

**AGENDA of the
Portfolio Committee: Community Services
23 October 2018
(Also the agenda for the Mayoral Committee Meeting: 31 October 2018)**

**6.
HOUSING: FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)**

17/5/4/1

**FW Frans & FR Williams
21 September 2018**

(028) 313 8144

Hermanus Administration

1. Executive Summary

The purpose of the report is to inform Council of the Finance Linked Individual Subsidy Programme (FLISP) which is available to qualifying beneficiaries with a household income of R3,501 - R22,000 per month and to promote the provision of affordable serviced sites to potential beneficiaries in terms of FLISP.

2. Service Delivery and Budget Implementation Plan - IGNITE

Community Services
Housing Administration

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

Constitution of South Africa, 1996
Housing Act No 107 of 1997
National Housing Code, 2009

6. Background/Discussion/Evaluation/Conclusion

Background

The National Government introduced the Finance Linked Individual Subsidy Programme (FLISP) in November 2011. The programme was thereafter amended in April 2012 as set out in the policy for FLISP as per attached *Annexure A*. An overview of FLISP as set out in the policy is as follows:

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One of the objectives of the Government's housing programme is to provide assistance to households who are unable to independently access mortgage finance to acquire a residential property. Typically these households earn too little to qualify for mortgage finance on the one hand and on the other their monthly income exceeds the maximum income limit applicable to Government's "free basic house" Housing Subsidy Scheme. The particular market segment is generally referred to as the "affordable" or the "gap market".

Hence, the Finance Linked Individual Subsidy Programme (FLISP) provides a subsidy to qualifying beneficiaries who have secured mortgage finance to acquire an existing house or a vacant residential serviced stand linked to a house construction contract. The objective of the Programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan repayment term and/or to make good any shortfall between the qualifying loan amount and the total product price subject to the conditions of the Programme.

Income Categories:

The FLISP provides for subsidy opportunity to applicants with household income between R3,501 - R22,000 per month, as amended by Human Settlements: MINMEC on 28 July 2018 and communicated by the National Department of Human Settlements on 5 October 2018 (*Refer to Annexure E, Page 1*). Those households in the income group R3,501 - R7,000 per month may apply for a serviced site developed as part of the Integrated Residential Development Programme (IRDP), without any charges as a once of subsidy according to the July 2018 amendment of FLISP, "*Province will be allowed to construct houses for the FLISP subsidy beneficiaries*". The Directorate: Infrastructure and Planning will obtain clarity on the matter from Province and also report to Council.

The households in the income group of R7,001 - R22,000 must firstly obtain approval;

- for a mortgage bond from an accredited financial institution, where after an application for subsidy can be submitted. or
- non-mortgage funding options, namely short-term loan facility, short term loans and savings linked schemes, including pension/Provided Fund Bucked Loans and Government Employees Housing Subsidy Scheme (GEHS).

The 2018 amendment of FLISP also provides for a "Deed of Sale transaction" option whereby a written agreement can be entered into, in order to purchase a residential property in monthly instalments over an agreed period. The particular option is however in contradiction with Section 164(i)(c)(iii) of the

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Municipal Finance Management Act no. 53 of 2005 (MFMA), whereby a municipality is not allowed to grant a loan to members of the public.

Subsidy Quantum:

In July 2018 the FLISP subsidy quantum has been revised with a minimum subsidy of R27,960 and a maximum subsidy of R121,626 (*Annexure E, Pages 3-4*). In terms of the policy amendments in 2014 the prescribed maximum property value to the amount of R300,000 has also been removed (*Annexure C, Page 1*).

Exemption of FLISP for Provisions of Section 10A and 10B of Housing Act:

It was also agreed that the sales restriction provisions under Section 10 of the Housing Act, 1997 (Act No. 107 of 1997) hampers the successful implementation of FLISP and should not be applied on all properties acquired through a FLISP. However, it was confirmed that the provisions under section 10(B)5 provides an alternative relief and must be applied retrospectively whilst the matter is addressed by means of an amendment to the Housing Act, 1997.

The mentioned sections as per the Housing Amendment Act, 2001 provides for a pre-emptive right for a period of eight years to be registered against the particular property developed with government subsidy in favour of the relevant Provincial Department of Human Settlements. Section 10B(5) of the Housing Amendment Act, 2001 states that, "An MEC may grant exemption from the provisions of subsection (1), either conditionally or unconditionally, in respect of any dwelling or site to which the provisions of that subsection apply".

Purpose of FLISP:

The policy furthermore states that FLISP is available to qualifying beneficiaries who:

- *acquire ownership of existing improved residential properties;*
- *obtain vacant serviced residential stands which are linked to house building contracts with home builders registered with the National Home Builders Registration Council (NHBRC); or*
- *construct a new residential dwelling through a house building contract entered into with a homebuilder that is registered with the NHBRC, on a serviced residential stand, that is already owned by the beneficiary.*

In order to ensure that a proper and effective subsidy application process is implemented and executed, the Municipal Administration posed questions of clarity to the Director: Project and Subsidy Administration, Provincial Department of Human Settlements. The questions and responses are attached as *Annexure C*.

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Discussion

Qualifying Criteria:

In order to qualify for a FLISP subsidy, all the applicants must comply with the following:

- (a) is a lawful resident in South Africa (i.e. citizen of the Republic of South Africa or in possession of a permanent residence permit. Certified copies of the relevant documents must be submitted with the application;
- (b) legally competent to contract (i.e over 18 years of age or older or legally married/divorced and of sound mind);
- (c) has not yet benefited from government assistance. Neither the person nor his/her spouse has previously derived benefits from the housing subsidy scheme which conferred benefits of ownership, leasehold or deed of grant or the right to convert the title obtained to either ownership, leasehold or deed of grant;
- (d) must not have owned fixed property. Current residential property owners will not qualify for a FLISP subsidy. This requirement does not apply to a qualifying beneficiary who only owns a vacant stand acquired through his/her own resources and wishes to make use of a FLISP subsidy to construct a top structure on the same site;
- (e) must be married or cohabiting. He/she is married in terms of Civil Law or Customary Marriage or habitually cohabits with any other person. It is required that the property be registered in the names of both spouses in the Deeds Office;
- (f) must be single with financial dependants. If not married he/she must have proven financial dependants. A financial dependant refers to any person who is financially dependent on the subsidy applicant and who permanently resides with the housing subsidy applicant; and
- (g) monthly household income. The gross monthly household income must be within the range as depicted in *Annexure A*.

The households income category R3,501 - R7,000 must also comply with the criteria per Provincial Circular 10/2015 attached per *Annexure D*, as amended, namely:

An applicant must be registered on the housing demand database for a minimum period of three (3) years.

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Relevant definitions:

Farm residents: Person, whose ordinary residence is a farm, including a farm worker with ordinary residence on the Farm.

Permanent disability:

The following characteristics apply to households affected by permanent disability:

A household with at least:

- one adult member (in the core household) having a permanent disability or;
- a financial dependant with a permanent disability.

The selection of potential beneficiaries will be done in the following order:

- *selection according to the registration date of the households;*
- *selection of households containing an adult member of 60 years and older (quota 15%);*
- *selection of households who are affected by disabilities (quota 5%);*
- *selection of households according to registration as a farmworker (quota 5%).*

The Housing Demand Database for Overstrand Municipality contain the following applicants for housing with a household income above R3,500 per month:

TABLE 1: HOUSING DEMAND DATABASE

AREA	R3,501 - R7,000	R7,001 - R22,000	TOTAL
HAWSTON	61	47	110
MOUNT PLEASANT	164	67	222
ZWELIHLE	350	141	491
GANSBAAI	203	66	269
KLEINMOND	66	21	87
TOTAL	844	342	1179

Priority Rating Criteria:

In all household categories the following rating criteria will apply namely:

- (i) That potential beneficiaries be considered for an affordable erf in order from the earliest date to the latest date of application for housing (as per the application form);

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All potential beneficiaries in the household income category R3,501 - R7,000 must furthermore be prioritised in terms of the following with reference to Circular C10/2015, namely:

- (ii) That a applicant is registered on the housing demand database for a minimum period of three (3) years;
- (iii) Preference is given to the aged (60 years and older), permanent by disabled and farmworkers;
- (iv) Application of age-based criteria in accordance with the following categories, namely:
 - (a) potential beneficiaries \pm 40 years of age and older;
 - (b) potential beneficiaries 35-39 years of age; and
 - (c) potential beneficiaries 30-34 years of age.

An application will be lodged to the Department of Human Settlements, Western Cape by the Administration to accommodate potential beneficiaries younger than 30 years old, resident in the affected catchment area (local neighbourhood/town), if more potential beneficiaries must be considered.

Subsidy application procedure:

The potential beneficiaries with household income of R3,501 - R7,000 apply for subsidy as per normal BNG subsidy application process. The FLISP subsidy applicants with a household income of R7,0001 - R22,000 firstly obtain approval for a mortgage bond/non-mortgage loan thereafter submit the subsidy application directly to the National Housing Finance Corporation (NHFC) (*Annexure A, Page 4*) or to be appointed National Implementing agent (*Annexure E, Page 1*). A final directive is to be provided by Department of Human Settlements: Western Cape.

The own contribution requirement has been waived. This means that the FLISP does not require beneficiaries to make financial contributions. FLISP can be used to meet any deposit requirements of the Bank (Annexure A, Page 2).

