

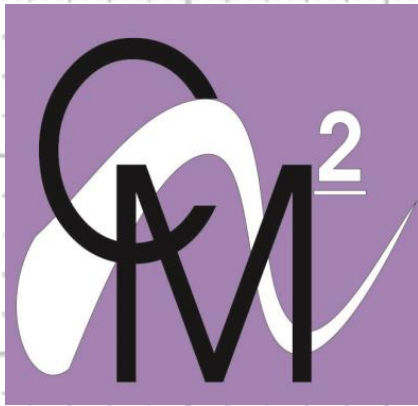
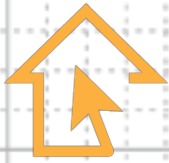


FLISP Information

FLISP

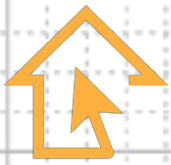
Finance Linked Individual Subsidy Programme





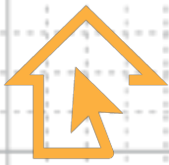
FLISP

FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAM



What is FLISP all about

- FLISP is an initiative driven by the Department of Human Settlements to assist qualifying households who have **secured a mortgage bond** to acquire a residential property for the first time
- The objective of the program is to **reduce the initial home loan amount** to render monthly instalments affordable over the loan repayment term
- Or to use a **deposit for a property** to be purchased
- It can also be used to cover **legal transfer and bond registration** fees



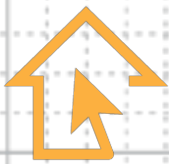
Who is FLISP targeted at

- Households whose income range is R3501 and R22 000 per month for South African citizens
- Those who have never benefitted from a housing subsidy scheme before (Eg: RDP House)
- First time home buyers
- Those with an approved home loan from a financial institution
- Existing home owners - Various Provinces have different time lines – check with your Flisp consultant



A FLISP Subsidy can be used for:

- A Deposit
- Refund into your bond if you have already taken transfer
- Transfer & Bond Registration Fees



As a Deposit

Example: Purchase Price R410 000

Income: R13 500pm (Total Household income)

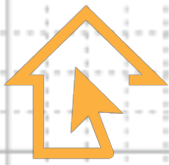
– Purchase price	R410 000
– Flisp subsidy required as a deposit	
– FLISP	R 70 630
– Legal fees [add extra to pay]	(25 000)
– Bond Required	<u>364 370</u>
– Purchase price	R 410 000

- Improving affordability or increasing buying power.



Already taken Transfer

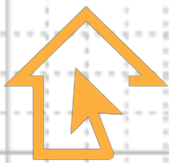
- Max qualify for **R410 000**
 - Flisp subsidy paid into home loan
 - Purchase price R410 000
 - FLISP R 70 630
 - Home Loan Balance R339 370
- All legal fees already paid (possibility of recovery if a loan was taken up for this purpose)



100 % Bond

– Purchase price	R410 000
– Bond acquired	R410 000
– Flisp	R 70 630
– Legal Fees	<u>R 25 000</u>
– Home Loan Balance	R364 370

- **Flisp paid back into home loan to reduce the capital amount**
 $R410\ 000 - R70\ 630 + R25\ 000 \text{ (legal fees)} = R364\ 370$

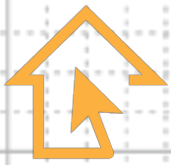


Retrospective

After Transfer [*]

– Purchase price	R410 000
– Bond registered	R410 000
– Flisp refund	<u>-R 30 000</u>
– Home loan balance	R 370 00

- **Already taken transfer**
- 3- 12 month “window opportunity to submit FLISP claim (except Eastern Cape where the Flisp application has to be done simultaneously with the bond application)
- **The Flisp Subsidy is paid back into home loan to reduce the capital amount less costs if able to recover**
- **[*] NB – Each Province who approves Flisp has their own time line for retrospective Flisp applications**



How do I APPLY for FLISP?

- Have an approved home loan on a property you wish to purchase OR own your property
- We are a private company providing assistance with FLISP applications to the Government
- Register on our website: www.flisp.co.za
- Compile the necessary certified documents for the application as per the checklist
- Forward to our office and we'll do the rest

The background of the slide is a photograph of a modern, two-story residential building with light-colored siding and dark trim. The building's windows and balconies are illuminated from within, casting a warm glow. In the foreground, a wooden playground structure with horizontal bars and ropes is visible. The sky is a deep blue with large, white, fluffy clouds. The overall scene suggests a safe and well-maintained community environment.

AN INTRODUCTION TO

FLISP

Finance Linked Individual
Subsidy Programme

FLISP enables qualifying beneficiaries to reduce the initial mortgage loan amount or augment the shortfall between the qualifying loan and the total house price



What is FLISP?

Finance Linked Individual Subsidy Program, better known as FLISP, was developed by the Department of Human Settlements to enable sustainable and affordable first time home-ownership opportunities to South African citizens and legal permanent residents earning between R3 501 and R15 000 per month, (the “affordable” or “gap” market).

Individuals in these salary bands generally find it hard to qualify for housing finance; their income is regarded as low for mortgage finance, but too high to qualify for the government “free-basic house” subsidy scheme.

