

## **MORTGAGE FINANCE COMPANIES**

### **General information**

1. A housing finance company shall be incorporated as a company limited by shares under the laws of Tanzania;
2. An application for a licence shall be accompanied by a non-refundable application fee of Tanzanian Shillings TZS 10,000,000 to be paid by banker's cheque payable to Bank of Tanzania or by cash deposited to or direct transfer made to Bank of Tanzania:

**Account No:** 9924DDBGHQT

**Account Name:** Intermediary Account Banking

3. Every housing finance company shall commence operations and maintain at all times at least a core capital of TZS 15,000,000,000 or such higher amount as the Bank may prescribe;
4. An applicant for a housing finance company licence shall, before submitting an application, apply for a pre-filing meeting with the Bank.

### **Documents/information required for application**

1. Dully completed application form as prescribed in the 3<sup>rd</sup> Schedule of the Banking and Financial Institutions (Mortgage Finance) Regulations, 2015;
2. Proof of payment of application fee;
3. Certified legal documents or board resolution authorizing the signatory;
4. Brief description of information and communication technology to be used in the operations of the housing finance company;
5. Management positions and an organization chart;
6. Narrative description of shareholders, board members and senior management of the housing finance company;
7. Business plan and financial projections prepared in accordance with the guidelines as provided in the second schedule of the Banking and Financial Institutions (Mortgage Finance) Regulations, 2015;
8. Policies and procedural manuals, which shall ensure that the housing finance company operates in a manner consistent with international best practices;
9. Letter of application in the prescribed form.
10. Proposed Memorandum and Articles of Association.

11. Proof of source and availability of funds for investment as capital of the proposed company.
12. List of subscribers and proposed members of board of directors and CEO.
13. Proof of citizenship of every subscriber and every proposed director and senior management officer. This includes detailed curriculum vitae, photocopy of the pages of the passport which contain personal information and two recent passport size photographs.
14. Audited balance sheet, income statement and cash flow for the last three years, of every subscriber who owns five per cent or more of the share capital of the proposed housing finance company.
15. Certified copies of annual returns of every subscriber who owns five per cent or more of the share capital of the proposed company and every proposed member of the board of directors and Chief Executive Officer together with accompanying schedules or financial statements filed during the last three years with relevant Authority.
16. Certified copies of tax returns of every subscriber who owns five per cent or more of the share capital of the proposed company and every proposed member of the board of directors and Chief Executive Officer together with accompanying schedules or financial statements filed during the last three years with relevant Tax authorities together with respective tax clearance certificates.
17. Statements from two persons who are not relatives vouching for the good moral character and financial responsibility of the subscribers who own five per cent or more of the share capital of the proposed company and the proposed directors and Chief Executive Officer.
18. Declaration that the funds to be invested have not been obtained criminally or associated with any criminal activity.
19. Business plan for the first 4 years of operations including the strategy for growth, branch expansion plans, dividend payout policy, career development programme for the staff and budget for the first year.
20. Projected annual balance sheets, annual income statements and annual cash flow statements for the first four years of operation.
21. Brief description of economic benefits to be derived by Tanzania and the community from the proposed company.