit bureau reports of both company and directors
 Others _____ (upon request)

10) Declaration and Authorisation

By signing below,

- (a) I/We hereby declare to MBK that I/we have/have not received a discount, rebate or any other benefits of Baht _____ from vendor or any other parties (including the payment of legal fees or stamp fees) which has the effect of reducing the true purchase price of the Property or part of the Property.
- (b) I/We hereby declare that I/We have/have not been granted credit facility(ies) of Baht _____ by a financial institution (other than MBK) or of Baht _____ by the vendor or of Baht _____ by any other party of the purchase of the Property or part of the Property.
- (c) I/We hereby warrant and represent to MBK that the particulars and information furnished by me/us herein are true and accurate. Further, I/We am/are aware and agree that approval of this application is at MBK's sole discretion, and MBK is entitled to reject the application without assigning any reason or notice to me/us.
- (d) I/We also warrant that all copies of the documents submitted are true copies, and shall become and remain the property of MBK.
- (e) I/We hereby authorize MBK to obtain and verify any information about me/us at MBK's sole discretion.
- (f) I/We confirm that at the time of this application, I/we am/are not undischarged bankrupt(s) in Thailand or any other countries and there has been no statutory demand served on me/either of us or legal proceedings commenced against me/either of us.
- (g) I/We agree that if any of the information given herein becomes inaccurate or misleading or changes in any way, whether before the application is approved or while the loan is existing, I/we shall promptly notify MBK of such changes.
- (h) I/We consent and authorize MBK to communicate with me/us with respect of this application by electronic mail or any other means MBK may deem appropriate at my/our respective address(es) set out in this application.
- (i) In case of non-resident, I/we hereby understand the regulations that I/we have to remit/transfer fund to purchase this property and have the form tor tor.3 ready at the time of the property transfer.
- (j) I/We hereby that once the credit facility is approved, loan agreement shall be written in Thai with English translation available for reference only and the law that governs the agreement is Thai laws.
- (k) I/We hereby understand that after the mortgage, the property has to be fully insured along the loan period with beneficiary designated to MBK only.

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Signature of Main Applicant

Apply Date _____

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Signature of Joint/Guarantor Applicant

Apply Date _____

Official Use Only

Ref. no. _____

Ref. person _____

Receiving date: _____

Officer comments

Approved Not approved

More document required

Guarantor needed Others _____

The loan arrangers

Foreigner financing in Thailand has been historically difficult to obtain. One company is now hoping to exploit an opportunity. By Byron Perry

Thailand listed company MBK PLC last month began offering real estate financing to foreigners through its subsidiary MBK Guarantee Ltd. At first glance this appears to be an extremely notable development in Thailand, where financing for foreigners has been historically very difficult to acquire – at least through local organisations or without the need to be married to a Thai national.

The fact that, in the past, Thailand has been known as one of the most difficult countries within South East Asia to obtain property financing as a foreigner has no doubt had a detrimental effect on foreign direct investment in the country's real estate.

"A legitimate and properly constructed loan scheme supported by the banks would be great for the real estate market," said Thailand property lawyer Desmond Hughes of Limcharoen, Hughes and Glanville. He added though, that Thailand's strict immigration policy still hinders foreign investment in property.

"Immigration rules in Thailand for foreigners are not particularly attractive and need improvement to permit better competition between Thailand and neighbouring countries. Sometimes the tightening of rules appears to be aimed, quite rightly, at keeping out undesirables, but unfortunately has a knock on-effect of keeping out legitimate investors. If those rules improve in tandem with loan finance rules, then this could help procure better investment into the real estate markets."

Sakchai Suthipipat, Vice President of the Investment Department of MBK PLC and Head of the Credit Department of MBK Guarantee Ltd, told *Property Report South East Asia*: "The Bank of Thailand has a loan limit of THB5 million (US\$162,000) for foreigner financing, but we are not a commercial bank so there is no limit."

According to promotional material, loans are being offered from



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MBK with monthly payments from between two and 10 years for all foreigners - including non residents and those without a work permit. Interest rates are set at a minimum lending rate (MLR) of Thanachart plus 2 per cent (roughly 8.375 per cent floating), and there is an option for a balloon payment at the end of term of 50 per cent. The property, according to the literature, must be located within prime locations of Bangkok, Hua Hin, Cha Am, Pattaya, Phuket or Samui.

Sakchai emphasised that his company prefers to lend to condominium buyers, as foreigners can own condos freehold in Thailand whereas with leasehold purchases things can get more complicated.

He said: "For leasehold properties, we might require the applicant to obtain some documents i.e. consent from lessor, to grant lender a right to claim leasehold contract, if lessor/bor-

rower breaches loan agreement. In some circumstances we might require the lessor/borrower to give proxy to lender to change the lease registration at Land Department, if the borrower breaches the loan agreement."

In terms of currency exchange, non resident foreigners hoping to get a loan from MBK must remit their money from overseas and get a remittance acknowledgement to present to the Land Department, otherwise the title cannot be transferred. This requirement will not apply to residents who can simply pay with Thai baht, in accordance with Condominium Act BE 2522. Loans to Thai spouses are also possible, said Sakchai, if the property will be bought under the Thai spouse's name.

"We may require the foreigner to co-borrow or guarantee their spouse loan. This will be on case-by-case basis," he added. There are also special stipulations for obtaining financing on a property that is under construction "We might have a clause that if the project cannot be completed on schedule or in the case of force majeure, the lender will have right to terminate the pre-approved loan agreement, for example."

MBK Guarantee is also offering mortgages to refinance properties. With the mortgage financing, credit is based on the value of the property - not cash flow from a business. All types of properties will be accepted, including land banks, SDH, villas and leasehold properties. Interest rates will be set at the MLR from Thanachart Bank plus 5.625 per cent, or roughly 12 per cent floating. Tenor is up to three years and principal payment is not required during loan period. The terms of both financial services are valid this month, when MBK will review them and possibly make changes.

Clearly this development is welcome news for foreign buyers, but whether mainstream financial institutions will follow MBK's lead and offer easier financing options for foreign property buyers in Thailand remains to be seen. ■

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