What to do with FLISP?

Qualifying applicants may use FLISP to do one of the following:-

- ▶ buy an existing, new or old, residential property
- ▶ buy a vacant serviced residential stand, linked to an NHBRC registered homebuilder contract; or
- ▶ build a residential property on a self-owned serviced residential stand, through an NHBRC registered homebuilder

The once-off FLISP subsidy amount ranges between R10000 and R87000, depending on the applicant’s monthly income.

Who can apply?

Applicants intending to acquire residential property may apply for FLISP if they meet the following qualifying criteria:-

- ▶ South African citizen with a valid ID; or permanent residents with a valid permit
- ▶ over 18 years and competent to legally contract
- ▶ never have benefitted from a Government Housing Subsidy Scheme before
- ▶ have an Approval in Principle of home loan from an accredited South African financial institution
- ▶ first time home buyer, earning from R3 501 to R15 000 per month

FLISP is for residential properties in formal towns where transfer of ownership and registration of mortgage bond is recordable in the Deeds Office.

IMPORTANT DOCUMENTS!!!

The following **CERTIFIED COPIES** are required as Supporting Documents when applying for FLISP:

- ✓ RSA Bar Coded Identity Document (*ID*)
- ✓ Bar Coded Permanent residence Permit (*where applicable*)
- ✓ Birth Certificates/RSA ID's of all financial dependants (*where applicable*)
- ✓ Proof of Foster Children Guardianship (*where applicable*)
- ✓ Marriage Certificate, Civil Union Certificate or Cohabiting Affidavit, Proof of Partnership (*applicable*)
- ✓ Divorce Settlement (*where applicable*)
- ✓ Spouse's death Certificate (*where applicable*)
- ✓ Proof of Monthly Income
- ✓ Home Loan Approval in Principle/Grant letter from an accredited Lender
- ✓ Agreement of sale for the residential property
- ✓ Building Contract and Approved Building Plan (*where applicable*)

**Affidavits required for informal marriages solemnised under the SA Civil Law, accompanied by sworn statements to prove the authenticity of the relationship*



ACCESSING FLISP & APPLICATION PROCESSES

EXAMPLE 1: FLISP REDUCES the initial mortgage loan amount making monthly loan repayment instalments affordable (*payment made to home loan account*)

Property Price	R300 000
Bank HL Approval	R300 000
Less FLISP as a deposit	<u>R 50 000</u>
EVENTUAL HOME LOAN AMOUNT	R250 000

EXAMPLE 2: FLISP AUGMENTS shortfall between the qualifying loan amount and the total product price (*payment made to transfer attorneys*)

Property Price	R300 000
Bank HL Approval	R250 000
FLISP as HL top up	<u>R 50 000</u>
EVENTUAL HOME LOAN AMOUNT	R250 000

First time Homeowner Households earning R3 501 to 15000 per month have Two Options on how to use FLISP when buying or building residential property for an amount they qualify for, see below:

Option 1 = Accredited project developments	Option 2 = Open market Access
FLISP roll-out is linked to FLISP accredited development projects in the Province. Individuals identify properties in any of the accredited projects on the list.	Individuals may identify a property in the open market (new and existing properties) in line with the amount they qualify for within the FLISP criteria or may have acquired vacant serviced stand without government assistance and wish to obtain mortgage finance to construct the house
Beneficiary signs an offer to purchase for a house from an accredited developer and also completes a FLISP application form obtainable from the developer.	Beneficiary signs an offer to purchase with the seller directly or through an estate agent.

The Developer and/or the Estate Agent assists the beneficiary to **apply for a home loan** from the Lender.

The price of a property that can be financed through FLISP is determined by the joint household income of not more than R15k

FLISP Summarised

FLISP enables qualifying beneficiaries to reduce the initial mortgage loan amount or augment the shortfall between the qualifying loan and the total house price Qualifying Criteria for FLISP:

- ✓ RSA citizen or Permanent Resident
- ✓ Over 18 years and competent to legally contract
- ✓ First time Housing Subsidy Scheme beneficiary
- ✓ Have an Approval in Principle for a Home Loan
- ✓ Monthly Income from R3 501 to R15 000
- ✓ The once-off FLISP subsidy amount ranges between R20 000 and R87 000, depending on monthly income.

FLISP may be used for the following:-

- ✓ Buy an existing, new or old, residential property
- ✓ Buy a vacant serviced residential-stand; or
- ✓ Build a residential property



Upon the lender granting of the home loan approval, the developer submits the beneficiary's completed FLISP application together with supporting documentation to the NHFC.

SUBMISSION OF A HOME LOAN APPLICATION

The Lender will assess the home loan application based on its ***lending criteria***

Upon the lender granting of the home loan approval, the developer ***submits the beneficiary's completed FLISP application together with supporting documentation to the NHFC.***

Upon the Lender granting of the home loan approval, the beneficiary or estate agent ***completes the FLISP application form obtainable from the NHFC website and submits the application and supporting documents to the NHFC.***

APPROVAL/DECLINE OF A HOME LOAN AND FLISP APPLICATION

Should the applicant's home loan application be DECLINED, the FLISP application would not be considered.

