**Buy property without money at hand**

Many Chamas have dreams of owning property for rental. There is a strong interest in people looking to enter the property market but typically lending institutions require a deposit of about 20 percent of the total value of the home. This has poured water on Chamas looking to buy their first property as this is not always within their reach. For instance an apartment in a nice area going for 10 million shillings would mean that before obtaining a mortgage one must raise at least 2 million shillings as a deposit. This is just too steep for many Chamas. This has led to many Chamas shying away from investing in real estate because they cannot save up enough money to make a down payment. The other option would be to slowly build a home but then. Sometimes Chama members may hold full-time jobs and may not have the time to monitor construction of a property and thus prefer to buy a ready-made property rather than get into the hassle of putting it up. To raise the deposit it could be numerous years of saving that brings about a delay in realizing their homeownership goals.

But today, the scenario has changed as one can now buy a property without putting down a dime. This is according to Mr. Elly Odhong of CFC Stanbic Bank who have recently launched a 100 percent mortgage to help Kenyans get into real estate easily. The new mortgage program offers buyers full loan-to-value financing. “As a major player in mortgage solutions, we’re pleased to be the first financial institution to offer this program, which builds on our existing suite of flexible home financing products.”, said Mr. Odhong.

CFC Stanbic bank has recently come up with 100 percent financing program. According to the bank this new 100 percent financing program will help renters overcome a major obstacle to home ownership. “Our loan is designed keeping in mind flexibility, simplicity and greater value that prospective home owners seek when selecting a loan to buy property. We are confident that the innovations and value additions that we have introduced in this product will put a smile on our customers’ faces and help us among the crowd of loan offerings in the country today.” Says Odhong. The move by the bank is part of the bank’s commitment to help buyers realise the dream of owning property. The 100 percent financing, sometimes known as zero-down loans because they require no down payment make property ownership more accessible for many who could otherwise not afford to make a large up front-investment.

With this new mortgage plan buyers who have a good credit record but no cash at hand have the opportunity to purchase a property now and is ideal for first-time property buyers. For those who have saved up for a deposit, you can do something useful with that money instead of tying it in a property deposit. You can invest the down payment funds to generate a profit; homeowners can also save the down payment money as an emergency fund, make repairs on the property or upgrade the property. “As a bank, we are constantly striving to innovate and bring new products in the Kenyan market which benefit customers.” Says Odhong.

Despite the increased real estate accessibility, these same renters may not qualify for a 100 percent mortgage loan. The zero-down loans require lenders to risk more money on the borrower's promise to repay, thus the homebuyer must have substantial income at their disposal the minimum being a monthly income of at least Kshs.100,000/-. Many Kenyans may feel that this amount is too steep but if you come together as a group like in the case of a Chama. Then this is easy. As a group you can decide to combine your income and qualify for this mortgage.

Certainly the local mortgage landscape is changing with CFC Stanbic Bank being the first to introduce the 100 percent mortgage in the market. This brings a breath of fresh air into the mortgage industry. Other banks are following suit, with Housing Finance hot on their heels. **ENDS.**