

A very important aspect of the transaction is the borrower's ability to repay the loan. The Society requires that the customer's monthly repayments should not exceed 40% of their monthly gross earnings. If the borrower's income is not sufficient to meet the repayment terms for the amount they wish to borrow, it will be necessary for them to provide a higher deposit.

Once the loan has been granted and fully disbursed, the borrower is then committed to regular monthly instalments until the loan is fully repaid. The Society does, however, reserve the right to decline any application and there is no appeal to government for reconsideration.

If the purchase price exceeds P200 000 citizens are liable for Transfer Duty at the rate of 5% of the price in excess of P200 000. However in the case of non-citizens, the transfer duty accrues at the rate of 5% on the entire purchase price of the property. This amount is payable to the Government.

Finally we would like to stress that the Society does not sell houses – but only provides finance.

For further information please call the marketing or mortgage department on 3971396.

*“It all starts
with a block”*

Head Office

BBS House, Broadhurst Mall
PO Box 40029
Gaborone Botswana
Tel: 3971396 - Fax: 3903029

Gaborone Branch

BBS House
Broadhurst Mall
PO Box 41481 Gaborone
Tel: 3959167 - Fax: 3903029

Thusanyo House
Old Lobatse Road,
PO Box 40029 Gaborone
Tel: 3953001 - Fax: 3953001

Main Mall
The Mall, Gaborone
PO Box 636 Gaborone
Tel: 3951240 - Fax: 3951240

Other Branches

Francistown
PO Box 131 Francistown
Tel: 2413412 - Fax: 2419072

Selibe Phikwe
PO Box 249 Selibe Phikwe
Tel: 2610798 - Fax: 2622100

Lobatse
PO Box 159 Lobatse
Tel: 5330262 - Fax: 5331132

Serowe
PO Box 0052 Serowe
Tel/Fax: 4630936

Maun
PO Box 467 Maun
Tel: 6860631 - Fax: 6860655

Kasane
Chobe Commercial Building
Private Bag K43 Kasane
Tel: 6252460
Tel/Fax: 6252459

We know you better

*“It all starts
with a block”*



www.bbs.co.bw

Mortgage Scheme

Mortgage Lending Procedures

Are you considering to purchase or develop a property? The Botswana Building Society will be happy to advise you on how to go about it.

The Society currently charges interest at the rate of 15% and 16%. The maximum repayment period is 25 years for individuals and 15 years for companies. It is required that in the case of individual borrowers the loan should be fully repaid by the time the individual reaches the age of 65.

The maximum loan any borrower may qualify for depends mainly on three factors

- Your gross income.
- The valuation report of the property to be purchased or developed.
- The age of the applicant.

Below are the types of loans that the Society may take into consideration.

A. Ordinary Loans

An ordinary loan is provided for the purchase of an existing house from any seller and the loan is secured by registering a bond in favour of the Society on the existing property.

The requirements for an ordinary loan are:

- A letter of offer from the seller.
- Payment of valuation fees which depends on the estimated value of the property to be purchased or bonded.
- Completion and submission of the Society's standard application form.
- Proof of current income from employment. (If self-employed income should be verifiable or substantiated).

B. Building Loans

A building loan is provided to develop or extend an existing property.

The requirements for a building loan are:

- Proof of ownership of the plot to be developed.
- Submission of approved plans (or drawings) and at least three quotations from preferred contractors.
- Completion and submission of the Society's standard application form.
- Payment of valuation fees which depends on the value of the property to be developed or extended.
- Proof of current income from employment (if self-employed the income should be verifiable or substantiated).

Whilst the Society independently carries minimum inspections on all Building Loans, borrowers are urged to engage their own costs architects, clerk of work, or building inspectors to supervise the construction work on their behalf.

C. Further Advance/Equity Loans

Further Advance/Equity Loan is provided as an additional loan for the extension of the existing property or bonding the same property to use the money for other developments.

The requirements for further advance application vary, depending on the purpose for which the loan is sought.

D. Commercial Loans

Commercial Loan is provided for the purchase or development of a commercial property.

The requirements for commercial loans are:

- Completion and submission of the Society's standard application form.
- Submission of project memo which includes cash flow projections.
- Submissions of tenders, approved plans and/ or letter of offer.

- Submission of past financial statements (if the application is in respect of an existing company).
- Payment of valuation fees which depends on the value of property to be purchased or developed.

E. Industrial Loans

An industrial loan is provided to develop or acquire an industrial property. Requirements for industrial loans are the same as those of commercial loans.

In addition to lending against urban immovable property, the Society also lends against the security of properties in rural areas (villages). Customers are first required to convert their plots from customary rights to common law by obtaining a Tribal lease on property and having the piece of land surveyed by registered surveyors. This will, however be subject to the applicant meeting the Society's basic requirements.

The Society currently lends to both citizens and non-citizens. In the case of non-citizens, the Society can only lend a maximum amount of 75% of the securing property's open market value, but by virtue of an agreement between the Society and Government this can be increased to 90% in the case of citizen borrowers' initial loan.