



## Public Notice

### Exchange Control Liberalizations on Bahamian Dollar Mortgages to Temporary Residents

The Central Bank has received an increasing number of applications from temporary residents to borrow in Bahamian dollars to purchase local property, which fall outside the Central Bank's liberalization criteria. In June 2024, to enhance temporary residents' access to Bahamian dollar mortgages, the Central Bank removed the three-year residency requirement to access these facilities. This was subsequent to the February 2018 relaxation, which increased the maximum amount temporary residents could borrow in Bahamian dollars from \$0.40 million to \$1.0 million.

The Central Bank wants to clarify that only applications that strictly adhere to the policy's criteria, as outlined below, will be considered.

1. Temporary residents may borrow up to BSD1 million for the first-time purchase of an owner-occupied residence in The Bahamas. If the loan amount exceeds BSD1 million, borrowers have the option to finance the excess amount or the entire financing in foreign currency, with prior approval of the Central Bank.
2. The policy applies to holders of work permits or spousal permits issued by the Immigration Department (i.e., persons who are regarded as temporary residents for exchange control purposes).
3. Joint participation in Bahamian dollar mortgages by persons who are regarded as non-residents or economic residents, for exchange control purposes, is not permitted.
4. Purchases of properties for other investment purposes such as vacant lots, duplexes, second homes, mixed-use residential-rental properties, or properties intended for commercial use is not permitted.
5. Banks must report all mortgages issued under this policy to the Central Bank, by providing evidence of the borrowers' work permits, registered mortgages, and security enforcement actions.
6. Temporary residents must register their property transactions with the Central Bank after mortgage payoff by providing copies of their recorded conveyance and Investments Board Certificate of Registration that indicates the property is for residential use.

The Central Bank will continue to monitor trends in this market, and propose adjustments as necessary, based on the overall sustainability of these measures on the balance of payments.

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