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**Ministry of Housing**

**Decision No. (90) of 2019 amending some Provisions of Decision No. (909) of 2015 regarding the Housing System**

Minister of Housing:

Having reviewed Decision No. (909) of 2015 regarding the housing system;

And upon the submission of the Undersecretary of the Ministry of Housing;

**Hereby Decides:**

**Article one**

The definitions of (housing service), (Social Housing Financing Program / Program), (Approved Real Estate Developer Project) and (Permanent Residence) stipulated in Article (1) of Decision No. (909) of 2015 regarding the Housing System shall be replaced with the following definitions:

**Housing Service:** Obtaining a House through ownership or leasing, or financing the purchase, building or renovation of a House in accordance with the Financing System applicable at the Eskan Bank through any of the housing programs offered by the Ministry.

Mazaya Financing Program or The Program: The Housing Service represented by the subsidy provided by the Ministry through the Beneficiary of the Program obtaining Bank Finance from the Participating Bank in the programme, and paying (25%) of his income as a monthly instalment, while the Ministry shall be committed to providing government financial support covering the remaining value of the monthly instalments with the Participating Bank in accordance with the provisions of this Decision.

The approved real estate developer project: Each real estate project is approved by the Ministry for private sector companies working in the field of real estate development.

Permanent Residence: Continuous residence from the time of submitting the Request to the Allocation. The Family shall be considered to be resident in the Kingdom of Bahrain if its stay outside of the Kingdom does not exceed six months, excluding periods spent outside the Kingdom of Bahrain for any of the following reasons:

1- Work for a Bahraini government authority or deputation to work for foreign governments, regional or international organizations, or for companies registered inside the Kingdom of Bahrain.

2- Study or training.

3- Other reasons accustomed by the Ministry, according to the discretion of the Housing Committee.

**Article Two**

The word (benefits) shall be replaced by the phrase (social housing) in the title of Chapter Five of Decision No. (909) of 2015 regarding the housing system, wherever it appears in this Decision.

**Article Three**

The provisions of Articles (5) clause (6), (27) clauses (4) and (7), (29) clause (6), (32) clause (2), (40), (42), (43), (45), (46), (48), (49), (51), (63), (82) of Decision No. (909) of 2015 regarding the housing system, shall be replaced by the following texts:

**"Article (5) Clause (6):**

6- He or one of his family members should not own real estate at the time of submitting the application and for the three years preceding that, until the allocation. A person who has benefited from a housing through one of the Islamic financing methods is considered to be an owner.

**Article (27) clauses (4) and (7):**

4- His monthly income at the time of submitting the application and upon allocation shall not be less than three hundred and twenty Bahraini Dinars and not more than five hundred Bahraini Dinars, with the exception of the applicant to benefit from the (Mazaya) program, which banks refuse to participate in financing due to the nature or place of work or for any other reasons accepted by the Housing Committee.

7. Subject to clause (6), the applicant shall not be the owner of a property or a member of his family at the time of submission of the application and for three years preceding that and until the time of allocation. A person who has benefited from a home through one of the Islamic financing modes is considered an owner. An exception is made from this provision if the purpose of obtaining financing is to pay off the indebtedness incurred by purchasing or building the property owned by the applicant with commercial banks.

**Article (29) Clause (6):**

6- At the submission of the Request, the Applicant or at least one of his Family members shall own at least a share of the House to be renovated as the only House owned by the Family, and he or one of his Family members shall not be the owners of a Property at the submission of the Request and for three years prior to that and until the Allocation. A person who has benefited from a housing through one of the Islamic financing methods is considered to be an owner.

**Article (32) Clause (2):**

2- At the submission of the Request, the total monthly Income of the couple and when allocating shall not be less than three-hundred and twenty Bahraini Dinars, and not more than five hundred Bahraini Dinars in the case of building and purchase Finance, and not less than one-hundred and twenty Bahraini Dinars and not more than one-thousand and two-hundred Bahraini Dinars in the case of the renovation Finance.

**Article (40)**

Benefiting from the (Mazaya financing) program shall be based on an application submitted to benefit from the program in accordance with the provisions contained in this chapter of this decision, for the following housing services:

1- Financing the purchase of a house.

2- Financing the purchase of a housing plot.

3- Financing the construction of a house.

**Article (42)**

For the approval of the Program Request, the Applicant shall meet the following conditions:

1- To be of a Bahraini nationality.

2- Shall be the Head of the Family.

3- His age at the time of submitting the application and until the allocation shall not be less than (21) years and not more than (50) years.

4- His monthly income at the time of submitting the application and until the allocation is not less than five hundred Bahraini Dinars and not more than one thousand five hundred Bahraini Dinars, and the financing amount is determined according to the beneficiary's income.

5- He or any of his Family members shall not have previously obtained any Housing Service for the purpose of owning a House provided by the government or any other party.

6- Neither he nor a member of his family owns a property at the time of submitting the application and for three years preceding that, and whoever benefits from a house through one of the forms of Islamic financing or real estate financing is considered to be the owner.

7- In the case of financing the construction of a house, it must prove that he or one of his family members owns a suitable residential land free of any legal dispute.