Sale of Properties:

The beneficiary may not sell or otherwise alienate his property for a period (currently eight years) prescribed by the Housing Act, 1997 from the date of transfer into his/her name, prior to offering the property to the Provincial Government.

Transfer of properties:

The costs, expenses and charges to be incurred in the transfer of the property (the legal fees), including the registration of a mortgage bond must be

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financed by the beneficiary, except for beneficiaries with household incomes between R3,501 - R7,000.

Administrative Process:

The following administrative process to be implemented, namely:

- (i) pre-screening of potential beneficiaries registered on Housing Demand Database that applied for housing opportunity in community where stands are developed;
- (ii) erf prices, to be provided by the Department Housing Planning.
- (iii) submission of list to the Executive Mayor;
- (iv) inform potential beneficiaries of participation in projects;
- (v) submission of list of potential beneficiaries to the Provincial Department of Human Settlements for notification and MCape Overstrand for completion of subsidy applications in respect of household income group R3,501 - R7,000;
- (vi) provisional allocation of erf numbers in random order;
- (vii) completion and submission of subsidy applications for potential beneficiaries with household incomes between R3,501 and R7,000, from the lowest to the highest number;
- (viii) assisting potential beneficiaries with completion of subsidy applications with household incomes between R7,001 and R22,000 after proof has been provided of an approved mortgage bond, non-mortgage loan, in line with priority rating of potential beneficiaries;
- (ix) sign deed of sale with approved subsidy holder (Household Income between R3,501 - R7,000);
- (x) provide occupation to approved beneficiaries;
- (xi) monitor and assist to effect transfer of affordable stands to beneficiaries, who do not have a loan/mortgage bond;

Current opportunities in Overstrand Municipality:

The Municipality has developed the following stands earmarked for affordable (GAP) housing, namely:

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- Gansbaai : 155
- Mount Pleasant: 39
- Hawston : 107
- Zwelihle : 150

It has however become evident that a large number of potential beneficiaries cannot qualify for bonds due to low house hold income. The Gansbaai project was for example developed in 2013/2014 and only 4 beneficiaries were to date successful. In the case of Mount Pleasant a number of 22 stands were developed below Rotary Way in 2008 and only 5 stands of the initial project could be successfully sold to local beneficiaries. The selling prices for the last mentioned affordable stands in Mount Pleasant were between R85,887,98 and R87,465,20 (excluding VAT). In the case of the Gansbaai and Mount Pleasant developments, contractual obligations exist with the developer for the development of affordable housing. The sites in Zwelihle will be reconsidered for IRDP housing and a report in this regard will be submitted to Council. The Directorate: Infrastructure and Planning will also discuss the Gansbaai and Mount Pleasant contractual obligations with the particular developer and report back to Council in a separate report.

At this stage it is however recommended that the 107 stands in Hawston earmarked for GAP housing be made available as “affordable stands” to qualifying beneficiaries in the catchment area.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Senior Manager: Engineering Services: Mr D Hendriks:

The 107 stands forming part of the Hawston IRDP project was registered on the housing pipeline dated 12 March 2018 FLISP Units, it must therefore change to 107 serviced sites.

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10. Annexures

- Annexure A: The FLISP Policy for: April 2012
- Annexure B: Amendment to the Policy for FLISP: April 2014 (including subsidy Quantum's)
- Annexure C: Correspondence with the Director of Project and Subsidy Administration, Department of Human Settlements, Mr B Denton
- Annexure D: Circular No: C10 of 2015
- Annexure E: Amendments: Revised Financed Linked Individual Subsidy Programme (FLISP), July 2018

RECOMMENDATION TO THE COUNCIL:

1. that the policy for the Financed Linked Individual Subsidy Programme (FLISP) and the content of the report **be noted**;
2. that the stands developed for the development of affordable housing in Hawston (107 stands) be allocated to potential beneficiaries which are to be identified from the housing demand database for the catchment area as affordable service residential stands or affordable housing, depending on the directive to be obtained from the Department Human Settlements: Western Cape;
3. that the following procedure for potential beneficiaries to finalise subsidy applications, be approved:
 - (a) that potential beneficiaries be given 30 days written notice to complete their subsidy application documentation; and
 - (b) that potential beneficiaries that do not respond to the first notice (30 days) be given a final written notice of 7 days.
4. that, in the event of any applicants not responding within the mentioned period of 7 days, the available housing opportunities be given to identified additional beneficiaries (replacements).

RESPONSIBLE OFFICIAL:

**FW FRANS
D HENDRIKS**

TARGET DATE FOR IMPLEMENTATION:

IN PROGRESS

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FW Frans & FR Williams

(028) 313 8144

Hermanus Administration

21 September 2018

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
23 OCTOBER 2018, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

1. that the policy for the Financed Linked Individual Subsidy Programme (FLISP) and the content of the report **be noted**;
2. that the stands developed for the development of affordable housing in Hawston (107 stands) be allocated to potential beneficiaries which are to be identified from the housing demand database for the catchment area as affordable service residential stands or affordable housing, depending on the directive to be obtained from the Department Human Settlements: Western Cape;
3. that the following procedure for potential beneficiaries to finalise subsidy applications, be approved:
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RESPONSIBLE OFFICIAL:

**FW FRANS
D HENDRIKS**

TARGET DATE FOR IMPLEMENTATION:

IN PROGRESS



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

Private Bag 2864 Pretoria 0001 RSA Tel (012) 421 1211 Fax (012) 541 8512
Private Bag 28067 Cape Town 8000 RSA Tel (021) 483 7000 Fax (021) 483 3310
<http://www.housing.gov.za> Fraud Line: 0800 701 701 Toll Free Line: 0800 1 49878 (0900 1 HOUR)

ADJUSTMENTS TO THE FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME

As part of Government's broader development goals of improving the quality of life of our citizens, Human Settlements MINMEC on 2 November 2011 approved the following extensive enhancements to the Finance Linked Individual Subsidy Programme (FLISP).

a) **Income and product price limit**

The FLISP household income limit has been increased from R7 000 to R15 000 per month.

b) **Property Value**

The value of the property to be acquired through the assistance available under the FLISP is capped at R300 000.

c) **Assistance to households who are unable to obtain mortgage loans**

Households in the Income group R3 501 to R7 000 per month who are unable to obtain mortgage finance may elect to apply for the allocation of serviced stands developed under the Integrated Residential Development Programme (IRDP) free of charge as their once off subsidy. The IRDP has been adjusted accordingly.

d) Income based differentiation system

The current income based subsidy differentiation system has been retained. The number of income steps has been increased in line with the new income categories.

e) Calculation of the subsidy amount

The maximum FLISP Subsidy amount available to households has been increased from R54 238 to R83 000. (The subsidy quantum was subsequently increased to R87 000,00 in line with the MINMEC decision on the increase of the subsidy quantum by 5.6% with effect from November 2011).

f) Own contribution

The own contribution requirement has been waived. This means that the FLISP does not require beneficiaries to make financial contributions. FLISP can be used to meet any deposit requirements of the Banks.

g) Pre-emptive Clause

No change was effected to the Pre-emptive clause as provided by the provisions of the Housing Act, 1997.

h) Claw back clause

The Committee approved that a workable risk sharing arrangement is to be developed and agreed to with BASA.

It was subsequently agreed with BASA that MECs be awarded discretion to administer the pre-emptive clause provision on the merits of each case, which may include the requirement by the MEC that a percentage of the FLISP subsidy awarded is to be refunded to the NHFC. This renegotiated provision is subject to Human Settlements MINMEC consideration and the approval of the Minister of Human Settlements.

i) Administration, Processes and Systems

Human Settlements MINMEC mandated the NHFC to conclude appropriate agreements with Provinces to become a one stop centre for the processing of FLISP applications and disbursements and the necessary liaison with the Banks.

(j) FLISP Project based approach

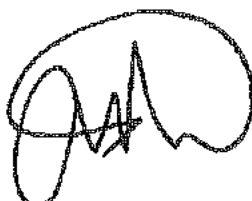
Minmec approved that 9 pilots to be launched in provinces with the participation of NHFC, NURCHA and HDA. The North West Impala Project to be a reference point for all 9 projects.

Initially the NHFC will introduce the revised FLISP on a Project Based Approach in terms whereof at least one pilot project must be launched in each province.

The NHFC is in the process to finalise the conclusion of the required nine Implementation Protocols with the provinces as well as Memoranda of Understanding with the participating financial institutions. It is of the utmost importance that the Implementation Protocols are finalised as a matter of urgency and that adequate funding be reserved for the implementation of the revised FLISP.

The amendments to the Programme took effect on 1 April 2012. Attached are copies of the policy as well as a table reflecting the subsidy amount available for each income category. It is trusted that the revised Programme will contribute towards the increased provision of housing opportunities for people who are able to access mortgage loans.

Kind Regards



DIRECTOR-GENERAL

DATE: 13 | 04 | 2012

FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME

1 OVERVIEW

One of the objectives of the Government's housing programme is to provide assistance to households who are unable to independently access mortgage finance to acquire a residential property. Typically these households earn too little to qualify for mortgage finance on the one hand and on the other their monthly income exceeds the maximum income limit applicable to Government's the "free basic house" Housing Subsidy Scheme. The particular market segment is generally referred to as the "affordable" or the "gap market".

