

ROYAL DECREE
NO. 37/2010
ISSUING THE SOCIAL HOUSING LAW

We, Qaboos Bin Said, Sultan of Oman,
After perusal of the State Basic Statute of the State promulgated by the
Royal Decree No. 101/96,
And the Social Housing Law promulgated by the Royal Decree No.
53/77,
And the Royal Decree No. 42/2000 of continuing to grant the housing
loans and subsidiaries for the low-income categories free of interests,
And in pursuance of the Public Interest,

Have decreed as follows :

Article (1): The attached Social Housing Law shall come into effect.

Article (2): The provisions of this law shall be applicable to all housing
loans and assistances applications registered at the Ministry of
Housing before the application of these provisions and where
these applications remain unresolved.

Article (3): The Minister of Housing shall issue the Executive Regulation of
the attached Law and the relevant decisions required to execute
it . Until this Executive Regulation is issued, the applicable
Regulations and decisions shall remain into force provided that
they shall not contradict with the provisions of this Law.

Article (4):The aforementioned Royal Decree no. 53/77 shall be revoked
as all that runs against the provisions of the attached Law.

Article (5):This Royal Decree shall be published in the Official Gazette and shall
come into force from the day following its date of publication.

Issued on : 29 th Rabee Al Thani ,1431, A.H.

Corresponding to: 14 April 20, 2010 AD

Qaboos Bin Said
Sultan of Oman

Social Housing Law

Chapter One

General Definitions and Provisions

Article (1):In applying the provisions of this Law, the following words and phrases shall have the meaning assigned to each of them unless the context requires otherwise:

The Ministry : Ministry of Housing.

The Minister : Minister of Housing.

Residential Unit : The house under construction by the Ministry or where the construction responsibility shall finally be assigned to it .

Housing Subsidiaries: The amount allocated to construct, restore, rebuild, or make any additions on a residence and shall be irretrievable.

The Loan : The amount allocated for the beneficial which shall be retrieved on easy, monthly and free of interest installments in accordance with the provisions of this Law.

The Beneficial : The citizen who gets a residential unit, subsidiary, or loan in accordance with the provisions of this Law.

Payment Term : The term between the due date of the first installment and the due date of the last installment .

Owners of Free Professions : Young workers in trade, agriculture, fishing, grazing and alike.

Article (2):The residential unit, subsidiary or loan applicant shall be:

- Omani nationality,
- At least twenty three years old if the applicant is male or female except otherwise it is evident that he/she is married, his/her age is twenty one years old or he / she is the sole provider of the family at the time of submitting the application,
- He or his wife shall not have a house that fits for residency or he has disposed it in any legal dispositions forms with the aim of benefiting the provisions of this Law,
- He/she or the spouse should not have previously benefited of a residential unit, subsidiary or loan in accordance the provisions of the aforementioned Social Housing Law or any other laws or regulations facilitating the construction or owning a house,
- He /she shouldn't be working in an authority that provides has housing lending for its employees, except otherwise if the applicant is retired and has never been awarded house loan from his/her pervious work , and
- He/ she or the spouse shall not own any real estate or plots where their prices equal to the residential unit, or the subsidiary or the loan except with the aim of executing the project on the same location .

Article (3) :The residential unit, subsidiary or loan shall be awarded for one time only in accordance with the provisions of this Law.

Article (4) :The Ministry shall examine each case separately to confirm the fulfillment of terms and conditions at the time of submitting the application and before it becomes due. In case the terms and conditions are not applicable, the application shall be rejected and the applicant shall be informed in written form along with stating the reasons of rejection.

Article (5): Any application made for a residential unit, subsidiary or loan shall be cancelled in any of the following cases:

- If the applicant has submitted false information about his/ her case or has purposely has hidden information where he/ she should have presented, and
- If the applicant caused a delay in commencing the work without an excuse for more than sixty days of the date of issuing the operating order in case of the residential subsidiary or loan .

The applicant shall be informed in written form along with stating the reasons of cancellation.

Article (6):The residential unit, subsidiary, or loan applicant shall have the right to complain to the Minister against the rejection or cancellation decision taken within sixty days of the date he/ she is notified. The Minister shall have the final decision in this complaint.

Article (7): The beneficial right shall be cancelled if it is evident that he/ she has submitted wrong information, false testimony, or any other fraud document. The Ministry shall retrieve everything he/she has taken. The beneficial shall be informed of the decision taken in written form along with stating the reasons.

Article (8): The beneficial out of the provisions of this Law shall be exempted of the payment of the title fees, sale, mortgage, or redemption in respect to the plot or the residential unit for one time only.

