
PART 3: NATIONAL HOUSING PROGRAMMES:

CHAPTER 7: HOUSING SUBSIDY SCHEME : RELOCATION ASSISTANCE

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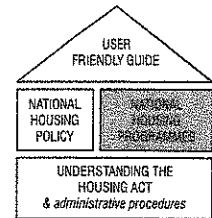
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CHAPTER 7: Housing Subsidy Scheme/Relocation Assistance



This chapter confirms the salient features of the Record of Understanding between the Government of South Africa (Government) and certain mortgage lenders and the subsequent "New Deal" concluded between Government and the Banking Council of South Africa. It deals with the role of lenders and Servcon Housing Solutions (Pty) Ltd in dealing with properties in possession and non-performing loans and it explains the detailed procedures for defaulters to receive subsidy assistance for right sizing purposes,

7.1 Overview

In the past, in certain situations, mortgage lenders have found it difficult to apply the normal process of law in cases where borrowers have defaulted. By virtue of the abnormal conditions that have, until recently, prevailed in South Africa, it has in practice proved to be impossible in some instances to evict defaulting borrowers (against whom judgment has been obtained and whose properties have been sold in execution). In some instances, lenders have not proceeded with legal action, even though borrowers are significantly in default in their repayment obligations.

As a result of this crisis in lending, the Government of the Republic of South Africa reached a record of understanding (ROU) with lenders and the South African Housing Trust, in which the government and lenders have agreed on a basis upon which the situation is to be normalised.

The lenders are listed in Annexure A of this Chapter 7 of Part 3 of the Code. The Record of Understanding is described in detail in Section 7.2.1 of this Chapter of the Code.

The Record of Understanding has been amended effective 1 April 1998 as evidenced in a document entitled "Heads of Agreement on a revised record of understanding" (this agreement is referred to herein as "the revised record of understanding"). The revised Record of Understanding (New Deal) has been concluded with the Banking Council of South Africa and accordingly only pertains to the members of the Banking Council as listed in Annexure B to this Chapter 7 of Part 3 of the Code. The details of the revised Record of Understanding are described in section 7.2.2 of this Part of the Code.

The ROU as originally agreed upon, has not been terminated in respect of those lenders which are not members of the Banking Council of South Africa, (Annexure C of this Chapter 7 of Part 3 of the Code). The original arrangements of the ROU accordingly still apply to those lenders and their borrowers.

The ROU and revised ROU apply to all and any of the borrowers of the Banking Council lenders (Annexure B of this Chapter).

Relocation assistance is one of the policy measures adopted by the ROU and confirmed in the New Deal. It is offered to borrowers who, concluded right sizing agreements with participating financial institutions to enable such borrowers to relocate to more affordable housing.

Servcon Housing Solutions (Pty) Ltd (Servcon) is a company established as part of the initiative to normalise the housing environment, to assist the financial institutions in dealing with properties in possession and non-performing loans in terms of the provisions of the New Deal.

This chapter considers:

- The salient features of the ROU,
- The salient features of the ROU as revised,
- Right-sizing
- Relocation Assistance,
- **Procedures Relating to Lenders:** this relates to the rules for lenders in defining the loan to be paid, and the process for undertaking right sizing arrangements.
- **Eligibility & Other Conditions:** this sets out eligibility criteria, as well as special arrangements for occupants who were not the original owners or borrowers, borrowers who have vacated their properties, and aged and disabled persons.
- **Application:** this relates to preparing an application for relocation assistance in cases both where a mortgage bond is granted and where it is not.
- **After Approval:** this relates to relocation assistance payout procedures.

The rules set out in this chapter of Part 3 apply to the above steps. For more information on the policy content behind the relocation grant mechanism, see Section 3.3 in Part 1 of the Code.

The chapter ends with a summary of key points to remember.

The General Rules for eligibility, as well as for the variations in terms of geotechnical conditions or for households with a disabled member, all apply. For more detail on these, see Chapter 2 of this Part of the Code, sections 2.2 – 2.6. Some exceptions to the General Rules also apply. These are set out in section 7.3, below.

7.2 The Rules of the Record of Understanding and the Revised record of Understanding

7.2.1 Summary of salient features of the Record of Understanding

- a. It applies to all and any borrowers who:-
- (i) have borrowed money from any lender;
 - (ii) are as at the 31st May 1995, in default by more than 3 (three) instalment payments;
 - (iii) earn, as at 31st may 1995, a household income (determined in accordance with Chapter 2 of this Part of the Code) of no more than R3 500.00,

Any borrower to whom the Record of Understanding and the revised Record of Understanding apply is referred to as "a/the borrower".