Hence, the Finance Linked Individual Subsidy Programme (FLISP) provides a subsidy to qualifying beneficiaries who have secured mortgage finance to acquire an existing house or a vacant residential serviced stand linked to a house construction contract. The objective of the Programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan repayment term and/or to make good any shortfall between the qualifying loan amount and the total product price subject to the conditions of the Programme.

FLISP Subsidies can be accessed by persons who satisfy the qualification criteria for the subsidy. The type of assistance may vary depending on a beneficiary's circumstances. The subsidies are administered on behalf of the MEC by the National Housing Finance Corporation (NHFC).

This revised FLISP has been introduced by the Minister of Human Settlements in terms of the provisions of Section 3(5) of the Housing Act, 1997 (Act 107 of 1997) and takes effect from 1 April 2012 on which date all the previous versions of the FLISP will terminate.

2 POLICY PRESCRIPTS AND PROVISIONS

2.1 POLICY INTENT

This Programme intends to give effect to the Government's objective to provide housing assistance to beneficiaries whose monthly income exceeds the maximum allowable income applicable to the Housing Subsidy Scheme, but still

need assistance to enter the mortgagee housing market. The Programme envisages housing assistance in the form of a once off down payment scheme to individual households who are able to access mortgage finance to acquire residential properties for the first time.

In addition, persons who have acquired vacant serviced stands without state assistance and who need assistance to access mortgage finances to fund the construction of their houses may also apply for FLISP subsidies.

2.2 PROGRAMME PRINCIPLES

- a) The FLISP Subsidy is available to a qualifying beneficiary who is able to access mortgage loan finance to acquire a residential property or to construct a house.
- b) The Programme provides individual subsidies linked to the household income of the applicant and is subject to the approval of a mortgage loan. All applicants must satisfy the qualification criteria to enable them access to the benefits of the Programme. Households will only be able to access one Finance Linked Individual Subsidy and where the subsidy is accessed by applicants that are married or who are cohabiting with partners, the property must be registered in the names of both the applicant and his/her spouse.
- c) The FLISP subsidy represents a once-off subsidy, to qualifying beneficiaries who will not qualify for any further or other state-assisted housing assistance. Beneficiaries will only benefit once in their lifetime from Government's housing assistance programmes.
- d) The FLISP subsidy is only available to a first time home owner whose monthly household income exceeds the cut off margin applicable to the Housing Subsidy Scheme and that monthly income is less than the maximum income limit set for the FLISP as announced from time to time. The 2012 income category for the FLISP is R3 501 to R15 000 per month. The quantum of the FLISP subsidy is set out in Annexure A.
- e) The FLISP subsidy may be utilised to meet any deposit requirements that may be imposed by the relevant financial institution.

- f) Where the FLISP subsidy is adequate to cover the lender's deposit requirements, the beneficiaries of the Programme will not be required to make any further financial contributions.
- g) The FLISP subsidy will only be awarded to qualifying beneficiaries who will acquire a residential property, the value of which may not exceed the maximum property value set for the Programme as announced from time to time. The current property value is set at R300 000,00.
- h) The FLISP will be administered by the National Housing Finance Corporation (NHFC) in terms of implementation agreements that must be concluded with the nine Provincial Governments in collaboration with participating registered financial institutions who have signed agreements with the NHFC.
- i) Lenders are defined as financial institutions, as provided for in terms of the Banks Act, 1990 (Act No 94 of 1990) or other financial institutions who concluded agreements NHF.
- j) The NHFC as the Implementing Agent for the Programme will receive an annual grant from the National Department of Human Settlements to cover the costs to perform the administrative duties attached to the implementation of the Programme. In terms of the appointment as implementing agent, the NHFC is expected to:
 - i) Standardise, streamline, align and centralise all the processes around the planning, negotiation and administration of the Programme;
 - ii) Introduce a "one-stop shop" to work with Provincial Departments, financial institutions and property developers and other role players regarding the implementation of the Programme; and
 - iii) Enter into appropriate legal arrangements with MECs to act as the implementing agent for the Programme in the relevant province for the administration and disbursement of FLISP subsidies. The NHFC will at least one month before the end of Government's financial year submit Pro Forma Implementation Protocols to the MECs for their consideration and signature; and
 - iv) Conclude agreements with lenders and other role players to enable the implementation of the Programme on a project basis.

3 APPLICATION OF THE PROGRAMME

- a) The FLISP will apply nationally and will only be available to qualifying beneficiaries who will acquire residential properties in formal towns where transfer of ownership and the registration of the mortgage bond can be recorded in the Deeds Office.
- b) The FLISP is available to qualifying beneficiaries who:
- o acquires ownership of existing improved residential properties; or
 - o obtain vacant serviced residential stands which are linked to house-building contracts with home builders registered with the National Home Builders Registration Council (NHBC); or
 - o construct a new residential dwelling through a house building contract entered into with homebuilder that is registered with the NHBC, on a serviced residential stand, that is already owned by the beneficiary.
- c) Although the Programme provides individual housing subsidies to individual qualifying beneficiaries, approval was granted to launch the programme through "pilot projects" negotiated between participating registered financial institutions, property developers, employers and the NHFC.

4. WHO WILL BE ASSISTED?

The Programme provides access to subsidies to beneficiaries who satisfy the following entry requirements:

- a) **Resident:** he or she is lawfully resident in South Africa (i.e. citizen of the Republic of South Africa or in possession of a permanent residence permit. Certified copies of the relevant documents must be submitted with the application).
- b) **Competent to contract:** he or she is legally competent to contract (i.e. over 18 years of age or older or legally married or legally divorced and of sound mind).

- c) **Not yet benefited from government assistance:** neither that person nor his or her spouse has previously derived benefits from the housing subsidy scheme, or any other state funded or assisted housing subsidy scheme which conferred benefits of ownership, leasehold or deed of grant or the right to convert the title obtained to either ownership, leasehold or deed of grant.

Beneficiaries who received state assistance that resulted in ownership of vacant serviced stands, for example through the Independent Development Trust (IDT) Site and Service Scheme and or vacant serviced stands transferred to beneficiaries in terms of the Discount Benefit Scheme and or Enhanced Extended Discount Benefit Scheme, may also qualify for FLISP, in respect of the same site. The principle that the value of the state financed serviced stand that was transferred to the beneficiary in terms of the mentioned schemes, must be deducted from the FLISP subsidy amount for which the particular beneficiary qualifies, will be applied.

- d) **Not yet owned a fixed residential property:** A person who has not owned fixed residential property may apply for a subsidy. Current residential property owners will not qualify for a FLISP subsidy. This requirement does not apply to a qualifying beneficiary who only owns a vacant serviced site acquired through his or her own resources and wishes to make use of the FLISP subsidy to construct a top structure on the same site.

In addition to the above requirements, any applicant must also satisfy the following general criteria:

- e) **Married or cohabiting:** he or she is married (in terms of the Civil Law or in terms of a Customary Marriage) or habitually cohabits with any other person. The word "spouse" includes any partner with whom a prospective beneficiary habitually cohabits.

Where an application is made for a subsidy on the basis of a legal marriage or cohabitation arrangement, it is required that the property must be registered in the names of both spouses in the Deeds Office. Documentary proof of the marriage and affidavits from both spouses in respect of cohabiting arrangements and customary marriages must be provided.

- f) **Single with Financial Dependents:** If not married, he or she must have proven financial dependents. A financial dependent refers to any person who is financially dependent on the subsidy applicant and who resides permanently with the housing subsidy applicant. Financial dependents include any or a combination of the following proven financially dependent persons of, and residing permanently with, the subsidy applicant:
- i) Biological parents or parents-in-law;
 - ii) Biological grandparents or grandparents-in-law;
 - iii) Brothers/sisters under the age of eighteen [18] years or, if older, who are proven financially dependent on the applicant;
 - iv) Children under the age of eighteen [18] years, i.e.:
 - a) Grand children;
 - b) Adopted children;
 - c) Foster children;
 - d) Biological children;
 - e) Any of the above persons over the age of eighteen [18] years who are still studying and who are financially dependent on the applicant; and
 - v) extended family members who are permanently residing with the applicant due, for example, to health problems and who are therefore proven financially dependent on the housing subsidy applicant.

Special Provision: it is a requirement that in cases where housing subsidy applications are submitted by single persons with financial dependents, that the particulars from the identification document of such dependents must be recorded on the application form and the information must be captured in the Housing Subsidy System. The following documents must accompany an application for a housing subsidy:

Certified copies of:

- i) Birth certificates, bearing the thirteen digit identity number for children who do not have bar coded identity documents;

- ii) Bar coded identity documents of all persons who are claimed as part of the household;
 - iii) Divorce settlement documentation (to prove custody of children) where relevant;
 - iv) Affidavits for unions solemnised in terms of SA Civil Law and accompanied by sworn statements to prove the authenticity of the relationship to the applicants, where applicable; and
 - v) Court orders or, orders issued by the Commissioner of Child Welfare to prove guardianship for foster children, where relevant.
- g) **Monthly household income:** The gross monthly household income of his or her household must be within the range as depicted in Annexure A.

