



**Some Questions You May Have**

**Can I apply at any ACU branch?**

Our Manitoba Islamic Mortgage is available only through our Pembina and Bairdmore branch at 2659 Pembina Highway.

**Is the price comparable to your other mortgages?**

Our Manitoba Islamic Mortgage is a competitive product. The profit charge is comparable to the 'best rate' we would charge for a closed, fixed-rate mortgage.

**Can I transfer my existing ACU mortgage to the Islamic Mortgage? Are there any penalties if I do?**

You can transfer your ACU mortgage to our Manitoba Islamic Mortgage without penalty. However, legal fees may apply.

**Can I purchase ACU's ownership share at a faster rate?**

You may prepay (purchase) up to 20% of ACU's original contribution in each twelve month period. As well, you may purchase the remaining balance of ACU's contribution at the end of each Payment Arrangement term. Any other early payment is subject to an 'early termination fee'.

**Can I get other ACU products and services?**

As a member of ACU, you have access to all ACU products and services for which you qualify. However, only our Manitoba Islamic Mortgage has been approved as compliant with the Islamic faith.

**Will I get a statement with my mortgage details?**

At least annually, you will receive a separate customized statement showing details of your mortgage, including changes in ownership.

**Will I require any type of insurance?**

Property and title insurance from any authorized insurance provider is required; all other insurance is optional. However, if you choose not to purchase life or disability insurance on the mortgage, you will be asked to sign a waiver.

**Are there any other special features of this product?**

If you have difficulty meeting your obligations you may request assistance from a philanthropic source of your choice within the Muslim community. In case of dispute, you may request a mediator from the Muslim community.

**Does any other financial institution in Manitoba offer a mortgage based on Islamic principles?**

Our Manitoba Islamic Mortgage is the only Islamic financial product offered in Manitoba.

**Why did ACU create this specialized mortgage?**

Leaders from the local Muslim community approached us to develop a product that would be compliant with the Islamic faith. We agreed. We are committed to providing accessible, affordable financial services to members, including those not well served by more traditional financial institutions.

**Who do I contact for more information?**

Our Islamic Mortgage Specialists, are available at our Pembina and Bairdmore branch to assist you.

**To learn more about the Manitoba Islamic Mortgage, or to make an appointment with Assiniboine's Islamic Mortgage Specialists, please email [cu@acu.ca](mailto:cu@acu.ca) or call 204.958.8588.**



Assiniboine Credit Union (ACU) is pleased to offer the Manitoba Islamic Mortgage. It is competitively priced and designed specially for the Manitoba Muslim community. Our Islamic Mortgage Specialists, can assist you to purchase a home or transfer your existing mortgage to one that is compliant with your Islamic faith.

**Designed with the Manitoba Muslim Community**

ACU worked closely with leaders of the Manitoba Islamic Association to develop our specialized Islamic Mortgage for you. It is available only in Manitoba.

The 'Declining Partnership Agreement' was designed with and approved by:

- Shaikh Hosni Azzabi (Winnipeg, MB): Scholar of Islam and previous Imam for Winnipeg
- Dr. Mohammad Iqbal Masood Al-Nadvi (Toronto, ON): Chair of the Islamic Finance Advisory Board and one of the few people with authority to give an Islamic legal ruling (fatwa)
- Dr. Monzer Kahf (California, USA): Islamic finance expert at the Islamic Fiqh Academy of the Organization of the Islamic Conference (OIC); Shariah advisor to several financial institutions worldwide, and professor of Islamic banking and finance at Qatar faculty of Islamic Studies.

**The Islamic Financing Arrangement**

The Manitoba Islamic Mortgage is based on a shared ownership concept called 'Musharaka.' In the context of a mortgage, Musharaka is a financing arrangement where you and ACU each contribute to the purchase of a home and each has an ownership share in the property.

You enter into a contract with ACU and agree to purchase ACU's ownership share over an agreed period of time. During this time you have exclusive right to live in the home. In return you agree to pay ACU a profit. At the end of the contract you are the sole owner of your home.

**About ACU**

Assiniboine Credit union is one of Canada's leading financial co-operatives. We are owned by our members and guided by International Co-operative Principles.



**How does the Manitoba Islamic Mortgage compare with a Conventional Mortgage?**

| Manitoba Islamic Mortgage<br>(Musharaka or declining equity partnership)   | Conventional Mortgage  |
|--|--|
| You find the home you want to buy and make an offer to purchase.   | You find the home you want to buy and make an offer to purchase.   |
| You enter into a contract with ACU to purchase the property together.  | You arrange a loan from ACU with a fixed or variable interest rate.  |
| You contribute at least 20% of the purchase price and ACU contributes the rest. Title to the property is registered in your name, but ACU has a percentage ownership in the property.  | You purchase the home with a down payment and the money that ACU lends to you. Title to the property is registered in your name and you have 100% ownership in the property.   |
| You agree to purchase ACU's ownership share over a certain period of time, up to 25 years. During this time, you have exclusive right to live in the home. In return, you agree to pay ACU a profit.   | You agree to repay the loan from ACU, together with interest, over an agreed upon period of time.  |
| You carry out these agreements through a series of renewable payment arrangements (1 to 5 years) during which you make regular payments to ACU. Part of the payment is to purchase a portion of ACU's ownership share and the rest is the profit amount fixed for that period. | You make regular payments to repay the principal and interest on the loan from ACU. You make these payments through a series of renewable mortgage agreements each for a specified term (1 to 5 years) and fixed or variable rate of interest. |
| Over the course of the contract, you purchase the rest of ACU's ownership share and become the sole owner of the home.   | Over the course of the mortgage, you repay the loan in full.   |

**Some Facts about the Manitoba Islamic Mortgage**