- b. In respect of borrowers who have defaulted, lenders may or may not have taken legal action. In some instances where the legal process has been pursued to its conclusion, the lender in question has, by virtue of the fact that it has purchased the property in question at a sale in execution, become the owner of that property (such property is referred to herein as "*property in possession*"). In instances where legal proceedings have not yet been pursued to their conclusion, the borrower remains the registered owner of his or her property. Any loans which fall into this category are referred to herein as "*non performing loans*".
- c. Every lender will, in respect of every borrowers (whether that borrower occupies a property in possession or whether that borrower's loan is a non performing loan) determine on the basis of its normal lending criteria, whether the borrower is able to afford a monthly payment equal to the instalment that would have been due on the original amount advanced by the lender to the borrower ("*the original loan*"), if current reigning interest rates are applied;
- d. If, in the lender's opinion, the borrower is in fact able to afford to make such an instalment payment, the lender will re-value the property occupied by the borrower in order to determine its present depreciated replacement cost. A rearrangement will then be negotiated with the lender ("*the outstanding loan balance*", which is the original loan, plus all interest thereon, less any payments actually made by the borrower) will be adjusted to the lesser of:-
- the present depreciated replacement cost of the property occupied by the borrower; or
 - the outstanding loan balance;

provided that this adjusted balance shall never be less than the original loan. The balance of the amount owing by the borrower to the lender, as adjusted in terms of this clause, is referred to as "*the adjusted loan balance*";

- e. Any difference between the outstanding loan balance and the adjusted loan balance is referred to herein as the "*residual amount*". The lender shall hold the residual amount in suspense, and no interest shall accrue on it;
- f. If the property occupied by the borrower is a property on possession, the lender will then sell the property to the borrower at a price equal to the adjusted loan balance. If the borrower's loan is a non-performing loan, the lender will enter into a rescheduling agreement with the borrower in terms whereof the borrower will pay the adjusted loan balance to the lender over an agreed number of years. Such a sale or a re-scheduling agreement is referred to herein as "*the arrangement*" between the lender and the borrower;
- g. The adjusted loan balance will accrue interest from time to time (whether the property occupied by the borrower is a property in possession or whether the borrower's loan is a non-performing loan). If:-
- (i) the adjusted loan balance is equal to the original loan, this interest will be equal to the reigning market related interest rate applicable to the type of loan in question;
 - (ii) the adjusted loan balance exceeds the original loan, the borrower will be required, for the first twelve months of the arrangement between him or her and the lender, to pay an instalment payment equal to the instalment payment that would have been payable (at current reigning market related interest rates) on the original loan. In order to achieve such an instalment, the lender will reduce the interest rate. The borrower's instalment payment (and accordingly also the interest payable by him or her) will thereafter be increased over a five year period so that, with effect from the beginning of the sixth year after the implementation of the arrangement between the lender and the borrower, the borrower will be required to pay an instalment, towards the redemption of the outstanding loan balance, based on the then current market related interest rate, applicable to the type of loan in question;
- h. If:-
- the provisions of g(i) above apply to any borrower who has purchased a property in possession, the property will be transferred to the borrower if he or she pays his or her instalment payments in terms of the arrangement with the lender punctually for a period of twelve months;
 - the provisions of g(ii) above apply to any borrower who has purchased a property in possession, the property will be transferred to the borrower if he or she complies with his or her payment obligations for a period of six years after the implementation of the arrangement with the lender;
- i. If the borrower punctually complies with all his or her payment obligations to the lender in terms of the arrangement between them, the lender shall, once the full

adjusted loan balance together with all interest thereon has been paid, no longer have any claim against the borrower in respect of the residual amount (whether the property is a property in possession or whether the borrower's loan is a non-performing loan);

j. If, at any stage after an arrangement has been implemented with the borrower, he or she defaults in his or her payment obligations to the lender then, subject to m below:-

- (i) the lender shall be entitled to call on the borrower by means of a written notice, to pay the amount in question within 30 (thirty) days;
- (ii) if, on expiry of this 30 (thirty) day period, the borrower remains in default he or she shall forfeit any benefits to which he or she is entitled; and
- (iii) the lender shall be entitled, in the case of a property in possession, to evict the borrower and, ultimately, to evict the borrower from the property occupied him or her. In any such case, the lender shall be entitled to recover the full outstanding loan balance from the borrower (including the residual amount);

k. If, at any stage during the first five years after an arrangement has been implemented, the borrower sells the property in question, the lender shall be entitled to recover the full outstanding loan balance (including the residual amount) from the borrower. If the borrower sells the property in question after the expiry of a period of five years after the implementation of an arrangement between him or her and the lender, the lender shall be entitled only to recover the balance owing of the adjusted loan balance (together with interest thereon) from the borrower;

l. The provisions of the record of understanding, may, if any particular lender so elects, be administered, on behalf of that lender by a company known as Servcon Housing Solutions (Pty) Ltd ("Servcon").

m. If:-

- (i) any lender determines, on the basis of its normal lending criteria, that any particular borrower is not able to afford a monthly payment equal to the instalment that would have been due on the original loan advanced to that borrower; or
- (ii) a borrower concludes an arrangement with a lender, but thereafter defaults in his or her payment obligations and he or she is able to persuade the lender (represented, if applicable, by Servcon) that he or she defaulted by virtue of economic hardships;

The borrower will be afforded an opportunity to conclude a right sizing agreement and to receive relocation assistance to acquire affordable accommodation as contemplated in section 7.3.