5. SPECIAL PROVISIONS FOR QUALIFYING BENEFICIARIES WHO ARE UNABLE TO OBTAIN MORTGAGE LOANS

Qualifying beneficiaries earning a combined household monthly income of R3 501 to R7 000 may find it difficult to obtain mortgage loans and might therefore not be able to access the benefits available under the FLISP and acquire ownership of a residential property. Beneficiaries in this income category who are unable to access mortgage loans may therefore decide:

- i) To apply to the municipality or Provincial Department, as the case may be, for the allocation of a vacant serviced stand, created through the funding available from National Housing Programme: Integrated Residential Developments (IRDP). Such a serviced stand will be transferred to the qualifying beneficiary free of charge. The successful beneficiary will forfeit his/her rights to apply for any further housing assistance and will be responsible for the construction of his/her house through his/her own means; or
- ii) If the qualifying beneficiary is able to purchase a vacant serviced stand from a private sector developer, to apply for an Individual Housing Subsidy to the value of the development cost of a State financed serviced stand. The successful beneficiary will forfeit his/her rights to apply for any further housing assistance and will be responsible for the construction of his/her house through his/her own means; or

- iii) Not to apply for the allocation of a free serviced stand and continue seeking an affordable property in the market and apply for a mortgage loan and a FLISP subsidy when a suitable property is found.

The availability of serviced stands will depend on aspects such as provincial planning and the availability of subsidy funding. Hence, a waiting period for the allocation of serviced stands might be applicable.

The details of the above options are contained in the National Housing Programmes: Individual Housing Subsidies and the Integrated Residential Development.

6 FUNDING ARRANGEMENTS

6.1 FUNDING ALLOCATION AND RESERVATION

The Minister of Human Settlements will annually announce the Housing Vote allocation awarded to each province. The MECs in each province must reserve funding for the various National and Provincial Housing Programmes from their provincial allocations.

Funding reservations for the FLISP will be made in terms of the provisions of the implementing agreements concluded between the MEC and the NHFC and the related agreed business plans for implementation of the Programme in the relevant provinces.

The NHFC must provide the MEC of the relevant Province, with a Business Plan for FLISP disbursements to cover the current Medium Term Expenditure Framework (MTEF) period. Such a business plan must be supported by an Operational Plan. The preliminary estimates for the implementation of the FLISP must be made available by the NHFC by not later than the end of August of each year. The final figures must be submitted on or before the end of January each year;

Once the agreed funding reservation for the FLISP has been confirmed by the MEC, the NHFC must notify BASA and the head offices of all participating lenders of the amount reserved for the FLISP.

The funding set aside for this Programme will be made available by the MEC to the NHFC in the form of advance payments based on agreed cash flow projections.

The NHFC, by not later than 3 months before the end of a financial year, may approach the MEC and negotiate the reprioritisation of funding reserved for allocation to the NHFC, if the parties agree that the funding so reserved will not be utilised for FLISP subsidies over the remaining 3 months of that year.

The NHFC must report, at intervals, as agreed with the relevant MECs on:

- i. the financial aspects linked to the subsidy payments;
- ii. the status of the loans and the constancy of repayments;
- iii. various other issues detailed in the pro forma agreements; and
- iv. to submit reconciled consolidation statements to the relevant PHDs, in respect of the Operating Account, as agreed.

6.2 QUANTUM OF THE SUBSIDY

The quantum of the subsidy for the FLISP will be based on the annually reviewed (Attached Table A) which outlines the Breakdown of the Quantum of the Subsidy applicable to FLISP Beneficiaries and is directly linked to the gross household income category of the applicant.

6.3 TRANSFER OF FUNDS TO THE NHFC

The Provincial Department will transfer the funding set aside for the implementation of the FLISP in a particular financial year to the NHFC in accordance with an agreed cash flow advance payment system which must be based on projected delivery under the Programme for any given period. The funding so received must be paid into an Operating Account of the NHFC.

The NHFC will release the approved subsidy funding to lenders once the MEC approved a particular FLISP subsidy application and in accordance with the service level agreement concluded with the financial institution.

Funds standing to the credit of the Operating Account shall accrue interest for the benefit of the PD.

Processes must be developed and implemented by all parties to ensure better cash flow management of subsidy funds and the minimising of the risk of fraud and mal-administration of subsidy funds.

6.4 TRANSFER OF APPROVED SUBSIDY FUNDS TO THE FINANCIAL INSTITUTIONS

Once the MEC has approved a subsidy application and informed the NHFC of the approval, the NHFC must:

- a) Issue a formal guarantee to the value of the approved subsidy amount to the lender in respect of the approved beneficiary;
- b) The NHFC must cancel the guarantee should any of the terms and conditions, as stipulated in the conditions of the confirmation not be complied with;
- c) Upon registration of transfer of the property in the name of the approved beneficiary and the registration of the mortgage bond in favour of the financial institution, or in the case of an existing property owner, upon the registration of the mortgage bond in favour of the lender, the NHFC will transfer the approved subsidy amount to the nominated account of the financial institution;
- d) All payments must be made in line with the prescripts contained in the Public Finance Management Act, 1999 (Act No. 1 of 1999); and
- e) In the case of a new housing unit, a certified copy of the original certificate issued by the NHBRC to confirm that the housing product of the beneficiary mentioned in the confirmatory letter, has been successfully enrolled with the NHBRC, must be submitted to the PHD before payment is effected.

6.5 LEGAL FEES

The costs, expenses and charges to be incurred in transferring a property (the legal fees) to a beneficiary and the fees in respect of the registration of the

mortgage bond, may not be defrayed from the FLISP subsidy amount. Such cost must be financed by the beneficiary.

6.6 PAYMENT OF THE SUBSIDY FUNDS BY THE LENDER

The lender shall release the subsidy funding in the following manner:

- a) In the case where the beneficiary has purchased an existing improved property, upon registration of transfer of ownership of the property in the name of the beneficiary, the lender will transfer the funds equal to the agreed sale price of the property to the account nominated by the seller of the property;
- b) In the case where the approved beneficiary purchased a vacant serviced stand linked to a building contract, the lender must pay the remainder of the FLISP subsidy amount, if any, to the approved supplier of the housing goods and services in accordance with progress achieved with the construction of the house as prescribed by Lender and in accordance with the conditions of the approved loan and building contract.
- c) In the case where the beneficiary is already the owner of a vacant serviced stand and the FLISP subsidy and the Mortgage bond will be used to construct a new housing unit, the lender must administer payments in accordance with progress achieved with the construction of the house as prescribed by the lender and the loan conditions.

7. THE SUBSIDY APPLICATION PROCEDURE

- a) Individual FLISP subsidy applications must be submitted directly to the NHFC following approval of a mortgage loan by an accredited financial institutions (lenders). The NHFC must ensure that all the supporting documentation accompany the application
- b) The lender must conduct an interview, where the lender will advise the applicant whether he/she potentially qualifies for mortgage finance. Should the lender be prepared to grant mortgage finance, it must approve the applicant's application for mortgage finance, in principle, subject to the approval of a FLISP subsidy. The lender must inform the applicant of the total mortgage finance amount, plus all fees payable, such as transfer and bond registration fees.

- c) The lender must inform the applicant that approval of the mortgage finance is subject to an assessment of the value of the property and approval of the building contractor in a case where a new house will be constructed by the lender and the applicant's attendance of a homeownership course/consumer education programme, that will detail the rights and obligations of the homeowner and borrower in compliance with the National Credit Act together with various insurance options available as it relates to the mortgage loan and the property.
- d) After in-principle approval of the mortgage finance by the lender, the lender must, advise the beneficiary and the accredited developer, of the outcome whereafter the accredited developer will assist the beneficiary in completing the FLISP subsidy application, whereafter, the accredited Developer will on behalf of the beneficiary, submit the application to NHFC for consideration. The accredited developer will also submit electronically captured application forms and supporting documents to the NHFC to facilitate the effective and efficient flow of information, if desired, but the original documentation must be submitted to the NHFC before payment of the subsidy can be made.
- e) No administration fee will be charged by the developer or lender for processing beneficiary applications.
- f) The MEC must as soon as confirmation has been obtained from the NHFC that the application is procedurally correct, that the applicant complies with the criteria to for FLISP qualification, that funding is available for the approval of the FLISP subsidy application, consider and approve the application. The Provincial Department must ensure that the approval of the application is undertaken within a period, not exceeding 7 (seven) working days, as from the date of submission of the application form by the NHFC. If a Provincial Department fails to conform with the allocated time frame of 7 (seven) working days, the Provincial Department is obliged to give the NHFC full details regarding its inability to perform within the allocated time frame. It is important that all administrative delays be eliminated.
- g) The Provincial Department must then inform the NHFC of the approval of the subsidy in writing and in the agreed format to enable the NHFC to issue the required guarantee to the lender.
- h) If the MEC decided not to approve the subsidy application, the details of the reasons for the non-approval must be conveyed to the lender who must then inform the applicant of the decision and reasons for non-approval of the application.

- i) The MEC may withdraw a subsidy approval if it subsequently transpires that the beneficiary does not qualify for a subsidy. The approval of the subsidy will lapse immediately. The PD must advise the NHFC accordingly and the NHFC must immediately inform the lender who must return the subsidy funds received from the NHFC to the NHFC to the extent to which it has not been paid to the developer or seller of the property; otherwise, the subsidy should be recovered from the beneficiary by the PD.
- j) The MEC may take appropriate legal action against a beneficiary if any information supplied in any application for a subsidy is incorrect or fraudulent, and may also institute criminal proceedings

8. CALCULATION OF LOAN INSTALMENTS PAYABLE

- a) The FLISP subsidy must be utilised to reduce the principal loan amount to be repaid by the beneficiary. The FLISP subsidy must therefore be deducted from the total loan amount, where after the instalments payable by the applicant will be calculated by the lender.
- b) Applicants must be informed about the loan repayment period and must be informed that shorter payment periods could be negotiated.

