

Coopérative D'habitation Qurtuba Qurtuba Housing Cooperative

Non interest financing an Islamic alternative
Over four million dollars invested by Muslims of
Montreal

Principal Objectives

To provide Quebec Muslim Islamic financing:

- To assist them to acquire homes at a reasonable cost.
- To permit them to avoid interest or Riba associated with house acquisition.
- To provide Muslim investors an opportunity for moral as well as Halal financing rewards:
- By assisting fellow Muslims to become home owners avoiding Riba (interest)
- By earning reasonable return on their investment.

Other Objectives:

- To permit like-minded Muslims to acquire houses in the same neighborhood where the families can live and grow in an Islamic environment.
- To bring together Quebec Muslims from different parts of the world to share the joys of working in harmony on an Islamic and mutually beneficial project.
- To give Muslims of Quebec additional economic and political clout.

Who is eligible to benefit from the Housing Coop?

Any member of the Housing Coop in good standing is available to benefit from the Coop.

How does one become a member in good standing?

- By filling the prescribed application form and paying a \$75 membership fee

- By paying \$2000 for a minimum of 20 shares at the time of joining and maintaining good standing by adding 20 share during each calendar Year

When do I become eligible for the allocation of a housing unit?

- You must have shares equivalent in value to at least 20% of the first \$100,000 of the house price and 30% of the difference between \$100,000 and the actual price of the house which can be up to \$200,000. This implies that the maximum financing available from housing coop will be \$150,000.
- If the house price exceeds \$200,000, the amount in excess of \$200,000 will not be financed by the Coop and will be to the member's account.
- The minimum required shares must be with the Coop for at least six months.

Explanation of minimum No of shares required

a) House price: \$100,000
Minimum required shares:
.....20% x \$100,000 = \$20,000
b) House price: \$150,000
Minimum required shares:
.....20% x \$100,000 = \$20,000
..... +30% x (\$150,000-\$100,000)= \$15,000
..... \$35,000
c) House price: \$200,000
Minimum required shares:
.....20% x \$100,000 = \$20,000
..... +30% x (\$200,000 - \$100,000)= \$30,000
..... \$50,000

How do I get a housing unit?

From time to time (approximately every 6 months), the Housing Coop will announce a competition for the allocation of housing units.

Eligible members will be invited to apply. Selection will be made by the board of directors based on:

- Member's seniority in the Housing Coop.
- The value of shares the member owns as a percent of the cost of the housing unit he wishes to buy.
- You will be informed when you are selected for the allocation of a housing unit. You will then select the house and will be given a closing date. All expenses related to the purchase of the house such as: Evaluation, inspection, legal fee and welcome tax are to the account of the member.

What happens if I already own a house?

- A separate list is maintained for those members who already own a property and wish to payoff their existing mortgage in favor of Coop financing through Coop purchase of their unit. The eligibility requirements regarding down payment are the same as for new home buyers, in addition, the member must have had shares equal to 10% of the outstanding balance of his mortgage for at least six months.
- Separate competitions and selections take place for members of this list.
- The Coop will establish the value of the house at the time of purchase by the Coop.

What if I have to move before I have finished paying for my house?

- The house will be evaluated and made available to eligible Coop members on the basis of right of first refusal.
- Should it be necessary the house will be sold on the open market.
- If you own share for 50%, of the cost of the housing unit, you will be entitled to 90% of any gain in the value at the time of sale. If your share value is less than 50%, you still be entitled to 80% of the gain.

What are the conditions under which I occupy a housing unit?

- Once the Coop has purchased a housing unit for your benefit, you will surrender all your common shares and will be issued special shares of equal value. These special shares are not eligible for dividend but keep track of your share of investment in the housing unit.
- A rental value of your share of your unit will be established by Housing Coop. All taxes and expenses for the property will be deducted from the rent and the balance of rental will be split between you and the Housing Coop according to your share of the total investment.
- An administration fee of \$10 per month will be charged to member occupant to process and to provide periodic report for rent, tax and capital account.

What happens when I finish paying for my home?

- When you have acquired special shares of the cost of the house at the time of purchase by the Coop, you will become eligible to apply for transfer of the house in your name.
- The house will be evaluated and you must acquire one class G share at a cost equal to 10% of the net capital gain in the value of the house since purchase by the Coop.
- You can surrender the shares in exchange of a transfer of the house in your name.
- The notary fee and welcome tax pertaining to the transfer will be paid by the Coop.

As an investor, what kind of return should I expect?

You will be entitled to an annual dividend based on the quarterly balance of shares.

- Dividends are paid on shares that were held from the beginning to the end of the quarter.
- Instead of keeping your saving in the bank, you can buy corporation shares and earn Halal income.
- You can start investment now on behalf of your children so they can buy their houses easily when they get married.

- You can also start investing for your children's college/university education and marriages.

What if I need money in an emergency?

- You can redeem your shares as investor any time by giving one-month notice for the first \$10,000 and an additional month notice for each block of \$10,000 above the amount.
- The maximum notice required will be six months.

Project for investment in Muslim businesses

- The federally incorporated Al-Ittihad Investment Co. will receive funds for investment in Muslim businesses.
- RRSP funds: following the Canadian Law, a maximum of 50% of these funds will be directed towards Al-Ittihad.
- Al-Ittihad will provide a balanced portfolio of Halal investments. This could include the Housing Coop, selected equity investments and lease/selling of cars.

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