7.2.2 Summary of the salient features of the Revised record of Understanding

The revised record of Understanding alters the terms of the record of Understanding in the following respect:

a. The revised record of Understanding applies to all and any of the borrowers of the lenders in Annexure B, to whom the record of Understanding applied except borrowers who have already re-purchased their properties or are already subject to reschedule arrangements in terms of the record of Understanding and who were performing with regard to those obligations on 31 August 1997; and to all borrowers who:

- (i) have borrowed money from any lender listed in Annexure B;
- (ii) are, as of 31 August 1997, in default by more than 3 (three) instalment payments; and
- (iii) earn, as of 31 August 1997, a household income (determined in accordance with Chapter 2 of this Part of the Code, of no more than R3 500.00.

b. Every borrower to whom the revised Record of Understanding applies, if they are to remain in possession or occupation of the relevant properties, must sign a lease agreement in the case of properties in possession or an occupation agreement in the case of non-performing moans.

c. The rent due under the lease agreement or occupation agreement will be originally equal to 9.5 percent per annum calculated on the original loan agreement.

d. The rent due will increase at six monthly intervals until the rent payment is equal to normal mortgage instalment on the original loan amounts as follows:

1 st	6 months	9.5%
2 nd	6 months	11%
3 rd	6 months	12.5%
4 th	6 months	14%
5 th	6 months	15.5%
6 th	6 months	17%
7 th	6 months	18%

In respect of properties in possession, the cost of rates and taxes are added to the rent payment.

e. After the expiry of 3 years or at any time before then, if it is determined that the borrower is able to afford a monthly payment equal to a normal mortgage instalment that would have been due on the original loan amount, the steps under the Record of Understanding (explained beginning at section 7.2,1 (c) through section 7.2.1 (m) will then apply.

f. Any borrower who cannot afford the rent payment as contemplated in section 7.2.2 (c) and 7.2.2 (d) will be afforded the opportunity to conclude a right sizing

agreement and to receive relocation assistance to acquire suitable accommodation as contemplated in section 7.3 below.

- g. Thubelisha Homes has been established as special purpose housing company to develop right sized housing.

7.2.3 Application of Record of Understanding and revised Record of Understanding

It is stressed that the Record of Understanding and the revised Record of Understanding apply only to private sector mortgage lenders (who have agreed to the Record of Understanding and the revised record of Understanding). Various public sector institutions (particularly municipalities) have in the past sold residential properties on credit to members of the public. Those public sector institutions face the same problems as private sector mortgage lenders. The aim of the Record of Understanding and the revised Record of Understanding is, however, to normalise lending by the private sector and accordingly:-

- a. they do not apply to public sector institutions (including municipalities);
- b. this Chapter 7 of Part 3 of the Code, applies only to private sector lenders (who have agreed to the record of Understanding and the revised Record of Understanding) and not to public sector institutions (including municipalities).

7.3 Right Sizing

7.3.1 Borrowers of lenders who have not concluded the revised Record of Understanding

All borrowers of lenders in Annexure C and contemplated in section 7.2.1 (m) above, under the Record of Understanding, are afforded an opportunity to enter into an agreement with the lender in question, in terms whereof:-

- a. If the property is a property in possession, the lender will let the property to the borrower for a period of nine months, at a rental agreed upon between the lender and the borrower,
- b. If the borrower is still the owner of his or her property, the lender will agree with the borrower not to proceed with legal action for a period of nine months, and the borrower will agree to pay a monthly consideration (equal to a reasonable rental) to the lender. The borrower will in addition authorise the lender to sell his or her property at such a price as the lender may, in its discretion, determine;

7.3.2 Borrowers of lenders who have concluded the revised Record of Understanding

Any borrower of a lender in Annexure B contemplated in sections 7.2.1 (m) or 7.2.2 (f) above, under the revised record of Understanding will be afforded an opportunity to enter into an agreement with the lender in question, in terms whereof:-

- a. If a property is a property in possession, the lender will let the property to the borrower on a month to month basis, at a rental agreed upon between the lender and the borrower;
- b. If the property is the subject of a non performing loan, the lender will enter into an occupation agreement with the borrower on a month to month basis, at an occupation rental agreed upon between the lender and the borrower. The borrower, in addition, will authorise the lender to sell his or her property at such a price as the lender may in his or her discretion determine.

7.3.3 Rightsizing Agreement

The parties described in sections 7.3.1 and 7.3.2 agree to implement the further agreements set out in this section 7.3. Any such agreement between the parties is referred to herein as a "*Right Sizing agreement*". Any lender as contemplated in Annexure C may appoint Servcon to conclude and administer right sizing agreements on its behalf. Accordingly and where appropriate a reference to a lender in the remainder of Chapter 7 of Part 3 of the Code, shall include a reference to Servcon. As far as lenders falling under the auspices of the revised record of Understanding are concerned (Annexure B), Servcon has been mandated to administer their entire portfolio of properties in possession and non performing loans.

7.3.4 Mortgage loan for rightsized borrower

Once the borrower and the lender have concluded a right sizing agreement, the lender will, on the basis of its normal lending criteria, determine whether the borrower qualifies for a mortgage loan, if the borrower does qualify, the amount of the loan for which he or she qualifies. The lender shall, in writing, advise the borrower whether he or she qualifies in principle for a mortgage loan, and if he or she does qualify for such a loan, the amount of that loan.