9. REGISTRATION AND TRANSFER

- a) The property to be funded by the FLISP subsidy and mortgage loan must be registered in the name of both the approved beneficiary and his/her spouse/partner as the case may be;
- b) Should, the property for any reason not be registered in the name of the applicant within a period of 8 (six) months from the date on which the application was approved by the MEC, the lender must submit a fully motivated application for extension of time to the NHFC. Should it become evident that transfer of ownership, for what ever reason, will not occur within 8 months from the date of approval of the subsidy application by the MEC; the subsidy application approval will automatically terminate and a new application process must be launched should the beneficiary wish to continue with his or her property acquisition process;

10. SALE OF THE PROPERTY BY THE BENEFICIARY

- a) The sale restriction provisions of Section 10A and 10B of the Housing Act, 1997 must be adhered to at all times. The beneficiary may not sell or otherwise alienate his or her property for a period prescribed by the Housing Act, 1997

from the date of transfer into his or her name, prior to offering the property to the Provincial Government;

The following provisions in *italics* are subject to approval by the Minister of Human Settlements.

Where the subsidy beneficiary wishes to dispose or alienate his or her subsidy financed property within the period prescribed by the Housing Act, 1997 the beneficiary must:

- *First obtain approval for the envisaged sale transaction from the Financial Institution in whose favour the Mortgage Bond is registered against the Deed of Transfer of the property; and*
- *If the Financial Institution approves the sale transaction and has issued its mortgage bond cancellation requirements, the beneficiary must offer the property for purchase to the Provincial Government in writing indicating the sale price required by the beneficiary and the bond release amount required by the Financial Institution.*

The MEC to whom the offer to purchase is made must consider the offer and accept or reject the offer within 15 working days from date of receipt of the offer. If the MEC fails to respond to the offer as indicated, such a failure will constitute an unconditional waiver of the offer to purchase and the beneficiary may proceed to alienate the property.

The MEC may decide to reject the offer to purchase received from the beneficiary. If the MEC decides to reject the offer to purchase, he or she may do so unconditionally or may require the beneficiary to repay a percentage of the FLISP subsidy to the NHFC. Where the MEC decides to require the beneficiary to repay a percentage of the subsidy amount the following will apply:

The portion of the FLISP subsidy amount to be refunded from the beneficiary will decrease annually and will be calculated on the following basis:

<i>Year 1:</i>	<i>90%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 2:</i>	<i>80%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 3:</i>	<i>70%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 4:</i>	<i>60%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 5:</i>	<i>50%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 6:</i>	<i>40%</i>	<i>of the original subsidy amount is to be refunded;</i>

Year 7: 30% of the original subsidy amount is to be refunded;
 and
 Year 8: 20% of the original subsidy amount is to be refunded.

Where the MEC decided to enforce the refunding condition as described above, the beneficiary will be required to pay the relevant amount to the NHFC before the certificate of waiver will be issued.

In line with the decision of the MEC, the Provincial Human Settlement/Housing Department will issue a certificate of waiver of the pre-emptive right and the beneficiary may proceed to alienate the property.

If the MEC decides to accept the offer to purchase, the purchase price will be determined by agreement between the two parties. In the event of failure to agree on the purchase price, the MEC must appoint an independent property valuator, acceptable to both parties, and the price determined by the valuator will serve as the agreed purchase price.

The beneficiary must be informed that he or she will not be able to apply for any further state housing assistance in the future and that the proceeds of the sale transaction should be used to acquire an alternative residential property.

- b) *The NHFC may agree with the lender to retain the calculated amount to be refunded by the beneficiary in the Operating Account for a period of up to 2 years. If the beneficiary is able to purchase a residential property in his or her new location, the amount retained by the lender must be transferred to the new mortgage loan transaction to reduce the new loan amount. If the beneficiary fails to acquire an alternative property within the two year period the lender must pay the amount so retained to the NHFC plus any interest that has accrued less administration cost.*
- c) *These provisions do not apply where the borrower has defaulted on his or her mortgage bond obligations and the lender proceeds with foreclosure procedures. Under these circumstances the borrower will not be able to apply for housing assistance in future and any profit derived from the foreclosure process will be due to the defaulting borrower.*

11 INSTITUTIONAL ARRANGEMENTS

11.1 RESPONSIBILITIES OF THE MEC/PROVINCIAL DEPARTMENT

- a) The MEC reserves funds for the Programme from the annual Housing Vote allocation by the Minister of Human Settlements;
- b) The MEC is the decision-making authority regarding the approval of FLISP subsidies;
- c) The MEC must appoint the NHFC as implementing agent for the FLISP and for this purpose must conclude an Implementation agreement with the NHFC. This agreement will regulate the roles and responsibilities of the two parties and the disbursement of approved subsidy funding;
- d) The Provincial Department will be responsible for the submission of the assessed applications to the MEC for approval and for the recording of the subsidy approval on the National Housing Subsidy Data Base;
- e) The MEC must satisfy him/herself that the property acquired by the beneficiary complies with the minimum National Norms and Standards, captured in the Technical Guidelines; and
- f) The Provincial Department must evaluate reconciliation reports received from the lenders for correctness and address any deviations recorded in collaboration with the lenders.

11.2 RESPONSIBILITIES OF THE LENDER

Lenders will fulfil the following roles:

- a) The lenders wishing to participate in the FLISP must conclude implementation agreements with the NHFC;
- b) The lender must receive and assess mortgage loan and subsidy applications;
- c) The lender will receive subsidy payments from the NHFC and deposit the payments in the required Operational Account;

- d) The lender will administer payment of the subsidy funding in accordance with the Programme prescripts; and
- e) The lender will provide quarterly reconciliation statements to the NHFC.

11.3 THE ROLE OF THE NHFC

The role of the NHFC as Implementing Agent of the MEC for the FLISP will be directed by the Implementation Agreements that must be entered into with the MEC. The NHFC will fulfil the following role:

- a) To conclude implementation agreements with MECs;
- b) The NHFC will receive advance payments from the Provincial Department and invest such funds in a separate interest bearing account;
- c) The NHFC will identify nine pilot projects for the launch of the Programme in collaboration with the Provincial Departments and all the other role players;
- d) The NHFC will negotiate with financial institutions regarding their participation in the Programme and conclude agreements with participating lenders that will regulate the roles and responsibilities of the parties;
- e) Assess FLISP applications against qualifying criteria and processing these application on to the National Housing Subsidy Data Base
- f) The NHFC will administer the payment of approved subsidy funding to lenders as provided in the prescripts of the Programme; and
- g) Submit quarterly reconciliation reports to the Provincial Department regarding the subsidy funding received and disbursed.

11.4 ROLE OF THE NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

The national Department will be responsible for:

- a) The maintenance of the Policy and Implementation guidelines; and

- b) Monitoring and evaluation of the implementation of the Programme.

12 NATIONAL HOUSING SUBSIDY DATABASE

All approved Housing Subsidy Scheme beneficiaries must be recorded on the National Housing Subsidy Database (NHSDB).

13 COMMUNICATION CAMPAIGN

NHFC must undertake FLISP awareness campaigns, to make the public aware of the programme. Lenders on the other hand must undertake consumer education and borrower education programmes to make the public aware of, *inter alia*, the need to save by qualifying income groups, how this subsidy will apply, the application procedures, the roles and responsibilities of borrowers, together with various insurance options available as it relates to the mortgage loan and the property.

14. IMPLEMENTATION DATE

- 1.1 The implementation date for the revised programme is 1 April 2012.

15 ANNEXURES

Annexure A – Subsidy quantum

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

Annexure A

Finance-linked Individual Subsidy Programme:

1 April 2012

Subsidy parameters		
Upper limit	R	87,000
Lower Limit	R	10,000
Subsidy increment	R	875

Step Number	Increment Band		Amount
	Lower	Higher	
1	R 3,501	R 3,600	R 87,000
2	R 3,601	R 3,700	R 86,325
3	R 3,701	R 3,800	R 85,650
4	R 3,801	R 3,900	R 84,975
5	R 3,901	R 4,000	R 84,300
6	R 4,001	R 4,100	R 83,625
7	R 4,101	R 4,200	R 82,950
8	R 4,201	R 4,300	R 82,275
9	R 4,301	R 4,400	R 81,600
10	R 4,401	R 4,500	R 80,925
11	R 4,501	R 4,600	R 80,250
12	R 4,601	R 4,700	R 79,575
13	R 4,701	R 4,800	R 78,900
14	R 4,801	R 4,900	R 78,225
15	R 4,901	R 5,000	R 77,550
16	R 5,001	R 5,100	R 76,875
17	R 5,101	R 5,200	R 76,200
18	R 5,201	R 5,300	R 75,525
19	R 5,301	R 5,400	R 74,850
20	R 5,401	R 5,500	R 74,175
21	R 5,501	R 5,600	R 73,500
22	R 5,601	R 5,700	R 72,825
23	R 5,701	R 5,800	R 72,150
24	R 5,801	R 5,900	R 71,475
25	R 5,901	R 6,000	R 70,800
26	R 6,001	R 6,100	R 70,125
27	R 6,101	R 6,200	R 69,450
28	R 6,201	R 6,300	R 68,775
29	R 6,301	R 6,400	R 68,100
30	R 6,401	R 6,500	R 67,425
31	R 6,501	R 6,600	R 66,750
32	R 6,601	R 6,700	R 66,075
33	R 6,701	R 6,800	R 65,400
34	R 6,801	R 6,900	R 64,725
35	R 6,901	R 7,000	R 64,050
36	R 7,001	R 7,100	R 63,375
37	R 7,101	R 7,200	R 62,700
38	R 7,201	R 7,300	R 62,025
39	R 7,301	R 7,400	R 61,350