Chapter Two

Residential Units

Article (9): A committee including at least five members shall be formed by the Minister's decision in each Willaya where the residential units set for distribution are located. The Committee shall review the application and distribution of residential units.

Article (10): The Ministry shall issue utilization bonds for the usufructuaries of the residential units in accordance with the provisions of this Law for ten calendar years. The usufructuaries shall be prohibited of disposing these units of any type of legal disposition such as rental, sale, mortgage or endowment and otherwise during such period.

Chapter Three

Housing Subsidiaries

Article (11):Housing subsidiaries shall be awarded to construct, restore, rebuild, or make additions to a house as per the nature of the location, size of the family and the house condition. The executive regulation of this Law shall specify the value of the housing subsidiary. The Minister shall have the right to increase the value within the difficult topographic areas.

Article (12): Housing subsidiaries shall not be applicable if the applicant supports himself and his wife and who has children who own houses that are suitable as residents or when their monthly income exceeds the amount specified by the Executive Regulation of this Law.

Article (13):The total income of the housing subsidiary applicant shall not exceed the amount specified by the Executive Regulation of this Law. This Regulation shall also specify the monthly income for those above sixty years old.

Article (14):In case of the death of the housing subsidiary applicant, the application shall be transferred to his minor children and the application previous priority shall be retained.

Article (15):The Ministry shall mark the title of the house financed by housing subsidiary with non-disposition for ten years from the day the house is taken.

Article (16):Rental of a house financed by housing subsidiary shall be prohibited only with a written consent of the Ministry.

Chapter Four

Housing Loans

Article (17):The loan shall be given for one of the following purposes:

- Building a house,
- Buying an existing house,
- Buying an incomplete house and completing it,
- An incomplete house to be completed,
- Expanding an existing house, or
- Maintaining an existing house.

Article (18):The housing loan applicant shall be the owner of the plot where the house is going to be constructed, expanded, completed, or maintained.

If the purpose of the housing loan is to buy a house or an incomplete house to be completed, this house shall be constructed in accordance with approved building sketches and that there shall not be any legal objections to transfer the ownership to the housing loan applicant.

Article (19):The borrower shall bear the project cost difference when the cost exceeds the loan value.

Article (20): If the borrower is self-employed, or works in the private sector where the Social Securities Law shall not be applicable, or worked in the private sector less than two consecutive years or who work in the public or the private sector of another country shall provide a sponsor from those who are working in one of the State Administrative Units or one of the owned companies, or from those who are working in the private

sector where the Social Securities Law is applicable and where their service has exceeded three calendar years.

Article (21):he applicant shall fulfill the following terms and conditions:

- The total monthly income at the time of submitting the application and granting the approval shall exceed the amount specified by the Executive Regulation of this Law, and
- The loan applicant's family shall permanently be resident in Oman.

Article (22):The Ministry shall receive the loan applications and examine them as per the priority of submission.

Article (23):A committee chaired by the Undersecretary and the membership of at least five employees of the Ministry shall be formed by the Minister's decision to consider the loan applications and decide in accordance with the provisions of this Law. Subcommittees in the governorates and regions may be formed if deemed necessary for the work .

Article (24):Priority of awarding the housing loans shall be given to those cases where the house is totally or partially demolished due to a fire, any natural disasters, or any other cases considered by the Ministry. Other than the aforementioned situations, priority shall be given as per the date of submitting the application.

Article (25):The Ministry of Finance shall insure the housing loans to cover the mortalities and inability to work in coordination with the Ministry.

Article (26):Loan payment shall be made in the form of monthly installments with a 25% maximum of the borrower's total income.

Article (27):The executive Regulation of this Law shall specify the loan value and rules and regulations required.

Article (28):A mortgage shall be recorded on the house to guarantee the payment of the installments. If the borrower and the guarantor fail to pay for more than three continued months in a year without an acceptable excuse, the Ministry shall have the right to initiate the legal proceedings against the house to collect its dues.

Article (29):The borrower shall be prohibited of disposing the house in any legal form such as selling mortgaging, donating the house or alike before the payment of the loan is made in full.

Article (30):Rescheduling the loan payment shall be made in commensurate with the conditions of those public and private sectors workers whose services are ended and those self sponsored whose income is decreasing where they are not exempted under the provision of the Article (13) of this Law.

Article (31):The Minister shall decide, after obtaining the approval of the Ministry of Finance, to exempt the borrower from the payment of installment if his/her monthly income decreases, after awarding him/her the loan, below the amount specified by the Executive Regulation of this Law and when his/her living circumstances justify this.