7.3.5 Identifying rightsized property

The borrower shall thereafter endeavour to purchase or lease an alternative property ("right sized property") which he or she can afford. The lender shall assist the borrower in this regard. In determining whether the borrower is bale to purchase or lease any right sized property, the lender and borrower shall take into account:-

- a. the relocation assistance for which the borrower will qualify (as contemplated in 7.4 below);
- b. if the borrower does qualify for a mortgage loan, the amount of that loan. If the borrower does not qualify for a mortgage loan, only the relocation assistance for which the borrower qualifies (together with any other funds to which the borrower may have access) shall be taken into account in determining the price of the right sized property which the borrower will purchase.

7.3.6 Purchasing or leasing rightsized property

If the borrower is, with or without the assistance of the lender, able to find a right sized property, the borrower will purchase or lease it, subject to suspensive conditions to the effect that:-

- a. the borrower is able to obtain relocation assistance; and
- b. if applicable, the lender finally grants a mortgage loan to the borrower (in a specified amount).

If, after the conclusion of such a purchase agreement by the borrower, the lender is satisfied with the property in question and is still prepared to grant a mortgage loan to the borrower, the lender shall finally grant that loan to the borrower.

7.3.7 Sale of properties occupied by borrower who entered into a rightsizing agreement

- a. The lender shall be entitled, at any time after the conclusion of a right sizing agreement between it and the borrower, to sell the property occupied by the borrower (whether that property is a property in possession, or whether that property belongs to the borrower, but the borrower's loan is a non-performing loan). If the lender sells the property prior to the expiry of the nine month period contemplated in 7.3.1 (a) and 7.3.1 (b) above, the lender shall ensure that the new purchaser may not take occupation of the property prior to the expiry of that nine month period, (except if the borrower in writing agrees to an earlier occupation date). The proceeds of the sale of the property occupied by the borrower shall be applied in the following manner:-
 - (i) if the proceeds of the sale are less than the outstanding loan balance, the lender shall be entitled to receive the entire selling price;
 - (ii) if the selling price exceeds the outstanding loan balance;
 - the lender shall be entitled to receive the full outstanding loan balance;
 - thereafter an amount equal to the relocation assistance shall be paid to the relevant PHDB. If the excess is less than the full amount of that relocation assistance, the entire excess shall be paid to the relevant PHDB,

- if any excess still remains, it shall be paid to the owner of the property (if the property is a property in possession, the excess shall accordingly be paid to the lender, and if the property is a property in respect of which a non-performing loan exists, the excess shall be paid to the borrower).
- b. Once the lender has sold the property occupied by the borrower (whether that property is a property in possession or whether it is still registered in the name of the borrower, but the borrower's loan is a non-performing loan) the lender shall have no further claim against the borrower in respect of the borrower's outstanding loan balance.

7.3.8 Vacation of property occupied by borrower who have entered into a rightsizing agreement

On expiry of the nine month period contemplated in section 7.3.1 (a) and 7.3.1 (b) above or on one month's notice by the lender as contemplated in section 7.3.2 (a) and 7.3.2 (b), the borrower shall vacate the property in question voluntarily. If the borrower fails to do so:-

- a. the lender shall be entitled immediately to evict the borrower from the property is a property on possession;
- b. if the borrower is still the owner of the property, but id his or her loan is a non-performing loan, the lender shall be entitled immediately to proceed with legal action against the borrower, and ultimately to evict the borrower from the property;
- c. the borrower shall forfeit all and any benefits to which he or she might be entitled in terms of this chapter 7 of this Part of the Code, and in particular the borrower shall forfeit his or her rights to relocation assistance;

On vacating the property in question, the borrower shall ensure that he or she leaves the property in a good and proper condition. If the borrower in any manner whatsoever vandalises the property or removes portions of it, he or she shall immediately forfeit all the benefits to which he or she may be entitled in terms of this chapter of the Code, and in particular shall forfeit his or her right to receive relocation assistance.

7.3.9 Default by borrower in terms of rightsizing agreement

If the borrower breaches any of his or her obligations in terms of the right sizing agreement concluded by him or her (and in particular if the borrower fails to pay the rental or monthly consideration, as the case may be, that is payable by him or her), the provisions of sections 7.3.8 (a), 7.3.8 (b) and 7.3.8 (c), above shall apply.

7.4 Relocation Assistance

7.4.1 Qualification criteria for relocation assistance

Any borrower who has concluded a right sizing agreement with a lender shall qualify for relocation assistance in the amount contemplated in this section 7.4, provided that:-

- a. the right sized property acquired by that borrower fulfils the criteria, in respect of residential properties, enumerated in Chapter 2 of this Part 3 of the Code;
- b. the right sized property acquired or leased by that borrower fulfils the criteria as part of a housing project approved in accordance with Chapter 6 of this Part of the Code; and
- c. he or she has contractual capacity, and is a citizen or permanent resident of the Republic of South Africa;
- d. he or she complies with the criteria set out in sections 7.2.1 (a) and 7.2.2 (a) as the case may be;
- e. he or she complies with all his or her obligations in terms of the right sizing agreement.
- f. He or she fulfils the criteria in respect of household income enumerated in Chapter 2 of this Part 3 of the Code.

