

Dear Member,

Below refers to the new legislation that became law on November 8, 2011. We have also attached a copy of it for your records.

The law states that any member may withdraw up to CI\$35,000.00 towards 1) **Deposit for the purchase or construction of a home**; 2) **Purchase of residential land**; or 3) **To pay off an existing mortgage on a dwelling in the Cayman Islands** (the balance on the mortgage cannot be greater than 35,000.000).

There are 3 requirements that need to be met should any member wish to participate:

1. The applicant should be Caymanian (the law only applies to those persons who are Caymanian)
 2. The applicant should not already own a home or parcel of land (if purchasing land only)
 3. The applicant should not already have a mortgage on another house or apartment
- (If any of the above applies, then you are not eligible and cannot withdraw your funds)**

If you have met the above criteria then you may be eligible to access up to CI\$35,000.00 from your pension account for:

- 1) **Deposit for the purchase or construction of a home**;
- 2) **Purchase of residential land**; or
- 3) **To pay off an existing mortgage on a residential land in the Cayman Islands**

In order to access these funds you will need to provide the following:

→ **For the purchase of residential land:**

- a) Evidence that the member is Caymanian
- b) Declaration that you do not own land in the Cayman islands (see application)
- c) An approval letter issued by a financial institution to the member showing approval in principle of a loan to purchase residential land; the block and parcel number of the property and the deposit required. The deposit will be the amount that you can withdraw from your pension.

→ **To purchase or build a home:**

- a) Evidence that the member is Caymanian
- b) Declaration that you do not own a dwelling in the Cayman islands (see application)
- c) An approval letter issued by a financial institution to the member showing approval in principle of a loan to purchase residential land; the block and parcel number of the property and the deposit required. The deposit will be the amount that you can withdraw from your pension.

→ **To pay off an existing mortgage:**

- a) Evidence that the member is Caymanian
- b) Evidence that the applicant has legal title to the home or dwelling unit

- c) An approval letter issued by a financial institution to the member showing approval in principle for paying off the existing mortgage and the amount to be paid off. The letter should include the block and parcel number.

Once we have received all of the above we will let you know within 7 days whether you have been approved or refused and the reasons for any refusal. If you are approved we will issue a cheque directly to your financial institution to cover your deposit within 45 days of receipt of application and all requirements.

What happens then?

An encumbrance will be put on the registration of the property in your name. If the property is sold before you have reached 60 years of age, then you will be required to pay back the original amount or 10% of the fair market value; whichever amount is greater into your pension account.

Once you have redeemed these funds, the employee must then begin to **make an extra contribution of 1% each month** into his/her pension account for a period of 10 years or until the full amount is repaid. It is the employee's duty to inform his or her current employer. Non compliance can result in strict penalties.

It should be noted that anyone in violation of above, commits an offence and is liable to a fine of twenty thousand dollars, 2 years imprisonment or both.