



Van Deventer & Van Deventer

— Incorporated —

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FLISP (FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME)



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



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WHAT IS FLISP?

The Finance Linked Individual Subsidy Programme (FLISP) was developed by the Department of Human Settlements to enable sustainable and affordable first time homeownership opportunities to South African citizens and legal permanent residents earning between R3 501 and R22 000 per month, (the 'affordable' or 'gap' market).

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

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



WHAT TO DO WITH FLISP?

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

- Buy an existing, new or old, residential property.
- Buy a vacant serviced residential stand, linked to an NHBRC registered homebuilder contract.
- Build a residential property on a self-owned serviced residential stand, or tribal stand (PTO) through an NHBRC registered homebuilder.
- The once-off FLISP subsidy amount ranges between R27 960 and R121 626, depending on the applicant's monthly income.

WHO CAN APPLY?

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

- South African citizen with a valid ID; or permanent residents with a valid permit.
- Over 18 years and competent to legally contract.
- Have never benefited from a Government Housing Subsidy Scheme before.
- Have an Approval in principle of home loan from an accredited South African financial institution.
- First time home buyer, earning from R3 501 to R22 000 per month.



REQUIREMENTS

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

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

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



ACCESSING FLISP & APPLICATION PROCESS

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

Buy an existing, new or old, residential property.

Buy a vacant serviced residential stand, linked to an NHBRC registered homebuilder contract.

Build a residential property on a self-owned serviced residential stand, or tribal stand (PTO) through an NHBRC registered homebuilder.

The once-off FLISP subsidy amount ranges between R27 960 and R121 626, depending on the applicant's monthly income.

Example 1 FLISP REDUCES		Example 2 FLISP AUGMENTS	
Property Price	R300 000	Property Price	R300 000
Bank HL Approval	R300 000	Bank HL Approval	R300 000
Less FLISP as a deposit	R 93 526	FLISP as HL top up	R 93 526
EVENTUAL HOME LOAN AMOUNT	R206 474	EVENTUAL HOME LOAN AMOUNT	R206 474

First time Homeowner Households earning R3 501 to R22 000 per month have two options on how to use FLISP when buying or building residential property:

Option 1: Development Housing Projects

- Applicant identifies property from FLISP Developments
- Applicant signs an offer to purchase a property with a Developer
- Developer assists applicant to apply for a home loan with a Lender.
- Applicant completes FLISPS Forms with a Developer.

Option 2: Open market

- Applicant identifies a new or old property in the Open Market, or for construction on an acquired vacant serviced stand.
- Applicant signs a property offer to purchase with the Seller or through an Estate Agent.
- Applicant applies for a home loan with a Lender.



FLISP SUMMARISED

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

- RSA citizen or Permanent Resident.
- Over 18 years and competent to legally contract.
- First time Housing Subsidy Scheme beneficiary.
- Have an Approval in Principle for a Home Loan.
- Monthly Income from R3 501 to R22 000.
- The once-off FLISP subsidy amount ranges between R27 960 and R121 626 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.
- Build on a tribal land available through permission to Occupy.

FLISP
FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME

The price of a property that can be financed through FLISP is determined by the joint household income of not more than R22 000.

SUBMISSION OF A HOME LOAN APPLICATION

Upon the lender granting of the homeloan, the developer, banks, estate agents, bond originator, general public submits the beneficiary's completed FLISP application together with supporting documentation to the NHFC

FLISP APPLICATION PROCESS

The Lender/Banks assess home loan applications according to their own credit and affordability assessment standards and the National Credit Regulation's lending criteria.

Option 1: Development Housing Projects

Once Lender grants home loan approval or 'approval in principle', Developer submits the applicant's completed FLISP Application Forms to the NHFC

Option 2: Open Market

Once Lender grants home loan approval or 'approval in principle', applicant or Estate Agent completes the FLISP Application Forms obtainable from NHFC website, Human Settlement Provincial & Regional Offices and some Estate Agents.

APPLICATION/DECLINE OF A HOME LOAN AND FLISP APPLICATION

Should the home loan application be declined, the FLISP application will not be considered any further. Should the home loan application be approved, the FLISP application will be processed. If FLISP Application outcome is negative, the application will be declined; however the application may continue with the home loan transaction without FLISP, in accordance to the Lender/Bank's terms and conditions. If FLISP application outcome is positive, the subsidy will be granted.

SUBMISSION AND PROCESSING OF FLISP APPLICATION

FLISP application should be emailed to flisp@nhfc.co.za. NHFC receives emailed FLISP Application Forms and the Application Supporting Documents from the FLISP Trained Developers, Financial Institutions, Estate Agents, Human Settlement Provincial & Regional Offices or directly from the applicant. NHFC assess and process FLISP applications; and communicates the outcomes to the applicant.

PAYMENT OF A SUBSIDY

In the instance where the FLISP subsidy augments a shortfall between the qualifying home loan amount and house purchase price; the subsidy disbursement/payment will be made by the NHFC into the transferring Attorney's trust account on notice of readiness to lodge the transfer documents. In the instance where the FLISP subsidy reduces the principal home loan amount, rendering loan repayment installments affordable, the subsidy disbursement/payment will be made by the NHFC directly into the beneficiary's home loan account.