7.4.2 Exceptions to qualification criteria in respect of subsidies as enumerated in Chapter 2 of this Part of the Code

Save the extent contemplated in 7.4.1 above, none of the qualification criteria enumerated in Chapter 2 of this Part of the Code shall apply to relocation assistance. In particular, the fact that any borrower may previously have owned an immovable property and may have received any assistance from the Government of the Republic of South Africa in order to acquire a property (for example the fact that he or she has participated in the First Time Home Buyer's Interest Subsidy Scheme) shall not disqualify the borrower or the occupant from receiving relocation assistance.

7.4.3 Amount of relocation assistance

The amount of relocation assistance for which any particular borrower will qualify, will be equal to the subsidy for which any qualifying applicant who earns the same household income as that borrower would qualify in terms of chapter 2 of this part 3 of the Code. If the right sized property is acquired or leased by the borrower in terms of the borrower in terms of the provisions of Chapter 6 of this part of the Code, the

relocation assistance will be equal to an institutional subsidy as contemplated in chapter 6.

In particular, any PHDB who approves any relocation assistance may, on request of the borrower increase, as contemplated in chapter 2 of this part of the Code, the amount of the relocation assistance for which that borrower qualifies, by an amount of up to 15%, in order to compensate the borrower for locational, geotechnical and topographical features of the residential property acquired by him or her.

7.4.4 Subsidy rules applicable to relocation assistance

If the PHDB agrees to grant relocation assistance for any particular borrower, that relocation assistance shall be granted subject to the rules contained in any part of the Code which governs the particular subsidy in question. The PHDB shall, in its sole and absolute discretion, determine subject to which rules it will make relocation assistance available.

7.5 Rules regarding Occupants Who Were Not The Original Owners Or Borrowers

There are instances in which:

- a. a property in possession is occupied by a person who was not the original owner of that property ; and
- b. any particular property still belongs to a borrower, the loan in question is a non-performing loan, but the borrower no longer occupies that property and instead another person occupies it (the person other than the original owner or borrower who occupies such a property is referred to as an "occupant").

In such cases, the following rules apply.

7.5.1 Rights of the occupant

Notwithstanding anything to the contrary contained in these guidelines, an occupant shall, subject to section 7.5.4 below, have the following rights:

- a. If he or she can afford to do so, to purchase the property occupied by him or her from the lender, at a price equal to the depreciated replacement cost of that property. The terms and conditions of such a sale agreement shall be the terms and conditions set out in section 7.2.1 above. The interest payable by an occupant on the purchase price shall always be the lender's applicable reigning bond rate and an occupant is not entitled to a reduction in that interest rate, as is contemplated in section 7.2.1(g) above.
- b. If he or she cannot afford to purchase the property occupied by him or her :

- to conclude a lease agreement with the lender in terms whereof the lender will let the property to him or her for a period of 9 months against payment of a reasonable rental;
- to seek to purchase, during that 9 month period, an alternative property which he or she can afford;
- if he or she is able to find such an alternative property, to apply for an individual subsidy or a project linked subsidy, or an institutional subsidy if the alternative property fulfills the criteria as part of a housing project approved in accordance with Chapter 6 of this part of the Code, as the case may be, if he or she qualifies for a subsidy in terms of the eligibility criteria.

7.5.2 Vacating the property

- a. If any occupant concludes a lease agreement with the lender in respect of the property occupied by him or her, that occupant must vacate the property on expiry of the 9-month lease period. If he or she fails to do so, the lender shall proceed with any such legal action in order to secure the eviction of the occupant from that property.
- b. If an occupant occupies a property which still belongs to a borrower :
 - the sale agreement or lease agreement, as the case may be, concluded between him or her and a lender, must be subject to the condition that the lender is able to obtain ownership of the property. If the lender is not able to obtain ownership of that property, the agreement must provide that the occupant's rights to occupy the property shall terminate;
 - the lender must institute legal action against the original borrower and shall pursue that action to its conclusion.

7.5.3 More than one occupant

It may be, in respect of any property, whether the property is a property in possession or whether the loan in respect of it is a non-performing loan, that it is occupied by more than one occupant. In such a case:

- a. if, in the lender's opinion, more than one of the occupants are able to afford to purchase the property, the lender may determine to whom it will sell the property;
- b. if, in the lender's opinion, only one of those occupants can afford to purchase the property, the lender must sell the property to him or her;
- c. if, in the lender's opinion, none of the occupants can afford to purchase the property, the lender must conclude a lease agreement with each one of the occupants on the terms and conditions set out in section 7.5.1 (b). For purposes of this section, an occupant is regarded the head of any household that occupies the property, and the members of such a household shall not themselves be regarded as occupants.

7.5.4 The original borrower may want to occupy the property

If, at any stage before a lender concludes a sale agreement, as contemplated in section 7.5.1(a) above), or a lease agreement as contemplated in paragraph 7.5.1 (b) above, with an occupant, the original owner of the property, if the property is a property in possession, or the registered owner of that property, if the property still belongs to its original borrower, but if the loan in respect thereof is a non-performing loan advises the lender in writing that he or she wishes, once again, to occupy the property, the lender may not, for a period of six months after receiving the written advice contemplated in this section 7.5.4, enter into either a sale agreement or lease agreement with the occupant of the property.

