

# Servus Halal Mortgage Realtor Reference Guide

---

## About Servus Halal

Servus Halal launched in 2025, as a wholly owned subsidiary of Servus Credit Union Ltd. We provide alternative finance products, including halal mortgages. All our products are certified by the Canadian Islamic Finance Board<sup>1</sup>.

## Overview

Servus Halal is excited to offer your client a Halal mortgage. This guide explains the process, outlines the responsibilities of each party, and summarizes the requirements realtors need to be aware of so that we can work together seamlessly.

Servus Halal offers a non-interest bearing home financing structure called the Servus Halal Mortgage. It follows a cost plus profit financing model known as Murabaha Agreement. Servus Halal purchases the property from the seller then resells it to the customer at an agreed price that includes a fixed profit amount. Payments stay consistent for the full 25 year mortgage period. The Servus Halal Mortgage is structured with clear terms and fixed pricing in line with Islamic finance principles.

## How the purchase works

1. The customer confirms eligibility and obtains a preapproval from a Servus Halal financial advisor.
2. The customer works with their realtor to find an eligible property.
3. Once a property is identified, the customer notifies their financial advisor to confirm the property's eligibility.
4. After eligibility is confirmed, the financial advisor finalizes the customer's mortgage application.
5. The customer, financial advisor, and realtor determine the recommended offer price and conditions for the Offer to Purchase.
6. Servus Halal submits the conditional Offer to Purchase through the realtor.
7. If the Offer to Purchase is accepted, the customer arranges the appraisal and inspection. All conditions must be fulfilled within the condition period.
8. Servus Halal finalizes its purchase from the seller.
9. Documentation is completed by a Servus Halal approved legal team.
10. Ownership transfers to the customer on possession day.

*(Note: These steps outline the standard process; additional steps or requirements may apply.)*

## Roles and responsibilities

---

### Servus Halal

- Confirms customer and property eligibility.
- Makes the conditional Offer to Purchase through the realtor, in consultation with the customer, and provides contract consideration.
- Collects the customer's purchase deposit.
- Receives appraisal and ensures customer alignment with the outcome.
- Supports fulfillment of all conditional requirements.
- Coordinates documentation with Servus Halal approved legal team.
- Ensures the property transfer follows Islamic finance requirements.

### Realtor

- Guides the customer through the home buying process.
- Helps the customer find eligible property.
- Prepares the Offer to Purchase in consultation with the customer and Servus Halal, with Servus Halal listed as the purchaser.
- Supports communication between the seller's representative, the customer, and Servus Halal.

### Customer

- Confirms financing eligibility and applies for preapproval with a Servus Halal financial advisor.
- Selects a property that meets Servus Halal Mortgage eligibility criteria.
- Works with the realtor and Servus Halal to determine the offer price and conditions.
- Requests and arranges appraisal and home inspection during the condition period.



<sup>1</sup>The Canadian Islamic Finance Board (CIFB) is a not-for-profit organization with representation from many mosques across Canada

<b>Offer to Purchase requirements</b>	
<b>Purchaser</b>	2628741 Alberta Ltd. (Servus Halal)
<b>Deposit</b>	Servus Halal provides a draft for the contract consideration.
<b>Required documents (completed by Servus Halal's authorized signor)</b>	<ul style="list-style-type: none"> <li>• Consumer Relationship Guide</li> <li>• FINTRAC documentation</li> </ul>
<b>Mandatory conditions</b>	<ul style="list-style-type: none"> <li>• Financing</li> <li>• Appraisal</li> <li>• Inspection</li> <li>• Other conditions as determined by the customer</li> </ul>
<b>Possession date</b>	10 to 14 business days.
<b>Condition period</b>	Must be the first business day of the chosen month of possession.

## Eligible property types

- Single family detached
- Condo
- Acreage up to and including 40 acres
- Acreage above 40 acres
- Duplex
- Triplex
- Four plex
- Rental properties
- Recreational properties
- Second home properties

## Customer readiness

### Preapproval letter

Indicates potential financing amount based on the preapproval application. A full mortgage application including property details is required before financing can be confirmed.

### Offer To Purchase

Servus Halal must make the Offer to Purchase through the customer's realtor.

### Required conditions

Inspection, appraisal, and financing. Additional conditions are available upon request.

## More Info

### Profit rate vs interest rate

- **Interest Based Mortgage**
  - Interest rate is charged on a loan amount and accrues over time.
  - Represents cost of borrowing.
  - Locked in for fixed or variable terms, with renewal potentially causing an adjustment based on current market rates.
  - The customer purchases the property directly.
- **Servus Halal Cost Plus Profit mortgage financing**
  - The profit rate is a fixed markup agreed in advance under the Murabaha cost plus profit model.
  - Represents cost of financing.
  - Locked in for a 25-year term.
  - Servus Halal purchases the property then resells it to the customer at a pre-agreed price.

## Contact

Visit [ServusHalal.ca](http://ServusHalal.ca) or email [info@servushalal.ca](mailto:info@servushalal.ca) for more information.

## AML and FINTRAC

For requirements related to AML and FINTRAC, contact a Servus Halal financial advisor.

