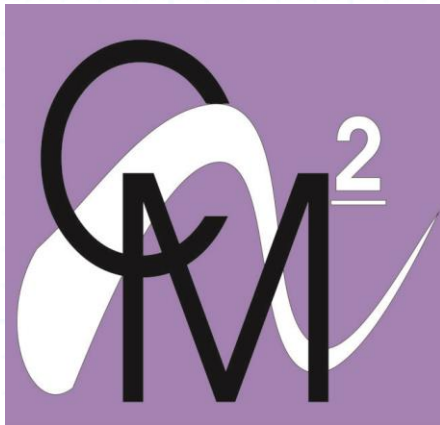




# Homebuyers Information Incorporation FLISP

How to buy your own home





 my bond fitness

 Consumer  
**Housing**  
Education

# 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



# Who is FLISP targeted at

- Households whose income range is R3501 and R15 000 per month and are South African
- Those who have never benefitted from a housing subsidy scheme before
- First time home buyers
- Those with an approved home loan from a financial institution



# How do I qualify for FLISP

- Have an approved home loan on a property you wish to purchase OR own your property
- Register on our website: [www.flisp.co.za](http://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



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 18years 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> |
| <b>EVENTUAL HOME LOAN AMOUNT</b> | <b>R250 000</b> |

**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> |
| <b>EVENTUAL HOME LOAN AMOUNT</b> | <b>R250 000</b> |

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 =<br>Accredited project developments  | Option 2 =<br>Open market Access   |
|--|--|
| FLISP roll-out is linked to <b>FLISP accredited development projects</b> in the Province. Individuals identify properties in any of the accredited projects on the list. | Individuals may identify a property in the <b>open market (new and existing properties)</b> 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 <b>offer to purchase</b> for a house from an accredited developer and also <b>completes a FLISP application form obtainable from the developer.</b> | Beneficiary <b>signs an offer to purchase with the seller</b> 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

| Step Number | Lower  | Higher | Amount  |
|-------------|--------|--------|---------|
| 1           | R3501  | R3 700 | R87 000 |
| 2           | R3 701 | R3 900 | R85 825 |
| 3           | R3 901 | R4 100 | R84 650 |
| 4           | R4 101 | R4 300 | R83 475 |
| 5           | R4 301 | R4 500 | R82 300 |
| 6           | R4 501 | R4 700 | R81 125 |
| 7           | R4 701 | R4 900 | R79 950 |
| 8           | R4 901 | R5 100 | R78 775 |
| 9           | R5 101 | R5 300 | R77 600 |
| 10          | R5 301 | R5 500 | R76 425 |
| 11          | R5 501 | R5 700 | R75 250 |
| 12          | R5 701 | R5 900 | R74 075 |
| 13          | R5 901 | R6 100 | R72 900 |

| Step Number | Lower   | Higher | Amount  |
|-------------|---------|--------|---------|
| 14          | R6 101  | R6 300 | R71 725 |
| 15          | R63 301 | R6 500 | R70 550 |
| 16          | R6 501  | R6 700 | R69 375 |
| 17          | R6 701  | R6 900 | R68 200 |
| 18          | R6 901  | R7 100 | R67 025 |
| 19          | R7 101  | R7 300 | R65 850 |
| 20          | R7 301  | R7 500 | R64 675 |
| 21          | R7 501  | R7 700 | R63 500 |
| 22          | R7 701  | R7 900 | R62 325 |
| 23          | R7 901  | R8 100 | R61 150 |
| 24          | R8 101  | R8 300 | R59 975 |
| 25          | R8 301  | R8 500 | R58 800 |
| 26          | R8 501  | R8 700 | R57 625 |

### How much FLISP do I qualify for?

Depending on the applicant's monthly income, the FLISP amount they qualify for may range from R10 000 to R87 000; the following tables indicate the FLISP low and high bands:



## FLISP SUBSIDY BANDS CONTINUED

| Step Number | Lower   | Higher  | Amount  |
|-------------|---------|---------|---------|
| 27          | R8 701  | R8 900  | R56 450 |
| 28          | R8 901  | R9 100  | R55 275 |
| 29          | R9 101  | R9 300  | R54 100 |
| 30          | R9 301  | R9 500  | R52 925 |
| 31          | R9 301  | R9 700  | R51 750 |
| 32          | R9 701  | R9 900  | R50 575 |
| 33          | R9 901  | R10 100 | R49 400 |
| 34          | R10 101 | R10 300 | R48 225 |
| 35          | R10 301 | R10 500 | R47 050 |
| 36          | R10 501 | R10 700 | R45 875 |
| 37          | R10 701 | R10 900 | R44 700 |
| 38          | R10 901 | R11 100 | R43 525 |
| 39          | R11 100 | R11 300 | R42 350 |

| Step Number | Lower   | Higher  | Amount  |
|-------------|---------|---------|---------|
| 40          | R11 301 | R11 500 | R41 175 |
| 41          | R11 501 | R11 700 | R40 000 |
| 42          | R11 701 | R11 900 | R38 825 |
| 43          | R11 901 | R12 100 | R37 650 |
| 44          | R12 101 | R12 300 | R36 475 |
| 45          | R12 301 | R12 500 | R35 300 |
| 46          | R12 501 | R12 700 | R34 125 |
| 47          | R12 701 | R12 900 | R32 950 |
| 48          | R12 901 | R13 100 | R31 775 |
| 49          | R13 101 | R13 300 | R30 600 |
| 50          | R13 301 | R13 500 | R29 425 |
| 51          | R13 501 | R13 700 | R28 250 |
| 52          | R13 701 | R13 900 | R27 075 |

| Step Number | Lower   | Higher  | Amount  |
|-------------|---------|---------|---------|
| 53          | R13 901 | R14 100 | R25 900 |
| 54          | R14 101 | R14 300 | R24 725 |
| 55          | R14 301 | R14 500 | R23 550 |
| 56          | R14 501 | R14 700 | R22 375 |
| 57          | R14 701 | R14 900 | R21 200 |
| 58          | R14 901 | R15 000 | R20 000 |

**FLISP SUBSIDY BANDS CONTINUED**



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