- a. During that six-month period, the original owner or registered owner of the property, as the case may be, may take legal action in order to evict the occupant from the property. If the property is a property in possession, the lender must allow the occupant to take legal action in its name, if the occupant pays the costs of doing so.
- b. If during the said six month period, the original owner or the registered owner of the property, as the case may be, secures the eviction of the occupant from the property the original owner will be entitled to the benefits set out in this Chapter, whether to conclude a purchase agreement or a rescheduling agreement in terms of section 7.2.1(f), or whether to conclude a right sizing agreement and to receive relocation assistance in terms of section 7.3 and section 7.4. In that case, the occupant may not conclude either a sale agreement or a lease agreement with the lender as contemplated in section 7.3.2.1 (a) and section 7.3.2.1 (b).
- c. If, during the aforesaid period of six months, the original owner or the registered owner of the property, as the case may be, is unable to secure the eviction of the occupant from the property, the lender must, subject to section (d) below, deal with the occupant and to conclude either a sale agreement or a lease agreement with the occupant, as contemplated in section 7.5.1(a) and section 7.5.1. (b).
- d. If the loan in respect of any property occupied by any occupant is a non-performing loan, the original borrower will still be the owner of that property. Accordingly:
 - o The fact that the lender has concluded a sale agreement or a lease agreement in respect of that property with its occupant or occupants will not prejudice the rights of the original borrower.
 - o The lender must ensure that the sale agreement or the lease agreement concluded between it and the occupant may be cancelled by it with impunity if the original borrower is, at any stage, able to obtain an order requiring the eviction of the occupant from the property.
 - o The lender must, once it has concluded a sale agreement or a lease agreement with the occupant, proceed with legal action against the original borrower.

This notwithstanding, the provisions of this section 7.5 do not affect the rights of any borrower to apply for a subsidy in terms of the special arrangements contemplated in section 7.6. This is so, even if that borrower does not attempt to evict any occupant from the property, or if that borrower attempts to evict any occupant but is unsuccessful in doing so.

7.6 Special Arrangements In Respect Of Borrowers Who Have Vacated Their Properties

- a. If a borrower has vacated his or her property, he or she may not, in terms of section 7.5.4 above, conclude an arrangement in respect of that property with a lender, nor may he nor she conclude a right sizing agreement with the lender and obtain relocation assistance. Any such a borrower may have vacated his or her property as a result of foreclosure proceedings instituted against him or her, and in doing so he or she would have complied with the law. The arrangements in regard to relocation assistance accordingly prejudice such a borrower, particularly if his or her decision to vacate his or her property was brought about by a decision to comply with the law.
- b. In order to remedy the patent inequity of such an arrangement, the eligibility criteria in respect of subsidies in Chapter 2 are hereby relaxed in respect of borrowers who comply with the criteria set out in section 7.6 (c). No such a borrower is disqualified from receiving any housing subsidy contemplated in this Part 3 of the Housing Code by virtue only of the fact or facts that :
- he or she has previously been the registered owner of a property;
 - he or she has previously received financial assistance from the Government of the Republic of South Africa in order to enable him or her to acquire a property.
- c. In order to qualify for the relaxation of the eligibility criteria for a subsidy as envisaged in section 7.6 (b) above, a borrower must prove to the relevant PHDB that:
- he or she was previously the registered owner of a residential property;
 - in order to acquire that property, he or she borrowed money from a lender and registered a mortgage bond over the property in favour of that lender;
 - he or she failed to make the payments required in terms of that bond to the lender;
 - he or she vacated the property in question prior to the 31st May 1995;
 - as a result of his or her failure to make the payments required in terms of the bond registered by him or her in favour of the lender over the property in question, the lender has foreclosed on the mortgage bond and has sold the property at an execution sale. This execution sale may have taken place prior to the 31st May 1995 or subsequent to that date (so that both occupants whose properties were, as at the 31st May 1995 properties in possession and borrowers whose properties were on the 31st May 1995 not yet properties in possession but whose properties became properties in possession after that date, will qualify for the relaxation of the eligibility criteria as set out in section 7.6 (b) above);
 - he or she complies with all the eligibility criteria set out in Chapter 2 with the exception of the criteria contemplated in section 7.6 (b).

7.7 Special Arrangements With Respect To Aged And Disabled Persons

For the purposes of this section 7.7 the expressions:

- "aged person" means any person who has attained the age of 65 years; and
 - "disabled person" means any person who has attained the age of 21 years and is, owing to physical or mental disability, unfit to obtain from any service, employment, business or profession the means needed to enable him or her to provide adequately for his or her maintenance.
- a. If an aged or disabled person is a borrower :
- he or she may be in occupation of a property in possession;
 - his or her mortgage loan in respect of the property occupied by him or her may have become a non-performing loan; or
 - he or she may not be able to afford to enter into an arrangement (whether it be to purchase the property or to conclude a rescheduling agreement) with the lender;
 - he or she would accordingly qualify to be afforded an opportunity to conclude a right sizing agreement and to obtain relocation assistance.
- b. It is recognised that the arrangements relating to relocation assistance will inconvenience any person who concludes a right sizing agreement and who becomes entitled to relocation assistance in the sense that:
- that person will be required to purchase a right sized property ; or
 - he or she will be required to vacate the property occupied by him or her.
- c. It may well be that any borrower who occupies a property in possession or whose loan is a non-performing loan may be unable to afford to purchase the property occupied by him or her by a margin which is less than the relocation assistance for which he or she will qualify. It could, accordingly, be provided that in this situation an amount of money will be made available to the borrower for payment directly to the lender who is the owner of the property if the property is a property in possession, or who is the institution to whom the borrower owes money, if the loan in respect of the property is a non-performing loan. In that case the amount payable by the borrower to the lender would be reduced and the borrower would be in a position to afford either to purchase the property or to enter into a rescheduling agreement with the lender. The borrower would then be able to remain in his or her property and would not be required to source a right sized property.
- d. It is perceived that the special arrangements as described in section 7.7 should not be applicable to borrowers who are not aged persons or disabled persons. A borrower who is not an aged person or a disabled person:

