

FLISP

Finance Linked Individual Subsidy Programme

Frequently asked questions

FLISP – FREQUENTLY ASKED QUESTIONS

Finance Linked Individual Subsidy Program (FLISP) was developed by Government to help affordable first time home- ownership opportunities to South African citizens and legal permanent residents who earn between R3501 and R15 000 per month. This is the “affordable / gap” market segment; whose income exceeds the maximum income for a “free house” housing subsidy scheme, but is not enough to qualify for home loan finance from the independent banks / lenders.

Question	Answer
What comes first – the home loan application or the FLISP application?	At the point of applying for the FLISP subsidy, you will be asked to produce “proof of approval in principle” from an accredited bank / lender. However, you can find out the amount of FLISP you qualify for before you start applying for a home loan, the information may help with your home loan negotiation with the bank / lender.
How does the subsidy quantum work?	Depending on your monthly income, the FLISP subsidy amount you qualify for may range from R20 000 up to R87 000 – see the FLISP subsidy quantum table for more information. As an example a person earning R15 000 gross per month, is likely to receive about R20 000 FLISP subsidy; and a person who earns R3501 gross per month, is likely to receive about R87 000 FLISP subsidy.

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Is it possible not to qualify for FLISP at all?	Yes. If you do not meet the specified FLISP qualifying criteria and requirements, you will not be considered for FLISP
Are banks aware of FLISP?	Most accredited South African banks / lenders know about FLISP, but it will help you even better to find out more about FLISP before you visit your bank / lender
What if I do not qualify for FLISP, what happens to the home loan?	Should you not qualify for a FLISP subsidy, you may continue the home buying process with the bank. The banks / lenders conduct their credit and affordability assessments on home loan applicants, based on the National Credit Act (NCA) criteria
What if I have been declined by the banks, will I still get the subsidy?	The FLISP subsidy is linked to you being financed by an accredited South African bank / lender, without an approved home loan or approval in principle you cannot receive a FLISP subsidy. However, make sure you understand the reason the bank declined your home loan application, so you can take proactive measures to rectify the situation, if it is within your means

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<p>What if the bank declines my home loan application, because of over commitment, not because of a bad credit record?</p>	<p>Over commitment is an affordability issue. Find out if the bank is willing to offer you any amount as a home loan, FLISP subsidy may augment the shortfall between the qualifying loan amount and the total property price. However, also consider adjusting your financial commitments to favourable NCA affordability assessment levels</p>
<p>If one's shortfall exceeds the FLISP subsidy allocation, what happens then?</p>	<p>In addition to the FLISP subsidy, you will have to cover the shortfall balance for the bank / lender to proceed with the home loan</p>
<p>Is there an expectation to repay the FLISP at some stage?</p>	<p>No, you will not be asked to repay the FLISP subsidy</p>
<p>Is it possible for one to buy an RDP house using a FLISP subsidy?</p>	<p>Yes, you can buy an RDP house using a FLISP subsidy. However, you should note that the owner of an RDP house cannot resell the property before an 8 year period has lapsed</p>
<p>Can I still apply for a FLISP subsidy even if I receive a housing allowance from my employer?</p>	<p>Yes, you can if you meet the FLISP qualifying criteria</p>
<p>Can I still apply for the subsidy if I already own a house?</p>	<p>No, it is a FLISP qualifying criteria that you must be a first time home owner to be considered for a FLISP subsidy</p>

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Can someone, now divorced, apply for FLISP if they have benefitted while they were married?	No, it is a FLISP qualifying criteria that you must never have benefitted from any Government Housing Subsidy Scheme before, to be considered for a FLISP subsidy
Can we as a couple access FLISP if one of us had received an RDP/subsidy/ house prior to marriage?	Couples married under civil or customary law will be assessed as a unit and therefore would not qualify. It is a FLISP qualifying criteria and requirement that you must never have benefitted from any Government Housing Subsidy Scheme before, to be considered for a FLISP subsidy
What if I have my own land, can I access FLISP?	The FLISP subsidy may be used to build your own residential property on a self-owned serviced residential stand, through an NHBRC registered home builder
Property bought together with a family member, would one qualify?	Yes, you can buy a property jointly with a family member, that is if all the required criteria are met, amongst them, that you are both first time buyers, your joint income does not exceed R15 000, that you both have never benefitted from any Government Housing Subsidy Scheme before. If you have a bank approved joint home loan, your FLISP application will be considered on its merits.
Where does one find out about available FLISP projects in their area?	Visit or call any Human Settlement office closest to you, or the National Housing Finance Corporation will provide you with information about the FLISP projects in all the provinces. Call 0860 011 011, email address – flisp@nhfc.co.za or website www.nhfc.co.za



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<p>For how long will FLISP be availed to the public?</p>	<p>FLISP is a housing program present Government based on its National Housing Code. The time span is not specified and therefore wholly dependent of Government Budget and Policy</p>
<p>What if I do not like the houses in a FLISP accredited development? Can I still receive a FLISP subsidy for a house in a location of my choice?</p>	<p>You have two options for acquiring a residential property with the FLISP subsidy; you could choose a house from the various FLISP accredited Development Projects or from the Open Market – meaning you can choose a new or old house that meets the FLISP criteria in any area of your choice</p>
<p>Till what age can I apply for a subsidy?</p>	<p>The minimum age is 18 years and does not have a maximum “cut off” age. If you can get a home loan approved from a bank then you will qualify for the subsidy</p>
<p>Do I qualify for a subsidy if I was married and bought a property with my then husband? I am now divorced?</p>	<p>That depends on how you were married (i.e. COP/ANC etc.) and in whose name was the property registered. If you were married COP, then the property would automatically registered in both you and your husband’s name and therefore you will not qualify (not a first time home buyer)</p>
<p>Can I qualify for the subsidy if I have cash to pay 80% of the required amount? I do not want to get a mortgage loan</p>	<p>No, FLISP is designed to only assist people who have obtained a mortgage loan</p>



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<p>What happens with my FLISP subsidised house when I pass on (die)?</p>	<p>Most financial institutions require that an approved home loan applicant to take up a Credit Protection Insurance (CPI) to the value of the home loan. This insurance covers you in the event of death, disability and/or retrenchment. CPI will pay off the balance of the home loan should you die; and if you do not have that insurance or any other means for the repayment of the loan balance when you die, the bank will sell the house to recover its loan balance. FLISP is not a repayable subsidy; we will not try to recover the subsidy monies after your passing</p>
<p>What happens with my FLISP subsidised house if I lose my job?</p>	<p>Most financial institutions require that an approved home loan applicant take up a Credit Protection Insurance (CPI) to the value of the home loan. This insurance covers you in the event of death, disability and/or retrenchment. CPI will pay your home loan monthly repayment instalments for a certain number of months, depending on the terms and condition of your insurance. FLISP is not a repayable subsidy; we will not try to recover the subsidy monies when you lose your job</p>
<p>Will I still qualify if I cancel my “rent to buy” lease and apply for a bond?</p>	<p>Yes, provided that you meet FLISP qualifying criteria.</p>