Should the applicant's ***Home loan be APPROVED***, the NHFC will process the FLISP application. If the outcome of the FLISP application is positive, the subsidy will be granted and if negative, the application will be declined. The applicants may continue with the transaction without FLSIP, if he/she qualifies for a home loan.

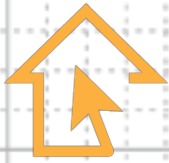
SUBMISSION AND PROCESSING OF FLISP APPLICATION

- The NHFC receives scanned/faxed FLISP application forms from the developer, Regional Provincial Department of Human Settlements, metro Municipalities, Estate Agents.
- The NHFC Assesses and processes the FLISP applications; and communicates the outcome of the FLISP application to the Beneficiary.

PAYMENT OF A SUBSIDY

- In circumstances where the FLISP subsidy is utilised by the beneficiary to make good any shortfall between the qualifying loan amount and the purchase price of the unit, the subsidy will be paid by the NHFC into the ***transferring Attorney's trust account of readiness to lodge*** the transfer documents.
- In circumstances where the FLISP subsidy is utilised by the beneficiary to reduce the principle Loan amount to render the Loan repayment instalments affordable, the FLISP subsidy will be paid by the NHFC directly into the ***beneficiary's home loan account***.





Flisp Subsidy Bands

Consumer Mortgage Management (Pty) Ltd

Reg No: 2014/117418/07



Tel: 021 845 4143/44

Fax: 086 530 5761

Email: admin@cm2group.co.za

Subsidy Quantum Table

Upper limit	R 121 626
Lower limit	R 27 960
Subsidy	R 1 040,73

Borrower Education, Flisp & Home Ownership Wellness

No.	Earnings		Subsidy Amount	No.	Earnings		Subsidy Amount	No.	Earnings		Subsidy Amount
	lower	Higher			lower	Higher			lower	Higher	
1	3501	3700	R 121 626	31	9501	9700	R 90 404	61	15401	15600	R 59 182
2	3701	3900	R 120 585	32	9701	9900	R 89 363	62	15601	15800	R 58 141
3	3901	4100	R 119 545	33	9901	10100	R 88 323	63	15801	16000	R 57 101
4	4101	4300	R 118 504	34	10101	10300	R 87 282	64	16001	16200	R 56 060
5	4301	4500	R 117 463	35	10301	10500	R 86 241	65	16201	16400	R 55 019
6	4501	4700	R 116 422	36	10501	10700	R 85 200	66	16401	16600	R 53 979
7	4701	4900	R 115 382	37	10701	10900	R 84 160	67	16601	16800	R 52 938
8	4901	5100	R 114 341	38	10901	11100	R 83 119	68	16801	17000	R 51 897
9	5101	5300	R 113 300	39	11101	11300	R 82 078	69	17001	17200	R 50 856
10	5301	5500	R 112 259	40	11301	11500	R 81 038	70	17201	17400	R 49 816
11	5501	5700	R 111 219	41	11501	11700	R 79 997	71	17401	17600	R 48 775
12	5701	5900	R 110 178	42	11701	11900	R 78 956	72	17601	18000	R 47 734
13	5901	6100	R 109 137	43	11901	12100	R 77 915	73	18001	18200	R 46 693
14	6101	6300	R 108 097	44	12101	12300	R 76 875	74	18201	18400	R 45 653
15	6301	6500	R 107 056	45	12301	12500	R 75 834	75	18401	18600	R 44 612
16	6501	6700	R 106 015	46	12501	12700	R 74 793	76	18601	19000	R 43 571
17	6701	6900	R 104 974	47	12701	12900	R 73 752	77	19001	19200	R 42 531
18	6901	7100	R 103 934	48	12901	13100	R 72 712	78	19201	19400	R 41 490
19	7101	7300	R 102 893	49	13101	13300	R 71 671	79	19401	19600	R 40 449
20	7301	7500	R 101 852	50	13301	13500	R 70 630	80	19601	19800	R 39 408
21	7501	7700	R 100 811	51	13501	13700	R 69 590	81	19801	20000	R 38 368
22	7701	7900	R 99 771	52	13701	13900	R 68 549	82	20001	20200	R 37 327
23	7901	8100	R 98 730	53	13901	14100	R 67 508	83	20201	20400	R 36 286
24	8101	8300	R 97 689	54	14101	14300	R 66 467	84	20401	20600	R 35 245
25	8301	8500	R 96 648	55	14301	14500	R 65 427	85	20601	20800	R 34 205
26	8501	8700	R 95 608	56	14501	14700	R 64 386	86	20801	21000	R 33 164
27	8701	8900	R 94 567	57	14701	14900	R 63 345	87	21001	21200	R 32 123
28	8901	9100	R 93 526	58	14901	15000	R 62 304	88	21201	21400	R 31 082
29	9101	9300	R 92 486	59	15001	15200	R 61 264	89	21401	21600	R 30 042
30	9301	9500	R 91 445	60	15201	15400	R 60 223	90	21601	21800	R 29 001
								91	21801	22000	R 27 960

Contact Details

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