40	R	7,401	R	7,500	R	60,675
41	R	7,501	R	7,600	R	60,000
42	R	7,601	R	7,700	R	59,325
43	R	7,701	R	7,800	R	58,650
44	R	7,801	R	7,900	R	57,975
45	R	7,901	R	8,000	R	57,300
46	R	8,001	R	8,100	R	56,625
47	R	8,101	R	8,200	R	55,950
48	R	8,201	R	8,300	R	55,275
49	R	8,301	R	8,400	R	54,600
50	R	8,401	R	8,500	R	53,925
51	R	8,501	R	8,600	R	53,250
52	R	8,601	R	8,700	R	52,575
53	R	8,701	R	8,800	R	51,900
54	R	8,801	R	8,900	R	51,225
55	R	8,901	R	9,000	R	50,550
56	R	9,001	R	9,100	R	49,875
57	R	9,101	R	9,200	R	49,200
58	R	9,201	R	9,300	R	48,525
59	R	9,301	R	9,400	R	47,850
60	R	9,401	R	9,500	R	47,175
61	R	9,501	R	9,600	R	46,500
62	R	9,601	R	9,700	R	45,825
63	R	9,701	R	9,800	R	45,150
64	R	9,801	R	9,900	R	44,475
65	R	9,901	R	10,000	R	43,800
66	R	10,001	R	10,100	R	43,125
67	R	10,101	R	10,200	R	42,450
68	R	10,201	R	10,300	R	41,775
69	R	10,301	R	10,400	R	41,100
70	R	10,401	R	10,500	R	40,425
71	R	10,501	R	10,600	R	39,750
72	R	10,601	R	10,700	R	39,075
73	R	10,701	R	10,800	R	38,400
74	R	10,801	R	10,900	R	37,725
75	R	10,901	R	11,000	R	37,050
76	R	11,001	R	11,100	R	36,375
77	R	11,101	R	11,200	R	35,700
78	R	11,201	R	11,300	R	35,025
79	R	11,301	R	11,400	R	34,350
80	R	11,401	R	11,500	R	33,675
81	R	11,501	R	11,600	R	33,000
82	R	11,601	R	11,700	R	32,325
83	R	11,701	R	11,800	R	31,650
84	R	11,801	R	11,900	R	30,975
85	R	11,901	R	12,000	R	30,300
86	R	12,001	R	12,100	R	29,625
87	R	12,101	R	12,200	R	28,950
88	R	12,201	R	12,300	R	28,275
89	R	12,301	R	12,400	R	27,600

90	R	12,401	R	12,500	R	26,925
91	R	12,501	R	12,600	R	26,250
92	R	12,601	R	12,700	R	25,575
93	R	12,701	R	12,800	R	24,900
94	R	12,801	R	12,900	R	24,225
95	R	12,901	R	13,000	R	23,550
96	R	13,001	R	13,100	R	22,875
97	R	13,101	R	13,200	R	22,200
98	R	13,201	R	13,300	R	21,525
99	R	13,301	R	13,400	R	20,850
100	R	13,401	R	13,500	R	20,175
101	R	13,501	R	13,600	R	19,500
102	R	13,601	R	13,700	R	18,825
103	R	13,701	R	13,800	R	18,150
104	R	13,801	R	13,900	R	17,475
105	R	13,901	R	14,000	R	16,800
106	R	14,001	R	14,100	R	16,125
107	R	14,101	R	14,200	R	15,450
108	R	14,201	R	14,300	R	14,775
109	R	14,301	R	14,400	R	14,100
110	R	14,401	R	14,500	R	13,425
111	R	14,501	R	14,600	R	12,750
112	R	14,601	R	14,700	R	12,075
113	R	14,701	R	14,800	R	11,400
114	R	14,801	R	14,900	R	10,725
115	R	14,901	R	15,000	R	10,050



Western Cape
Government

Human Settlements

BETTER TOGETHER

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*mm
R Williams*

Reference number: 15/P
Enquiries: Mr. B. Denton

15 October 2014

TO: ALL MUNICIPAL MANAGERS IN THE WESTERN CAPE

CIRCULAR NO: 8 OF 2014

ENHANCEMENTS TO THE FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

Please find attached a letter received from the National Department of Human Settlements indicating enhancements to the Finance Linked Individual Subsidy Programme (FLISP).

1) Overview of enhancements to FLISP

The National Department of Human Settlements has announced the following enhancements to FLISP, as indicated in the attached letter:

1. An increase in the minimum subsidy amount payable to R20, 000 for households in the upper-most income band.
2. The introduction of a R200, 00 income increment, resulting in the reduction in the number of subsidy categories. This is indicated in the Subsidy Quantum Table - Annexure A of the letter from DHS.
3. The removal of the prescribed maximum property price ceiling.
4. Housing typology: the FLISP may be used to acquire any formal residential property, including previously subsidised housing. The condition that households have successfully applied for and been granted a home loan to finance the acquisition of the property remains.

2) Commencement date

The Minister of Human Settlements in the Western Cape has determined that the commencement date for the above-mentioned enhancements will be retrospectively applied, as of 1 April 2014.

FILE NO:	5164/11
SCAN NO:	
COLLABORATOR NO:	678505

Any queries related to this circular should be referred to:

Mr. Brian Denton
Director: Human Settlement Project Administration
Email: brian.denton@westerncape.gov.za
Tel: 021 483 4012

Kind regards,



MR THANDO MGULI

HEAD OF DEPARTMENT: WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS

DATE: 21/10/2014



human settlements

Department:
Human Settlements
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Mr. T. Mguli
Head of the Department
Department of Human Settlements
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8000

ENHANCEMENTS TO THE FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

In line with the delegated authority vested in me, I have decided to adjust certain aspects of the subsidy quantum applicable to FLISP. These enhancements are as follows:

The minimum subsidy payable

In order to increase the scope of the Programme and increase take-up of FLISP subsidies, I have decided to increase the current minimum subsidy to R20 000,00. I have also decided to introduce a R200,00 income increment differential dispensation. The number of subsidy categories will therefore reduce from 115 to 58. The effect of these amendments is set out in the attached Subsidy Quantum Table (Annexure A).

The maximum property value

The validity of the current maximum property value to the amount of R300 000,00 has been questioned by various role players and it is alleged that it has a negative effect on delivery under the Programme. In view of the fact that the maximum loan value available to qualifying beneficiaries will be determined by the participating financial institutions based on the income and credit profile of each applicant, I have decided to remove the maximum prescribed property value

The housing typology

The Department has recently received various enquiries regarding the nature of properties that may be acquired under the FLISP. I wish to confirm that the subsidy available under the FLISP may be used to acquire any formal residential property

including previously housing subsidy financed properties on condition that the households have successfully applied for mortgage loans to finance the acquisition transaction.

The MEC has the authority to approve the implementation date of the amendments. Where practical and feasible the retrospective implementation of the amendments with effect from 1 April 2014 may be considered.

I trust that these adjustments to FLISP will have a positive effect on the participating number of individual households and thus address the need of households in the affordable market.



DIRECTOR-GENERAL

Date: 2014/03/18

Annexure A

Finance-linked Individual Subsidy Programme:
Implementation date: To be determined by MEC

Subsidy Quantum Table

Upper limit	R	87 000
Lower Limit	R	20 000
Subsidy increment	R	1 175

Step Number	Increment Band		Amount
	Lower	Higher	
1	R 3 501	R 3 700	R 87 000
2	R 3 701	R 3 900	R 85 825
3	R 3 901	R 4 100	R 84 650
4	R 4 101	R 4 300	R 83 475
5	R 4 301	R 4 500	R 82 300
6	R 4 501	R 4 700	R 81 125
7	R 4 701	R 4 900	R 79 950
8	R 4 901	R 5 100	R 78 775
9	R 5 101	R 5 300	R 77 600
10	R 5 301	R 5 500	R 76 425
11	R 5 501	R 5 700	R 75 250
12	R 5 701	R 5 900	R 74 075
13	R 5 901	R 6 100	R 72 900
14	R 6 101	R 6 300	R 71 725
15	R 6 301	R 6 500	R 70 550
16	R 6 501	R 6 700	R 69 375
17	R 6 701	R 6 900	R 68 200
18	R 6 901	R 7 100	R 67 025
19	R 7 101	R 7 300	R 65 850
20	R 7 301	R 7 500	R 64 675
21	R 7 501	R 7 700	R 63 500
22	R 7 701	R 7 900	R 62 325
23	R 7 901	R 8 100	R 61 150
24	R 8 101	R 8 300	R 59 975
25	R 8 301	R 8 500	R 58 800
26	R 8 501	R 8 700	R 57 625
27	R 8 701	R 8 900	R 56 450
28	R 8 901	R 9 100	R 55 275
29	R 9 101	R 9 300	R 54 100