- is in a position where moving from one property to another, is not unduly strenuous;
 - will be able to continue earning an income in order to improve the property in which he or she lives;
 - should not be allowed to continue living in a property which he or she cannot afford, and for which he or she has not paid. If that were to be allowed, people who have made sacrifices in order to pay for their homes would be prejudiced. They could adopt the attitude that they should stop paying their bonds, and that they should require the government to do so.
- e. Aged persons and disabled persons, however:
- will be unduly inconvenienced if they are required to move to right sized properties, and the need for them to move must accordingly be avoided if at all possible;
 - are not in a position where they can continue to earn an income in order to improve the quality of the property in which they live.
- f. The following arrangements will accordingly be implemented in respect of aged persons and disabled persons who are borrowers and who cannot afford either to purchase the properties occupied by them if those properties are properties in possession or to enter into rescheduling agreements, if their loans have become non-performing loans :
- If the amount by which any such a person is unable to afford to purchase his or her property or to enter into a rescheduling agreement, is equal to or less than the relocation assistance for which that person would qualify, the PHDB will grant the shortfall in question to the aged or disabled person.
 - The aged or disabled person will be required to complete the application form annexed as Annexure D and to submit that form to the relevant PHDB. The aged or disabled person will be assisted by the lender or Servcon, as the case may be.
 - The amount of the grant will be paid by the PHDB directly to the lender.
 - The lender will then conclude a sale agreement or a rescheduling agreement, as the case may be, with the aged or disabled person, and the grant made to that person will be deducted from the adjusted loan balance owed by him or her to the lender.

7.8 How to Apply for Relocation Assistance

Applications for relocation assistance by borrowers who have concluded right sizing agreements with Servcon may be attended to either by Servcon or Thubelisha Homes, a company incorporated under section 21 of the Companies Act, 1973 (Act no. 61 of 1973), as the case may be. Once a borrower who has concluded a right sizing agreement with a lender, has purchased or leased a right sized property, and the lender has, if applicable, granted a loan to the borrower, Servcon or the lender, or Thubelisha Homes, as the case may be, must require the borrower to complete the application form for relocation assistance contained in Annexure E.

7.8.1 Required Documentation

Once the application form has been completed, the lender, Servcon or Thubelisha Homes (as the case may be) must submit to the PHDB together with:

- a. A certified copy of the right sizing agreement concluded with the borrower.
- b. The application form.
- c. A certified copy of the sale agreement or lease agreement concluded by the borrower in respect of his or her right sized property.
- d. If applicable, a written confirmation that the lender has agreed to grant a mortgage bond for a specified amount of money to the borrower.

7.8.2 Procedures where a mortgage bond is granted

After the documents set out in section 7.8.1 above have been delivered to the PHDB, the procedures to be followed in respect of the processing of any application for relocation assistance are:

- o if the relocation assistance is subject to the rules of the Individual Subsidy as contemplated in this section and section 7.8.3, shall be the procedures set out in Chapter 4 of this part of the Code, and for the purposes of those procedures, any relocation assistance shall be deemed to be a credit-linked subsidy; or
- o if the relocation assistance is subject to the rules of any of the other subsidy mechanisms in the Code as contemplated in section 7.4.4, shall be the procedures set out in any part of the Code which governs the particular subsidy in question.

If the lender has agreed to grant a mortgage loan to the borrower, the procedures in regard to the administration of the payment of any relocation assistance are the procedures set out in Chapter 4 as if the relocation assistance were a credit linked subsidy, provided that:

- a. the amount of any approved relocation assistance must be paid to the lender or Servcon, as the case may be;
- b. if the relocation assistance is paid to Servcon or to a lender who may not receive deposits from the public, Servcon or that lender must invest the amount of the relocation assistance with a bank of its choice, at the best possible interest rate. Servcon must in each instance ensure that the monies in question are invested with the lender on whose behalf it is acting;
- c. Servcon must ensure that the lender on whose behalf it acts, issues the guarantee contemplated in section 4.4.3 (a) of Chapter 4 of this Part of the Code;
- d. if any lender has invested the amount of any relocation assistance paid to it with a bank, it shall ensure that the bank in question shall issue the guarantee contemplated in paragraph section 4.4.3 (a) of Chapter 4 of this Part of the Code;

- e. the lender or Servcon, as the case may be, must comply with all the remaining obligations of "the lender" set out in Chapter 4.

