**Rules for Health Projects Loans**

**First: Lending Scope** :

 The following health projects are funded:

1. Hospitals.
2. General Medical Complexes
3. One Day Surgery Centers
4. Specialized Medical Complexes

**Second: Lending Regulations:**

 Saudi natural and legal persons are eligible to borrow with availability of the following conditions:

1- Obtaining a valid license from the Ministry of Health.

 2. The project that is be loaned shall have all the general and specific conditions and specifications specified by the competent authorities and the availability of public services at the site.

 3. If the project is to be built on a land owned by the investor, the land and buildings of the project shall be held in pledge or to provide a bank guarantee equal to the value of the loan provided that the bank guarantee shall be valid until the loan is fulfilled and its value is reduced as the installments are repaid.

 4. If the project is to be built on a land not owned by the investor, the mortgage shall be for another land and shall exceed the estimated value of the loan or to provide a valid bank guarantee equal to the value of the loan until the loan is fulfilled and its value is reduced as installments are repaid.

5. If the project is to be established on a rented building, the loan shall be limited to processing the project with medical equipment and furniture. Nonetheless, a valid bank guarantee shall be provided against the loan until the loan is fulfilled and its value is reduced as the installment are repaid.

**Third: The following Information and documents shall be submitted to the Ministry:**

1- To fill out the application forms of the loan.

2- A copy of the national identity card of the investor (investors). If he is a legal person it should be attached as it is extracted from the commercial register, authorization from responsible person to borrow on his behalf and a copy of the establishment contract provided that the duration of the establishment is not less than the repayment period of the loan and the grace period.

3- Documents proving the solvency of the investor and his ability to complete and operate the project.

4- Feasibility study of the project in Arabic prepared and approved by a licensed office.

5- A copy of the title deed of the land on which the project will be built or a lease contract if the land of the project is rented, provided that the lease period shall not be less than the repayment period of the loan and a site map shall be attached.

6- A copy of the license to establish the project from the Ministry of Health.
7- A copy of the license to build the project from the Municipality.

8- The engineering drawings of the project shall be approved by a licensed design office certified by the Municipality and by the Ministry of Health, with scale ratio (100/1), and a copy on a CD.

9- Technical specifications in Arabic certified by the design office (the designer of the project) .

10- Bills of quantities in Arabic indicating prices and approved by the design office (the designer of the project).

11- Lists of medical equipment and furniture and expected furniture of the project with a brief description of each item.

12- Certificate from the Labor Office to abide by the Saudization percentage.

13. A certificate issued by the competent insurance office stating that the establishment of the investor is registered with the General Organization for Social Insurance and that he has fulfilled all his obligations towards it or that he is not subject to the provisions of the social insurance system. If the loan is for project processing only, the documents required to be submitted shall be limited to those items mentioned in paragraphs (1 - 2 - 3 - 4 - 5 - 6 - 11 - 12 - 13) (in addition to the architectural plans).

**Fourth: Loan Amount:**

The loan is allocated to finance buildings, installations, equipment, medical equipment and furniture, the allocation of equipment shall not exceed(50%) of the loan, and the maximum limit of the loan including buildings, equipment and medical supplies and furniture shall equal to (50%) of the estimated cost approved by this Ministry for the whole project and should not exceed the following limits:

a - SR 200 million to Hospital project.

b - SR 80 million to finance a general medical complex project.

c - SR 80 million to finance the one day surgery center.

d - SR 50 million to finance a specialized medical complex project.

**Fifth: Disbursement of the Loan**

(a) The amount allocated for the buildings shall be disbursed in ten installments at the rate of 10% for each payment. These payments shall be disbursed based on a review report (on site visit) by a committee formed by this Ministry after the investor submits the report of the consultant supervising the project. The Ministry shall have the right to suspend payment of the loan if it is proved that the investor has breached the obligations of the contract.

(B) the allocated amount for facilities, equipment and furniture shall be disbursed as follows:

 - (25%) of the value of the allocated amount after the submission of documents and supporting documents for supplying them ( contract, bill, cash receipts from the supplier or the source, the statement of import, documentary credit ) to be sealed by the investor as well as the institution or the company and must have been completed (60%) or more of the construction and architectural works of the project buildings.

- (50%) of the allocated amount, after the completing of the whole project building, (50%) of installation and after the inspection committee of this Ministry visits thesite and check the installation of tools, medical equipment and furniture that have been supplied and installed.

- (25%) of the allocated value of the loan, upon completion of all installations and the inspection committee check the accordance with specification on the site .

**Sixth: Loan repayment:** The repayment of the loan disbursed after five years from the date of the beginning of contract and repaid on twenty annual installments.

  Seventh: General Conditions:

1. The loan shall be allocated to finance buildings, equipment, medical supplies and furniture for projects to be constructed or for projects which its implementation do not exceeds 50% of the project buildings.
2. If the investor does not provide a guarantee against the loan and does not complete other procedures within one year from the date of being notified by the approval of the Ministry, the approval shall be null and void.
3. If the investor does not start implementing the project within one year from the date of the loan contract, the loan will be canceled unless there is a justified justification for the delay.
4. The investor may, if his project is ongoing, obtain an expansion loan, provided that the project to be expanded has been in operation for three years or more and that the expansion shall be on the same or adjacent land with the submission of financial statements for the last two fiscal years certified by a registered accountant. And if the project to be expanded is financed by the Ministry, the loan alone or added by the original loan shall not exceed the maximum limit of the lending. If the original loan has been paid in full, the investor may obtain a loan for expansion without restriction of the original loan.
5. The investor shall not have the right to dispose of the property, on which the project financed by a loan from this Ministry is constructed and shall not have the right to transfer the ownership, assignment or leasing without the prior written approval of this Ministry.

(**Application forms for a loan)**

**Information form for applying for a health project loan:**

 - Click here to get this form in Word format.

The Applicant shall sign each page of this form and shall sign any additional page and any deletion, modification or writing. All forms must be printed after filling out and submitted to investor's official publications.