30	R	9 301	R	9 500	R	52 925
31	R	9 501	R	9 700	R	51 750
32	R	9 701	R	9 900	R	50 575
33	R	9 901	R	10 100	R	49 400
34	R	10 101	R	10 300	R	48 225
35	R	10 301	R	10 500	R	47 050
36	R	10 501	R	10 700	R	45 875
37	R	10 701	R	10 900	R	44 700
38	R	10 901	R	11 100	R	43 525
39	R	11 101	R	11 300	R	42 350
40	R	11 301	R	11 500	R	41 175
41	R	11 501	R	11 700	R	40 000
42	R	11 701	R	11 900	R	38 825
43	R	11 901	R	12 100	R	37 650
44	R	12 101	R	12 300	R	36 475
45	R	12 301	R	12 500	R	35 300
46	R	12 501	R	12 700	R	34 125
47	R	12 701	R	12 900	R	32 950
48	R	12 901	R	13 100	R	31 775
49	R	13 101	R	13 300	R	30 600
50	R	13 301	R	13 500	R	29 425
51	R	13 501	R	13 700	R	28 250
52	R	13 701	R	13 900	R	27 075
53	R	13 901	R	14 100	R	25 900
54	R	14 101	R	14 300	R	24 725
55	R	14 301	R	14 500	R	23 550
56	R	14 501	R	14 700	R	22 375
57	R	14 701	R	14 900	R	21 200
58	R	14 901	R	15 000	R	20 000

From: Brian Denton <Brian.Denton@westerncape.gov.za>
 To: Roderick Williams <RWILLIAMS@overstrand.gov.za>
 Date: 2018/09/26 02:34 PM
 Subject: RE: FLISP: VARIOUS ASPECTS

Afternoon

Below see my comments.

1. Does the local authority apply for approval of subsidies to potential beneficiaries in terms of FLISP, in respect of household income category R3,501 - R7,000 to the Provincial Department of Human Settlements as per the normal BNG subsidy application process?

Yes

2. Does potential beneficiaries in the household income category R3,501 - R7,000 have to prove that they indeed do not qualify for a mortgage loan?

Yes proof need to accompany subsidy application.

3. What "charges" are included in subsidy provision for household income category R3,501- R7,000? for example, transfer cost, administrative fees, etc.

We will include R1000.00 iro transfer fees

4. Does the household income category R7,001-R15,000 apply for subsidy via their financial institution where their mortgage loan is approved, or via the local authority to the Provincial Department of Human Settlements.

Via the bank to Province or Directly to province if all paperwork is in place.

5. Is there any possibility that a applicant for housing whose household income exceeds R15,000 can purchase an affordable service site via the local authority?

Yes they may, but at Market value as prescribed in terms of the IRDP

6. Confirmation is also required that the priority rating criteria per Circular 10/2015 from the Provincial Department Human Settlement not be made applicable on FLISP. It is however recommended by the Municipal Administration that "registration date ordering" be used to prioritize potential beneficiaries.

It is not applicable when applying for FLISP when a loan involve. It would however be applicable to those receiving a free serviced site (R3 501-R7 000)

Regards

Brian Denton
 Director: Project and Subsidy Administration
 Provincial Government of the Western Cape
 Department of Human Settlements



D1/3
Mr Thando Mguli

HOD: Western Cape Department of Human Settlements
E-mail: thando.mguli@westerncape.gov.za
Tel.: 021 483 2955 Fax: 021 483 2589

20 May 2015

Reference number: 15/P
Enquiries: P Whelan

TO: ALL MUNICIPAL MANAGERS IN THE WESTERN CAPE

CIRCULAR NO: C10 OF 2015

**THE PRIORITISATION OF HOUSEHOLDS HEADED BY MIDDLE-AGED AND ELDERLY INDIVIDUALS
IN THE SELECTION OF BENEFICIARIES IN GREENFIELDS PROJECTS FOR OWNERSHIP-BASED
PRODUCTS**

1 Purpose of Circular

The attached guidelines provide municipalities with details about how to conduct "age-based prioritisation" in the selection of beneficiary households for ownership-based subsidy products in greenfields projects. "Age-based prioritisation" is an element of the "Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects" (the Framework Policy).

The guidelines also provide more detail on how registration date ordering – a key basis for selecting beneficiaries for housing projects provided for in the Framework Policy – should occur. Attention is drawn to provisions in the Framework Policy that municipalities should use to address claims made by elderly individuals that their registration dates have been altered to their disadvantage or that they were not properly registered by their municipalities in the past.

The purpose of this Circular is to alert municipalities to the guidelines and provide an overview of the guidelines.

2 Guidelines for greenfields projects

Municipalities should continue to apply beneficiary selection in greenfields housing projects according to their approved beneficiary selection policies – those policies which are consistent with the Framework Policy. However, certain modifications should be made to the approved policies to achieve consistency with the attached guidelines.

Circular C10 of 2015: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products

2.1 Registration date ordering and minimum registration period

Municipalities should note that registration date ordering remains a key basis for selecting beneficiaries for greenfields housing projects. Within any sub-category of household that may be used in selection in greenfields projects, households should be selected in registration date order, from the earliest date of registration to the most recent. In terms of the selection policies approved by many municipalities, the sub-categories include catchment areas and different kinds of quotas. Selection policies generally include, firstly, a quota to prioritise households in desperate need – i.e. a quota for **households affected by permanent disability**. Secondly, quotas to address systematic exclusion that might arise due to poor registration practices in the past – **households with aged people**, and households with **elderly farm residents** are often included.

The guidelines introduce a new element of registration date ordering: households selected for ownership-based opportunities should have been registered on the municipality's database for at least three years prior to selection. This measure is termed the "minimum registration period". The minimum registration period should be applied except where households are selected via a quota for elderly farm residents or for contribution-based subsidies e.g. the Finance Linked Individual Subsidy Programme (FLISP subsidy). The reasons for the exceptions are explained in the guidelines.

2.2 Age-based prioritisation

The attached guidelines indicate that when conducting age-based prioritisation municipalities should prioritise subsidies in greenfields projects for households with heads that are 40 years or older. Municipalities should select heads that are 40 years or older for housing subsidies, except in the cases where:

- a) A household is selected via the "quota for households affected by permanent disability", in which case age-based prioritisation must strictly not be applied
- b) A household is selected for an Institutional or FLISP subsidy
- c) The municipality's housing demand database no longer contains households with at least one non-dependent adult being 40 years or older within the prescribed catchment areas that meet the minimum registration period of three years.

In the case of c) the guidelines indicate that municipalities should select entries from successively younger cohorts registered on the database in five year increments. Households should be selected in registration date order, and the minimum registration period guideline should be applied. In other words, once the 35 to 39¹ year old cohort has been exhausted on the database for the relevant catchment areas, the municipality should select from the 30 to 34 year old cohort, and so on until all available opportunities have been filled.

¹ 35 ≤ cohort < 40

Circular C10 of 2015: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products ^{D3/3}

When submitting subsidy applications to the Department for approval, the municipality should indicate separately which households fall into categories a), b) and c) above.

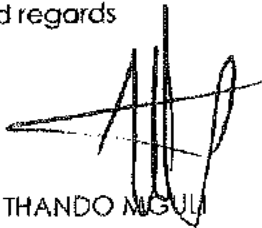
4. Date of implementation

The guidelines for age-based prioritisation should, as a general rule, apply in all greenfields projects in which the approval of subsidies has yet to commence.

The Department's Regional Directors will review approved projects on a case-by-case basis to determine whether the guidelines for age-based prioritisation should be applied.

The Department trusts that these points of clarity regarding age-based prioritisation in greenfields projects will facilitate service delivery.

Kind regards



MR THANDO MGULU

HEAD OF DEPARTMENT: WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS

DATE: 21 May 2015



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

Private Bag X644 Pretoria 0001 RSA Tel (012) 421 1311 Fax (012) 341 8512
Private Bag X9057 Cape Town 8000 RSA Tel (021) 466 7600 Fax (021) 465 3610
<http://www.housing.gov.za> Freud Line: 0800 701 701 Toll Free Line: 0800 1 48873 (0800 1 HOUSE)

Reference: 11/2/1/1

Mr T Mguli
Head of the Department
Department of Human Settlements
Private Bag X9083
CAPE TOWN
8000

Dear Mr. Mguli

AMENDMENTS: REVISED FINANCED LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

At its meeting held on 28 July 2018, Human Settlements: MINMEC considered the amendment of FLISP and approved amendments that cover a wide range of aspects that will be implemented with immediate effect. The approved amendments are as follows:

1. **The increase in the FLISP Subsidy Quantum and changes on the upper income range:** House prices and building cost have increased and households in "affordable housing market" can no longer afford houses previously available in the market. The upper income threshold for qualifying beneficiaries has been changed from R15 000 up to R22 000. The applicable subsidy quantum has been increased and the details thereof are depicted in Annexure A to this letter.
2. **National Implementing Agent:** It was approved that a National Implementing Agent be appointed to serve both the private sector and public sector markets.
3. **Funding arrangements:** To ensure the successful management and implementation of the FLISP in all Provinces, the HSDG allocation will be "top sliced" at National level and allocated to the National Implementing agent. This will include the allocation of the Operational funding to the Agent.
4. **Role of province:** The Provinces will be able to set aside funds for the implementation of FLISP and aligning FLISP in their own IRDP projects from their annual HSDG allocations. Provinces will administer FLISP applications in respect of IRDP projects where stands are sold to qualifying beneficiaries. Provinces will be allowed to construct houses for the FLISP subsidy beneficiaries. Provinces are expected to set aside funds for the implementation of FLISP in their own IRDP projects from the annual HSDG allocations. Provinces by agreement with the implementing agent will also administer their FLISP subsidy portfolio at their cost. In the event a Province selects to administer this FLISP portfolio in house, the Province will finance such portfolio from its provincial operational budget.
5. **Exemption of FLISP from Provisions of section 10A and 10B of the Housing Act:** It was also agreed that the sales restriction provisions under Section 10 of the Housing Act, 1997 (Act No. 107 of 1997) hampers the successful implementation of FLISP and should not be applied on all

properties acquired through a FLISP. However, it was confirmed that the provisions under section 10B(5) provides an alternative relief and must be applied retrospectively whilst the matter is addressed by means of an amendment to the Housing Act, 1997.