8- His Family are permanent residents of the Kingdom of Bahrain.

**Article (43)**

The Request to benefit from the Program shall be submitted on the model prepared by the Ministry and according to the following:

1- In the event that there is an existing housing application, the applicant shall attach the following documents to the application for benefiting from the program:

a- An updated salary certificate from his employer.

b- Bank statement of six months.

c- Copy of the ID card.

d- The financial credit report of the spouses.

e- The commercial register, if any.

f- Any other documents requested by the Ministry.

2- In the absence of an existing application, the application for benefiting from the “Mazaya Finance” program shall be submitted, accompanied by the documents specified in Paragraph (1) of this Article.

In all cases, the Applicant shall sign the necessary declarations and pledges in order to benefit from the Program.

**Article (45)**

The applicant may, according to the qualification certificate, apply for financing to purchase a house or a housing plot or financing for building a house from one of the participating banks, in accordance with the following controls:

1- The value of financing is determined according to the monthly income of the applicant, provided that the applicant pays no less than (10%) of the value of the house or the plot to be purchased as a first payment in the case of financing the purchase, and (10%) of the value of the land to be built in the event of construction financing.

2- The Participating Bank shall notify the Applicant in writing of the approval to grant him Finance.

3- The Beneficiary of the Program shall be obliged to pay (25%) of his Income monthly in order to pay the instalment due to the Participating Bank over a period of 25 years as a maximum.

4- That the Ministry pays the remaining amount of the instalment due to the participating bank, and that is in excess of the agreed percentage that the beneficiary will pay throughout the financing repayment period.

5- Subject to Clause (4) of this Article, the beneficiary of the program is obligated to fulfil all the obligations arising from his contract with the participating bank without any responsibility on the part of the Ministry.

6- The beneficiary of the program, in case of early retirement, is obligated to pay the agreed percentage of his last income before retirement, in addition to any additional income of the beneficiary.

7- Calculating the income of the beneficiary shall be inclusive of all his fixed sources of income.

8- A beneficiary whose income exceeds six hundred Bahraini Dinars may request an increase in the monthly deduction rate from his income to (35%) as a maximum, in return for increasing the financing amount from the participating bank.

**Article (46)**

The applicant may choose an existing housing from among one of the approved projects for real estate developers who comply with the requirements of the Ministry, or from others, provided that it is approved by the Ministry, provided that it meets the following criteria:

1- It must be habitable throughout the repayment period, according to the Ministry's specialists' estimation.

2- The construction of the Housing shall comply with the regulatory requirements for construction in the various regions of the Kingdom.

3- The Housing must be habitable from the date of its purchase and connected to the necessary infrastructure supplies of electricity and water. An exception to this condition is the purchase of the housing from an approved real estate developer project.

4- The beneficiary shall be solely responsible for paying the difference between the value specified for the program and the value of the house to the participating bank before the Ministry begins financing.

**Article (48)**

After fulfilling the procedures and controls stipulated in this chapter, the Ministry shall grant the applicant a certificate of financial support, according to which the beneficiary may initiate contracting procedures with the participating bank and complete the necessary procedures to benefit from the program's services.

**Article (49)**

The Ministry shall have the right to stop the disbursement of Finance in the following cases:

1- Based on the notification of the Participating Bank concerning the Beneficiary’s failure to pay the monthly instalment that he is committed to towards this participating Bank.

2- Violation by the beneficiary of the acknowledgement concluded between him and the Ministry regarding the subsidy allocation.

3- If the beneficiary did not build within the period stipulated in the contract signed with him regarding the financing.

4- The beneficiary conceals any information related to any other source of income that he did not initially submit during the submission of the application to benefit from the program, or after benefiting from the program, in accordance with the provisions of Article (51) of this decision.

5- If the House is used to conduct acts contrary to public order and morals, and this is proven by a final judgement.

6- If the beneficiary wishes to stop benefiting from the House.

7- If the Bahraini nationality is withdrawn or forfeited or the beneficiary loses it in accordance with the provisions of the Bahraini Nationality Law of 1963.

8- If the data he acknowledged to be true in the benefit Request or in the documents he submitted are totally or partially in contradiction to the truth, or if he conceals data or documents that he was required to submit at the time of submitting the Request, and those data or documents were a reason for granting him the financing.

The Ministry may suspend or stop the disbursement of subsidies by applying the penalties stipulated in the contract signed with the participating bank or the declaration concluded with the Ministry, in the following cases:

1- If the beneficiary rents the housing, assigns it, uses it in whole or in part in any way, sells it, arranges any in-kind right over it, or uses the housing for any purpose other than housing.

2- Preventing members of the main family from living in the housing.

**Article (51)**

The salaries of the program’s beneficiaries - and their other sources of income, if any - are subject to a periodic assessment and update every two years, or at the request of the Ministry or the participating bank to conduct the assessment and update, in order to re-determine the amount of financial support provided by the Ministry.

The Ministry has the right to suspend support in the event that the beneficiary does not update his data periodically or upon request without reasons acceptable to the administration.

