

GENERAL NOTICE

Review of the mortgage loan processes and mortgage based funding processes including investigation of allegations of irregular practices by key stakeholders in the mortgage sector with respect to repossession of consumer properties

Mortgage loans for many consumers represent the biggest financial commitment of their lives. As such, it is important that customers understand the ramifications of such financial commitments and appreciate the wider responsibilities and rights that they have as homeowners. The mortgages sector invariably plays a vital role in Eswatini's economy, so it is important that the conduct of market players in this sector is equitable and fair to ensure that competition works effectively.

The Central Bank of Eswatini (the Bank) has noted with concern, the challenges faced by consumers in this sector. These challenges are there either because the available tools to help consumers make effective decisions, when choosing a mortgage, do not fully meet their needs or because of commercial relationships that exist in the sector that may lead to conflict of interest or misaligned incentives to the detriment of consumers. These challenges magnitude manifests itself through the rate and manner in which mortgaged properties are acquired and sometimes quickly reposessed and disposed of in the country.

The Bank has a responsibility to ensure that market players' conduct and competition in the mortgage sector is healthy and working to the benefit of consumers. As a result, we have deemed it appropriate and essential that we conduct a review into the mortgages sector, to look at the general conduct of mortgages market participants, particularly lenders and their duly authorized agents. This review will include the investigation of allegations of irregular practices by key stakeholders in the mortgages sector.

The Bank is keen to hear from all market participants about their experiences and hereby invites any member of the public who has information or evidence concerning any misconduct/malpractice in the mortgages sector by any bank or the Eswatini Building Society (including their duly authorized agents) to provide that information or evidence, on or before 30 June 2019 by: either,

a) Sending it by post to:
The Central Bank of Eswatini
P.O. Box 546
Mbabane

OR

b) emailing it to:
mortgages.investigation@centralbank.org.sz

OR

c) hand delivering it to:
The Central Bank of Eswatini
Mahlokohla Street
Mbabane

Anyone who has information or evidence relating to allegations of misconduct/malpractice by market participants but who wishes his or her identity to be kept confidential may also provide such information to the Bank and, in appropriate cases and with due regard to the law and the rights of implicated persons, the Bank will take such steps as may be taken in law to keep that person's identity confidential.

M.V. Sithole
GOVERNOR

www.centralbank.org.sz



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