

Frequently Asked Questions

1. What is the National Loans Scheme?

National Loans Scheme (the "NLS") is an initiative by the Central Bank of the United Arab Emirates (the "Central Bank") aimed at alleviation of burden of debts granted to the UAE Nationals, by reducing their monthly instalment to 50% of their income, if their debt has breached the permitted debt burden ratio (stated at question 2 below) and tenor of 48 months.

2. Who is eligible for NLS?

NLS is applicable only to UAE Nationals:

- whose debt burden is more than 50% of their income (or 30% in case of retired pensioners);
- whose finance tenor for any type of personal finance, except Home Finance, is above 48 months and 60 months for customers working for the UAE Armed Forces; and
- whose finance has originated before May 2011.

3. I received an SMS and email from Al Hilal Bank stating that Al Hilal Bank is participating in the NLS and that I meet the NLS eligibility criteria laid down by the Central Bank. However, no one has contacted me from Al Hilal Bank so far, how do I apply for NLS?

Due to high demand Al Hilal Bank is reaching out to its customers as per Al Hilal Bank internal procedures, we assure you a representative from Al Hilal Bank will be contacting you shortly to explain the NLS and assist you to fix an appointment at your preferred branch to discuss the NLS provisions and process of application and relevant terms applicable to the finance under the NLS. If post discussion with the Al Hilal Bank representative, you stay interested in registering for the NLS, you can complete your documentation and submit your application for the finance under the NLS at the same branch.

4. I did not receive any communication from Al Hilal Bank but I want to know what is NLS and if I am qualified?

Al Hilal Bank has already sent a communication to all its customers who meet the NLS criteria laid down by the Central Bank. If you have not received any communication from Al Hilal Bank until date, this could mean that you do not qualify under the NLS eligibility criteria, as provided by the Central Bank.

To know about the NLS, please refer these FAQ in detail. Post your reference to FAQ, if you still find yourself eligible for NLS; please contact the nearest Al Hilal Bank branch or your relationship manager for further assistance.

5. What type of financing facilities will be consolidated under the NLS?

Consolidation under the NLS includes personal finance, Auto finance and credit card balances with ADCB group, provided you complete the requisite formalities. The finance consolidation will exclude Home finance and financing against shares/deposits facility. However, the instalment of Home finance combined with finance instalment under the NLS must not exceed 50% of the debt burden ratio.

6. My salary is not transferred to Al Hilal Bank, can I still apply for NLS with Al Hilal Bank?

No, you may initiate the NLS application with the bank where you have salary transfer relationship. For applying for finance from Al Hilal Bank under the NLS it is mandatory to transfer all your income including but not limited to salary, bonus, any income from any other source to Al Hilal Bank (for details regarding your income refer to question 15 below).

7. I already have a debt consolidation facility/restructured finance with Al Hilal Bank; can I apply for finance under the NLS with Al Hilal Bank?

Yes, subject to meeting all of the eligibility criteria for the NLS.

8. I have a debt consolidation facility with other bank; can I apply for finance under the NLS with Al Hilal Bank?

Only if you have a salary transfer relationship with Al Hilal Bank, you can apply for the NLS to consolidate your Al Hilal Bank or ADCB group facilities subject to meeting the eligibility criteria under the NLS and if you agree to complete Al Hilal Bank formalities.

9. I have a personal finance with Al Hilal Bank with residual tenor greater than 48 months, and credit cards/auto finance with other banks; can I combine all under one finance facility under the NLS from Al Hilal Bank?

Al Hilal Bank will only consolidate credit facilities that already exist with Al Hilal Bank or ADCB group provided you complete the requisite formalities.

10. What will be the tenure of my finance under the NLS?

The finance facilities consolidated under the NLS along with 3M EIBOR pricing and 50% debt burden ratio will determine your finance tenure under the NLS.

11. How will Al Hial Bank calculate my debt burden ratio and my monthly finance instalment?

Your eligible credit facilities will be consolidated and re-priced to three (3) Month EIBOR. The aim is to keep your debt burden ratio at 50% as per the NLS guidelines and for debt burden ratio calculation, Al Hilal Bank will also take into consideration any of your existing Home Finance.

12. What will be my profit rate?

Rate equal to applicable three (3) Month EIBOR at the time of the NLS assessment, will apply as finance profit rate for the NLS.

13. What is EIBOR?

EIBOR means Emirates Interbank Offered Rate.

14. I have taken a personal finance before May 2011, which was consolidated in 2013. Do I qualify?

Yes. However, you should meet all the NLS eligibility criteria stated in question 3 above.

15. For NLS assessment, which income sources are applicable?

Regular and verifiable income as detailed below will be included in income computation and you must correctly disclose all such income to Al Hial Bank, which can include:

- Salary;
- Pension;
- House Rent Allowance availed in advance;
- Overtime & Incentives;
- Rental Income;
- Farm / Agriculture income;
- Regular income from Investments;
- Regular income from Trade license;
- Air Fare;
- Education Allowance; and/or
- Other verifiable allowance

Income aggregation for the NLS will not consider one off and irregular incomes like bonuses, etc., however, we will encourage you to apply such income towards finance reduction as partial early settlement.

16. What documents do I need to provide as a part of NLS?

- A filled in Personal Finance Application Form
- NLS Declaration and Undertaking Form
- Valid Emirates ID
- Latest Salary Certificate
- Other Income Proof – For sources of income other than the Salary
- Other KYC Documents – valid Passport (if current KYC document with Al Hilal Bank are outdated)
- Any other document requested by Al Hilal Bank.

17. Why do I need to sign a new application form?

As per the NLS Regulation, Al Hilal Bank needs to consolidate all your credit facilities with Al Hilal Bank and book a single finance with revised financial terms. You will need to acknowledge these new terms in the new set of finance documentation. Hence, a new finance application form is mandatory.

18. Why do I need to submit the undertaking?

For applying for finance under the NLS, it is mandatory for you to undertake that you will not apply for any type of new finance from Al Hilal Bank or any other bank or financial institution or will request for deferment of your current finance instalment during the finance tenor or payment period of your finance. Further, the undertaking is also mandatory for Al Hilal Bank to understand your eligibility criteria under the NLS and acceptance or rejection by you of the finance under the NLS, which shall be communicated to the Central Bank and Al Etihad Credit Bureau, respectively.

19. I want to benefit out of the finance rate reduction, but want to keep the tenor unchanged. Is it possible?

Under the NLS, the tenor will adjust to the debt burden ration of 50% (30% for Pensioners) and not less. The objective of the NLS is to provide debt relief to the customer and at the same time completion of finance payment obligation as soon as possible. Having the tenor reduced is also in the interest of the customer to come out of the finance under the NLS sooner.

20. I do not want to take the NLS offer. What do I need to do?

If you do not wish to participate in the NLS, you will have to provide your consent in the form acceptable to Al Hilal Bank.

21. I received an SMS and email from Al Hilal Bank informing me about the NLS and that I meet the NLS criteria set by the Central Bank. Is it possible that subsequently Al Hilal Bank can deny my application?

This has a certain degree of possibility and we would want to apologize with utmost sincerity for the inconvenience this may cause to you. Al Hilal Bank sent you the communication for applying for finance under the

NLS based on your financial information available with Al Hilal Bank. On assessment of updated documents and information received from you as a part of the NLS process or on receipt of any information at any other point of time, there may be a possibility that you may not qualify under the NLS, in such situation Al Hilal Bank may deny your application. However, Al Hilal Bank is committed towards the fulfilment of the Central Bank NLS initiative and certainly hope such situation will not arise.