**Article (63)**

The Request to benefit from the Housing Service shall be submitted on a special form according to the models prepared by the Department. The Requests that fulfil the conditions shall be listed according to the priority of their submission in a special register prepared for this purpose.

The applicant is obligated to update his data and the information contained in the application every two years, and to inform the Ministry immediately of any change that may occur to the data and documents related to the application, during the period from the date of submission of the application until the date of allocation of the housing service.

The Ministry has the right to cancel the application for the use of the housing service in the event that the applicant fails to update his data and the information contained in the application without reasons acceptable to the administration.

**Article (82)**

The Minister may, for special considerations of the applicant, override the requirements related to the family eligible for housing service, age, and income specified within the criteria for eligibility for housing service.

**Article Four**

Two new definitions shall be added to Decision No. (909) of 2015 regarding the housing system, which reads as follows:

**“Credit financial report:** A report issued by the local exchange company in the Kingdom of Bahrain to deal with ATMs and point-of-sale transactions (Benefit) to disclose the applicant's financial disclosure.

**Technical Committee:** The committee formed by a decision of the Minister and entrusted with the task of expressing technical opinion and any other tasks determined by the decision of its formation.”

**Article Five**

A new paragraph shall be added to Article (3) of Decision No. (909) of 2015 regarding the housing system, as well as new articles with numbers (42) bis, (42) bis (1), (49) bis, (63) bis, the following texts:

**"Article (3) new paragraph:**

It is not permissible for any member of the family to enter into the formation of more than one of the categories referred to in the previous paragraph of this article.

**Article (42) bis:**

A merged application may be accepted for the husband and wife based on their wishes when applying to benefit from the program if they fulfil all the conditions and criteria stipulated in this decision, especially with regard to their total monthly income at the time of submitting the application and until the allocation is one thousand five hundred Bahraini dinars.

It is also permissible to accept a request in the name of the wife, with the exception of merging the husband’s salary, if she fulfils all the conditions and criteria stipulated in this decision, in the following cases:

1- The refusal of the participating banks to finance the husband or because of the nature or place of his work, provided that proof of this is brought from all the participating banks.

2- If the husband's age exceeds the age specified in accordance with the provisions of Article (42) of this decision.

**Article (42) bis (1):**

The request to use the program to finance the purchase may not be accepted in the following cases:

1- If the real estate to be purchased is a residence or a residential plot, owned by the beneficiary himself.

2- If the property to be purchased is a rented house, and the application for benefit shall not be accepted until after the dwelling is completely vacated from its occupants.

**Article (49) bis:**

The Ministry suspends the subsidy in the event that the beneficiary appears before the Public Prosecution and the courts due to the accusation of committing a terrorist crime or a crime against state security, provided that the subsidy is disbursed retroactively in the event of the beneficiary's innocence.

In all cases, the disbursement of support to the beneficiary shall be suspended in the event that a final judgement is issued against him in a terrorist crime or in a crime affecting state security.

**Article (63) bis:**

The condition of ownership of the property for the applicant applicable to all housing services stipulated in this decision shall be regulated in accordance with the following provisions:

1- The applicant is considered to be the owner if he or a member of his family owns a real estate that is subdivided in any form of transfer of ownership, the area of which is less than (100) square meters, provided that this real estate is habitable according to the report of the Technical Committee.

2- The applicant is considered an owner if he or a member of his family owns a property with common ownership, through purchase or donation, with an area of more than (100) square meters, even if this property is unfit for habitation, according to the report of the Technical Committee.

3- The applicant is considered to be an owner if he or a member of his family owns a common property by inheritance whose area is less than (200) square meters, provided that it is habitable according to the report of the Technical Committee.”

**Article Six**

a) The definition of (residential plot) from Article (1) of Decision No. (909) of 2015 regarding the housing system is repealed, and Chapter Six (residential plots) of the same decision is repealed.

b) The phrase (housing voucher) shall be repealed wherever it appears in Decision No. (909) of 2015 regarding the housing system.

**Article Seven**

The provision of considering the applicant the owner of the real estate of anyone who has benefited from a house through one of the Islamic financing formulas applies to all existing housing applications for which the applicants have not been allocated any of the housing services in accordance with the requirements of each service.

The condition of permanent residency in the Kingdom of Bahrain applies to all existing housing applications whose applicants have not been allocated any of the housing services in accordance with the requirements of each service.

**Article Eight**

The Ministry, after coordination with the relevant authorities, shall determine the number of applications that will be accepted annually, according to the budget allocated for this by the Ministry of Finance and National Economy. The Ministry of Housing may stop accepting applications in the event that the budget allocated for accepting financing applications is exhausted until the annual budget is allocated for that.

**Article Nine**

Decision No. (7) of 1976 regarding the housing voucher system, and Decision No. (227) of 2014 regarding the social housing financing program are repealed. Any text contrary to the provisions of this Decision shall be repealed.

**Article Ten**

The Undersecretary of the Ministry of Housing shall implement this Decision, and it shall come into force from 1st March 2019, and it shall be published in the Official Gazette.

**Minister of Housing**

**Bassem bin Yakub Al Hamar**

Promulgated on: 14 Jumada al-Akhir 1440 A.H.

Corresponding to 19 February 2019