FLISP SUBSIDY BANDS

How much FLISP do I qualify for? Depending on the applicant's monthly income, the FLISP amount they qualify for may range from R27 960 to R121 626; the following tables indicate the FLISP low and high bands:

Step Number	Increment Band		
	Lower	Higher	Quantum
1	R3 501.00	3 700.00	121 626.00
2	R3 701.00	3 900.00	120 585.00
3	R3 901.00	4 100.00	119 545.00
4	R4 101.00	4 300.00	118 504.00
5	R4 301.00	4 500.00	117 463.00
6	R4 501.00	4 700.00	116 422.00
7	R4 701.00	4 900.00	115 382.00
8	R4 901.00	5 100.00	114 341.00
9	R5 101.00	5 300.00	113 300.00
10	R5 301.00	5 500.00	112 259.00
11	R5 501.00	5 700.00	111 219.00
12	R5 701.00	5 900.00	110 178.00
13	R5 901.00	6 100.00	109 137.00
14	R6 101.00	6 300.00	108 097.00
15	R6 301.00	6 500.00	107 056.00
16	R6 501.00	6 700.00	106 015.00
17	R6 701.00	6 900.00	104 974.00
18	R6 901.00	7 100.00	103 934.00
19	R7 301.00	7 500.00	102 893.00
20	R7 301.00	7 500.00	101 852.00
21	R7 501.00	7 700.00	100 811.00
22	R7 701.00	7 900.00	99 771.00
23	R7 901.00	8 100.00	98 730.00
24	R8 101.00	8 300.00	97 689.00

Step Number	Increment Band		
	Lower	Higher	Quantum
25	R8 301.00	8 500.00	96 648.00
26	R8 501.00	8 700.00	95 608.00
27	R8 701.00	8 900.00	94 567.00
28	R8 901.00	9 100.00	93 526.00
29	R9 101.00	9 300.00	92 486.00
30	R9 301.00	9 500.00	91 455.00
31	R9 501.00	9 700.00	90 404.00
32	R9 701.00	9 900.00	89 363.00
33	R9 901.00	10 100.00	88 323.00
34	R10 101.00	10 300.00	87 282.00
35	R10 301.00	10 500.00	86 241.00
36	R10 501.00	10 700.00	85 200.00
37	R10 701.00	10 900.00	84 160.00
38	R10 901.00	11 100.00	83 119.00
39	R11 101.00	11 300.00	82 078.00
40	R11 301.00	11 500.00	81 038.00
41	R11 501.00	11 700.00	79 997.00
42	R11 701.00	11 900.00	78 956.00
43	R11 901.00	12 100.00	77 915.00
44	R12 101.00	12 300.00	76 875.00
45	R12 301.00	12 500.00	75 834.00
46	R12 501.00	12 700.00	74 793.00
47	R12 701.00	12 900.00	73 752.00
48	R12 901.00	13 100.00	72 712.00
49	R13 101.00	13 300.00	71 671.00
50	R13 301.00	13 500.00	70 630.00
51	R13 501.00	13 700.00	69 590.00
52	R13 701.00	13 900.00	68 549.00
53	R13 901.00	14 100.00	67 508.00
54	R14 101.00	14 300.00	66 467.00
55	R14 301.00	14 500.00	65 427.00
56	R14 501.00	14 700.00	64 386.00
57	R14 701.00	14 900.00	63 345.00
58	R14 901.00	15 000.00	62 304.00

Step Number	Increment Band		
	Lower	Higher	Quantum
59	R15 001.00	15 200.00	61 264.00
60	R15 201.00	15 400.00	60 223.00
61	R15 401.00	15 600.00	59 182.00
62	R15 601.00	15 800.00	58 141.00
63	R15 801.00	16 000.00	57 101.00
64	R16 001.00	16 200.00	56 060.00
65	R16 201.00	16 400.00	55 019.00
66	R16 401.00	16 600.00	53 979.00
67	R16 601.00	16 800.00	52 938.00
68	R16 801.00	17 000.00	51 897.00
69	R17 001.00	17 200.00	50 856.00
70	R17 201.00	17 400.00	49 816.00
71	R17 401.00	17 600.00	48 774.00
72	R17 601.00	17 800.00	47 734.00
73	R18 001.00	18 200.00	46 693.00
74	R18 201.00	18 400.00	45 653.00
75	R18 401.00	18 600.00	44 612.00
76	R18 601.00	19 000.00	43 571.00
77	R18 801.00	19 200.00	42 531.00
78	R19 201.00	19 400.00	41 490.00
79	R19 401.00	19 600.00	40 449.00
80	R19 601.00	19 800.00	39 408.00
81	R19 801.00	20 000.00	38 367.00
82	R20 001.00	20 200.00	37 327.00
83	R20 201.00	20 400.00	36 286.00
84	R20 401.00	20 600.00	35 245.00
85	R20 601.00	20 800.00	34 205.00
86	R20 801.00	21 000.00	33 164.00
87	R21 001.00	21 200.00	32 123.00
88	R21 201.00	21 400.00	31 082.00
89	R21 401.00	21 600.00	30 042.00
90	R21 601.00	21 800.00	29 001.00
91	R21 801.00	22 000.00	29 960.00



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