

Al-Ehsaan Housing Corp Regulations

Contents

1. Investing with Al-Ehsaan Housing	2
Security of Investment.....	2
Withdrawing Investments	2
2. Home Buying Process	3
Home Buying Steps:.....	3
Point Calculation Method.....	4
3. Home Paying Off Process.....	5
Disposition	5

1. Investing with Al-Ehsaan Housing

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

...and Allah has permitted trading and forbidden usury..." Al-Quran, Surah Al-Baqarah (Chapter 2; Verse 275)

Al-Ehsaan Housing is based on Islamic principal Ehsaan. Al-Ehsaan Housing is an interest free housing scheme and provides Halal investment opportunity to Muslim community. In sha Allah you will earn rewards merely for participating in this plan since you will help enjoin the good and help in avoiding Riba. Your investments not only earn Halal dividends for the investors but also help members to purchase homes in Halal way.

Al-Ehsaan Housing only invests in owner occupied homes.

Al-Ehsaan Housing derives its income from the Monthly rent collected on the properties whose titles are held by Al-Ehsaan Housing. After covering the operating cost, the income is distributed as dividends to members every quarter.

Dividends are based on the minimum balance maintained on member accounts through the dividend period. Al-Ehsaan Housing has a policy of announcing dividend within 2 months after the end of each Quarter.

Security of Investment

Al-Ehsaan Housing is very safe financial institution to invest with, as Al-Ehsaan Housing holds the Title of the home until it is completely bought out by the member-owner in order to provide security to investors.

Al-Ehsaan Housing also reduces Investor Risks as we only purchase properties when sufficient funds become available. Risk to investors is reduced because real estate is considered relatively safe due to non volatility. All our properties are 100% debt-free and Lien free.

Withdrawing Investments

Al-Ehsaan Housing Board tries to ensure that members are generally able to withdraw funds up to \$10,000 within 48 hours by keeping some funds in reserve. Larger sums may require more time

2. Home Buying Process

In order to be fair with our entire membership and to be transparent with our Home buying process, we have defined and streamlined following process. This process includes a list of members who are waiting to buying a house. Points are allocated to each member in the list. These points are re-calculated after quarter based on point calculation system.

Home Buying Steps:

- Become Member of Al-Ehsaan Housing by filling the membership application and paying membership fees
- Join the **Active Waiting List (AWL)** by filling the “AWL inclusion form” with minimum investment of \$20,000. In the form you will describe:
 - Type of house you will be looking for
 - Estimated price range of house you are intending to buy.
 - Amount of down payment you would make at the time of purchase including your investments
 - Complete Pay off period (in years) along with paying monthly rents
- The Al-Ehsaan Housing Board will review the AWL form and will inform the member of their decision in writing or email with total points and member's position on AWL.
- Member will wait till he/she reaches the top of the active waiting list (AWL)
- When Al-Ehsaan Housing have sufficient fund available then we will contact the member to deposit his/her "FULL DOWN-PAYMENT", as indicated by the AWL Form. (min. 25% including investments)
- Then member will be asked to select the house and Al-Ehsaan Housing will buy the house for member.

We have devised a point calculation method to assign each member point on joining and then these points are re calculated every quarter

Point Calculation Method

الَّذِينَ إِن مَّكَّنَّاهُمْ فِي الْأَرْضِ أَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ وَأَمَرُوا بِالْمَعْرُوفِ وَنَهَوْا
عَنِ الْمُنْكَرِ ۗ وَاللَّهُ عَلِيمٌ بِالْأُمُورِ

[And they are] those who, if We give them authority in the land, establish prayer and give zakah and enjoin what is right and forbid what is wrong. And to Allah belongs the outcome of [all] matters (Surat Al-Haj 41)

Following 5 factors will be used to calculate the points for any member on AWL.

- Membership period- per quarter gain 1 point
- Investment - per \$10,000 gain 1 point
- Commitment to have down payment (investment) percentage at time of purchase:
 - 1 point for 30% - 2 points for 35% - 3 points for 40% - so on 1 point for each additional 5%
- Complete pay off back time - attach a payback plan and how will you make it.
 - 1 point for paying off in 5 years
 - 2 points for paying off in 4 years
 - 3 points for paying off in 3 years
 - 4 points for paying off in 2 years
 - 5 points for paying off in 1 year
- Board assessment (including by not limited to 'meeting corp goals', 'amount of investment', 'ROE for investors') - max 5 points

Total Points: Sum of above 5 factors

3. Home Paying Off Process

Once the Al-Ehsaan Housing has purchased the housing unit for the benefit of the member, the member will surrender all shares as these will be considered as the down payment for the house and member will not be eligible for any dividends.

An occupancy agreement will be drawn between Al-Ehsaan Housing and the member.

The Al-Ehsaan Housing will establish the "Monthly Rental Value" of the housing unit on the basis of rental/lease rate of a similar house in similar area. Member will also pay \$75 administration fee monthly.

To complete the ownership of the occupied housing unit, the member will have to accumulate shares equivalent to the cost of the housing unit. Homebuyer member shall buy shares as it is mentioned in AWL form until members share reaches 100%.

Disposition

If a member after occupying the house unit will have to vacate it, the member will have to inform the Al-Ehsaan Housing at least 90 days before such move. The housing unit will be evaluated by the Al-Ehsaan Housing and made available to eligible members.

If no member is interested in that housing unit, or if no member can take over the housing unit within the stipulated time, the occupant member will be given the permission to arrange a sale of the housing unit to non-members.