

FLISP

Information guide

FLISP

Important Documents

The following **CERTIFIED COPIES** are required as supporting documents when applying for FLISP

- RSA bar coded Identity Document (ID)
- Bar coded permanent residence permit (where applicable)
- Birth certificates / RSA ID's of all financial dependents (where applicable)
- Proof of foster children guardianship (where applicable)
- Marriage certificate, civil union certificate or cohabiting affidavit proof of partnership (where applicable)
- Divorce settlement (where applicable)
- Spouse's death certificate (where applicable)
- Proof of monthly income
- Agreement of sale for the residential property
- Home loan approval in principle
- Building contract and approved building plan (where applicable)

Accessing FLISP & Application process

- **Example 1: FLISP REDUCES** the initial mortgage loan making monthly loan repayment installments affordable (payment made to home loan account)

Property price	R300 000
bank home loan approval	R300 000
less FLISP as a deposit	<u>R50 000</u>
Eventual home loan amount	R250 000

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

Property price	R300 000
bank home loan approval	R250 000
FLISP AS Home loan top up	<u>R50 000</u>
Eventual home loan amount	R250 000

Option 1 = Accredited Project Developments	Option 2 = Open Market Access
FLISP roll – out is linked to FLISP accredited development projects in the Province. Individuals identify properties in any of the accredited projects on the list	Individuals may identify a property in the open market (new and existing properties) which is any selling price or may have acquired vacant serviced stand without the government assistance and wish to obtain mortgage finance to construct the house
Beneficiary signs an offer to purchase for a house from an accredited developer and also complete a FLISP application form obtainable from the developer	Beneficiary signs an offer to purchase with the seller directly or through an estate agent
FDC assist the beneficiary to apply for a home loan from the Lender	

FLISP

FLISP summarized

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

Qualifying criteria for FLISP

- RSA citizen or permanent residents
- Over 18 years and competent to legally contract
- First time housing subsidy scheme beneficiary
- Have an approval in principle for a home loan
- Monthly income from R3501 – R15 000

The once off FLISP subsidy amount ranges between R20 000 and R87 000, depending on monthly income. FLISP may be used for the following:-

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

The maximum price of a property that can be financed through FLISP is any unit selling price

SUBMISSION OF A HOME LOAN APPLICATION

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

- The beneficiary or estate agent completes the FLISP application and submit the application and supporting documentation to FDC
- Upon the Lender granting of the home loan approval, FDC submits the beneficiary's completed FLISP application together with supporting documentation to Human Settlements

APPROVAL / DECLINE OF A HOME LOAN AND FLISP APPLICATION

Should the applicant's home loan application be declined, the FLISP application will not be considered

Should the applicants home loan be approved, Human Settlements will process the FLISP application. If the outcome of the FLISP application is positive, the subsidy will be granted and if negative, the application will be declined. The applicant may continue with the transaction without FLISP, if he/she qualifies for a home loan

PAYMENT OF A SUBSIDY

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

FLISP

WHO CAN APPLY?

FLISP applicants must meet the following qualifying criteria:-

- South African citizen with a valid ID, or permanent residents with a valid permit;
- Over 18 years and competent to legally contract;
- Never have benefitted from a Government Housing Subsidy Scheme before;
- Have an Approval in Principle of home loan from an accredited South African Financial Institution;
- First time home buyer, earning from R3501 – R15 000 per month gross salary (household) {self employed people / general, factory, retailer and furniture business workers earning R3501 up to R15 000}

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