



**BANK FINANCING IN PANAMA
GENERAL TERMS**

January 1, 2007

The following are the average terms and conditions of mortgage banks in Panama. This mean that specific rates and conditions may vary from bank to bank.

- Financing:** Between 60% - 70% of the purchase price or appraised market value, whichever is the lesser.
- Interest Rate:** From 6.5%, plus FECCI 1% per year.
- Amortization:** Maximum amortization of 20 years divided into Five (5) years renewable at the Bank's option for three (3) additional terms of five (5) years each. The maximum amortization period will be subject to factors such as Borrower(s) age and Net Worth.
- Security:** First mortgage over the property.
- Insurance:** Banks generally require that the borrower(s) contracts a life insurance policy for the amount of the loan, endorsed to the Bank, and a fire insurance policy with catastrophic extension for the amount of the loan, endorsed to the Bank. The insurance must be underwritten in Panama.
- Bank Commission:** Approximately 1% of the amount of the loan payable at time of loan drawdown.
- Other Conditions:**
1. The borrower(s) cover all legal and registration expenses charged by Bank.
 2. An appraisal of the property given as security to report an estimated market value at least equal to the purchase price.
 3. Opening of a savings account, through which, the payments for the loan will be deducted, with a minimum balance equal to three (3) monthly installments.
 4. The customer must meet with the lending officer at the Bank at least once.

Documentation Required:

- Job letter and copy of two pay slips (for borrowers currently earning a salary).
- Copy of the last three personal income tax declarations and/or business income tax declarations or audited financial statements.
- Two clear copies of the ID cards or passports. Copy of all the pages in the passport.
- Adequate verification of sufficient personal assets (copy of bank account statements, real estate titles, bonds, common stock, etc.).
- Copy of the Purchase-Sale Agreement.
- Credit references.

The BusinessPanama Group, owner of this website, is one of the largest integrated services groups in Panama. We have experienced real estate brokers, lawyers, bankers, title insurance experts and other professionals to assist clients on any business they need.

At BusinessPanama Real Estate, we can help you with:

- Buying a property or home in Panama City, Bocas del Toro, Boquete, Islands or Mountains
- Forming a company to own your property
- Legal services to purchase the property
- Applying for your residence program
- Title insurance
- Home owners insurance
- Bank mortgage financing
- Others

In bank mortgage financing, we can take care of the whole procedure from beginning to end on your behalf. We will find the most comprehensive terms for your specific case and coordinate all requirements with the bank and yourself.

We work with all mortgage banks operating in Panama such as ScotiaBank, HSBC, Banco General, Banco del Istmo, Banco Cuscatlan, Banco Nacional, Caja de Ahorros and others.

We provide you a "**One Stop Solution**" for all your real estate needs in Panama.

For more information, please contact

BusinessPanama Group

US & Canada Toll Free 1-866-750-3498

Local Tel +507-223-6788

Email – info@businesspanama.com

www.BusinessPanama.com