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UM suffers setback over funding source

Omar Kalair, founder of UM Financial - which provides Shariah-compliant mortgages to Muslim clients - is working hard to maintain on-going sources of funding. Credit Union Central of Ontario has extended an additional \$50 million and, Kalair says, "that will keep us going until the summer."

Last summer, UM Financial wasn't able to meet all its obligations. "The Credit Union didn't have all the funding in place," Kalair says. "We had a huge volume of customers, and we told them there was a chance we wouldn't be able to fulfil the demand." Star reader Adrian Qureshi is disillusioned by UM's services. "In the name of Shariah-compliant mortgages," he wrote, "they charge extra fees ... After accepting and approving our application, they refused us financing just a week before the closing of our home, thus putting us into great trouble ...

"This last-minute refusal made us get a mortgage from an alternate source at a higher interest rate and spend an extra \$2,500 for moving costs and living in a hotel with the entire family for one week." Kalair acknowledges the problem. "Going forward, we're telling clients up front there are limit on how many mortgages we can do.' But it's not all glum news for Kalair. Next week we'll tell yo about an unlikely supporter an investor in Derek Scheinman, young Jewish entrepreneur who is president of New Horizon Mortgage Investment Corp.