6. **Enhanced scope:** It was approved that the scope of the FLISP portfolio be expanded to include non-mortgage options such as housing loan facility, short term loans, savings linked schemes including the following:
- a. **Pension/Provident Fund Backed Loans:** Persons receiving such loans will now be allowed to participate to FLISP. These loans are personal loans issued against the security provided by the relevant Pension Funds. The loans are linked to the acquisition of residential properties and personal loans are issued by registered lenders. The collateral is linked and is based on the accumulated retirement contributions of the applicant.
 - b. **Deed of sale transactions:** In terms of the Alienation of Land Act, 1981 a person may enter into a written agreement to purchase a residential property in monthly instalments over an agreed period. Transfer of ownership of the property is not immediately registered in the Deeds Office and the seller remains the legal registered owner of the property. Transfer of ownership is only effected only after a prescribed percentage of the purchase price has been paid by the purchaser in line with the deed of sale agreement. Persons who bought a property on a Deed of Sale basis now qualify for participation to the FLISP. The application will only be considered when the applicant intends to take transfer of the property. The financing thereof may be by means of a mortgage or personal loan or the subsidy may be adequate to pay the balance of the purchase price.
7. **Alignment with the Government Employees Housing Subsidy scheme (GEHS):** It was also approved that public servants who receive housing assistance via the GEHS will in future qualify for participation to the FLISP programme. The GEHS will be administered by a National GEHS Administration Office and public servants must enrol with the Administrator under the GEHS to qualify for assistance.
8. In addition thereto the National Department was tasked to finalise the financial modelling for the other non-mortgage options (such as savings schemes) and resolve final administrative arrangements regarding the modalities, sequencing, budgetary and operational implications of top slicing, and programmatic interface between Province and the Implementing Agency.

My Department is currently preparing a notice to be placed in the Government Gazette and also updating the FLISP policy guidelines and these will be forwarded in due course.

As an interim measure to inform the public at large and other role players such lenders allocating mortgage loans, pension funds, etc. all provinces are advised to inform the key stakeholders about the revised FLISP provisions and the impending new administrative arrangements applicable thereto and undertake intensive communication campaigns where feasible.

It is trusted that these amendments will contribute positively towards housing delivery in your Province.

Yours sincerely,


SM TSHANGANA
DIRECTOR-GENERAL

DATE: 05/10/2018

Annexure A

Finance-linked Individual Subsidy Programme Subsidy Quantum Table Implementation date: 28 July 2018
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Upper limit	R 121 626.00
Lower Limit	R 27 960.00

Step Number	Increment Band		Quantum
	Lower	Higher	
1	R 3 501.00	R 3 700.00	R 121 626.00
2	R 3 701.00	R 3 900.00	R 120 585.00
3	R 3 901.00	R 4 100.00	R 119 545.00
4	R 4 101.00	R 4 300.00	R 118 504.00
5	R 4 301.00	R 4 500.00	R 117 463.00
6	R 4 501.00	R 4 700.00	R 116 422.00
7	R 4 701.00	R 4 900.00	R 115 382.00
8	R 4 901.00	R 5 100.00	R 114 341.00
9	R 5 101.00	R 5 300.00	R 113 300.00
10	R 5 301.00	R 5 500.00	R 112 259.00
11	R 5 501.00	R 5 700.00	R 111 219.00
12	R 5 701.00	R 5 900.00	R 110 178.00
13	R 5 901.00	R 6 100.00	R 109 137.00
14	R 6 101.00	R 6 300.00	R 108 097.00
15	R 6 301.00	R 6 500.00	R 107 056.00
16	R 6 501.00	R 6 700.00	R 106 015.00
17	R 6 701.00	R 6 900.00	R 104 974.00
18	R 6 901.00	R 7 100.00	R 103 934.00
19	R 7 101.00	R 7 300.00	R 102 893.00
20	R 7 301.00	R 7 500.00	R 101 852.00
21	R 7 501.00	R 7 700.00	R 100 811.00
22	R 7 701.00	R 7 900.00	R 99 771.00
23	R 7 901.00	R 8 100.00	R 98 730.00
24	R 8 101.00	R 8 300.00	R 97 689.00
25	R 8 301.00	R 8 500.00	R 96 648.00
26	R 8 501.00	R 8 700.00	R 95 608.00
27	R 8 701.00	R 8 900.00	R 94 567.00
28	R 8 901.00	R 9 100.00	R 93 526.00
29	R 9 101.00	R 9 300.00	R 92 486.00
30	R 9 301.00	R 9 500.00	R 91 445.00
31	R 9 501.00	R 9 700.00	R 90 404.00
32	R 9 701.00	R 9 900.00	R 89 363.00
33	R 9 901.00	R 10 100.00	R 88 323.00
34	R 10 101.00	R 10 300.00	R 87 282.00
35	R 10 301.00	R 10 500.00	R 86 241.00
36	R 10 501.00	R 10 700.00	R 85 200.00
37	R 10 701.00	R 10 900.00	R 84 160.00
38	R 10 901.00	R 11 100.00	R 83 119.00
39	R 11 101.00	R 11 300.00	R 82 078.00

40	R 11 301.00	R 11 500.00	R 81 038.00
41	R 11 501.00	R 11 700.00	R 79 997.00
42	R 11 701.00	R 11 900.00	R 78 956.00
43	R 11 901.00	R 12 100.00	R 77 915.00
44	R 12 101.00	R 12 300.00	R 76 875.00
45	R 12 301.00	R 12 500.00	R 75 834.00
46	R 12 501.00	R 12 700.00	R 74 793.00
47	R 12 701.00	R 12 900.00	R 73 752.00
48	R 12 901.00	R 13 100.00	R 72 712.00
49	R 13 101.00	R 13 300.00	R 71 671.00
50	R 13 301.00	R 13 500.00	R 70 630.00
51	R 13 501.00	R 13 700.00	R 69 590.00
52	R 13 701.00	R 13 900.00	R 68 549.00
53	R 13 901.00	R 14 100.00	R 67 508.00
54	R 14 101.00	R 14 300.00	R 66 467.00
55	R 14 301.00	R 14 500.00	R 65 427.00
56	R 14 501.00	R 14 700.00	R 64 386.00
57	R 14 701.00	R 14 900.00	R 63 345.00
58	R 14 901.00	R 15 000.00	R 62 304.00
59	R 15 001.00	R 15 200.00	R 61 264.00
60	R 15 201.00	R 15 400.00	R 60 223.00
61	R 15 401.00	R 15 600.00	R 59 182.00
62	R 15 601.00	R 15 800.00	R 58 141.00
63	R 15 801.00	R 16 000.00	R 57 101.00
64	R 16 001.00	R 16 200.00	R 56 060.00
65	R 16 201.00	R 16 400.00	R 55 019.00
66	R 16 401.00	R 16 600.00	R 53 979.00
67	R 16 601.00	R 16 800.00	R 52 938.00
68	R 16 801.00	R 17 000.00	R 51 897.00
69	R 17 001.00	R 17 200.00	R 50 856.00
70	R 17 201.00	R 17 400.00	R 49 816.00
71	R 17 401.00	R 17 600.00	R 48 774.90
72	R 17 601.00	R 18 000.00	R 47 734.00
73	R 18 001.00	R 18 200.00	R 46 693.00
74	R 18 201.00	R 18 400.00	R 45 653.00
75	R 18 401.00	R 18 600.00	R 44 612.00
76	R 18 601.00	R 19 000.00	R 43 571.00
77	R 19 001.00	R 19 200.00	R 42 531.00
78	R 19 201.00	R 19 400.00	R 41 490.00
79	R 19 401.00	R 19 600.00	R 40 449.00
80	R 19 601.00	R 19 800.00	R 39 408.00
81	R 19 801.00	R 20 000.00	R 38 367.60
82	R 20 001.00	R 20 200.00	R 37 327.00
83	R 20 201.00	R 20 400.00	R 36 286.00
84	R 20 401.00	R 20 600.00	R 35 245.00
85	R 20 601.00	R 20 800.00	R 34 205.00
86	R 20 801.00	R 21 000.00	R 33 164.00
87	R 21 001.00	R 21 200.00	R 32 123.00
88	R 21 201.00	R 21 400.00	R 31 082.00
89	R 21 401.00	R 21 600.00	R 30 042.00
90	R 21 601.00	R 21 800.00	R 29 001.00
91	R 21 801.00	R 22 000.00	R 27 960.00