7.8.3 Procedures where no mortgage bond is granted

If the lender has not agreed to grant a mortgage loan to the borrower, the relocation assistance must for purposes of the procedures dealing with the administration of the payment thereof, be deemed to be a non-credit linked subsidy. The procedures that will then be applicable to the administration of the payment of that relocation assistance are the procedures contained in Chapter 4 in respect of non-credit linked subsidies, provided that:

- a. on approval of the application, payment of the relocation assistance must be made to the lender or to Servcon, as the case may be) and not to a conveyancer. If the lender is entitled to receive deposits from the public, it may retain these monies in an interest bearing account (rather than to invest the monies with a bank);
- b. the lender or Servcon must ensure that the seller of the right sized property appoints a conveyancer in order to transfer the property to the borrower or the occupant;
- c. the lender or Servcon, as the case may be, shall pay out the amount of the relocation assistance as and when the seller of the right sized property becomes entitled to it;
- d. if the borrower has purchased a property which has not yet been constructed, the PHDB may impose as conditions in respect of the payment of the relocation assistance in question, all or any of the conditions relating to non-credit linked individual subsidies in Chapter 4 of this Part of the Code. The lender or Servcon must comply with all the conditions determined by the PHDB.

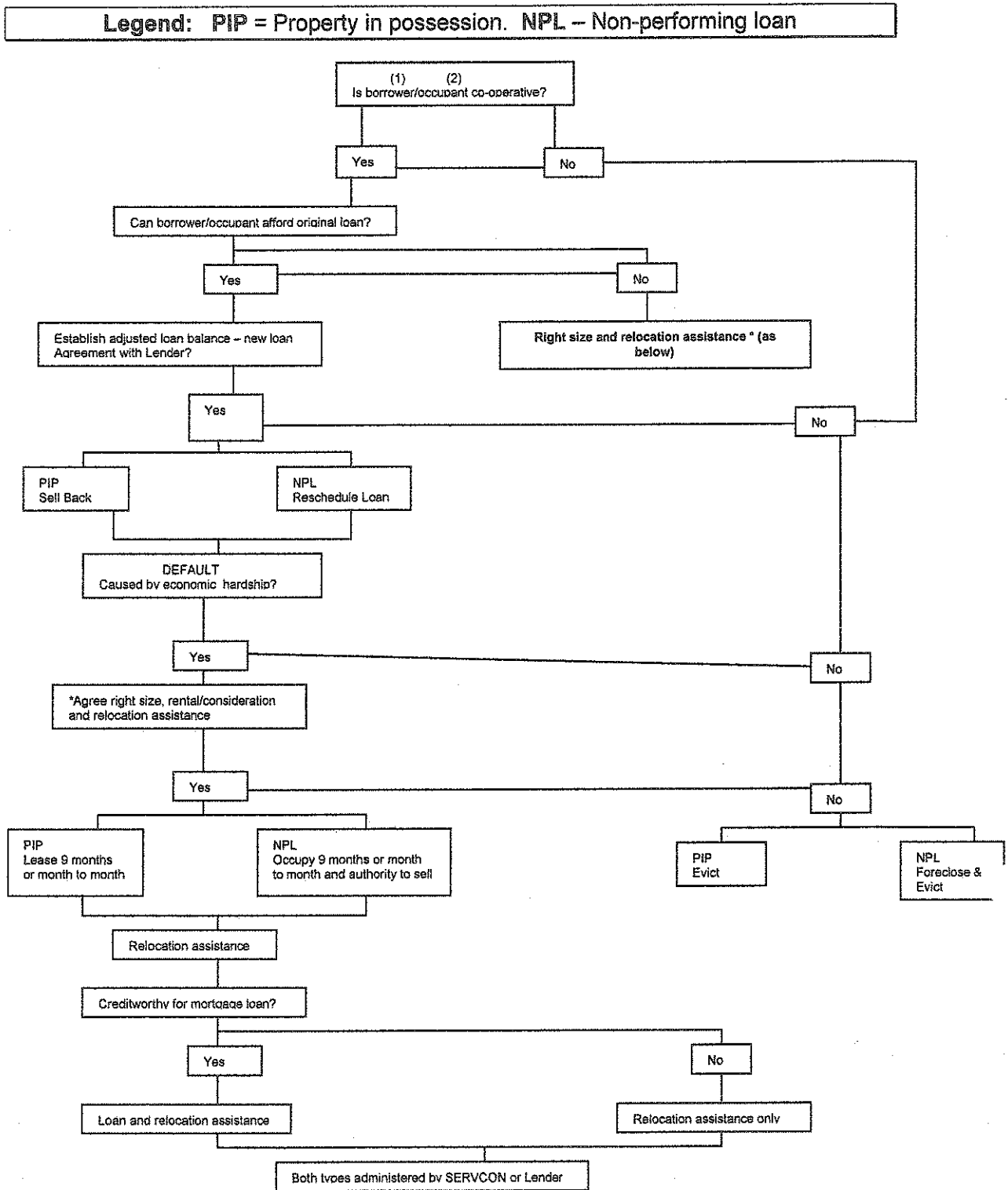
7.9 How the PHDB Judges the Application for Relocation Assistance

The PHDB judges the application on the basis of the eligibility criteria set out in Chapter 2: General Rules, the criteria set out in this chapter, and any other requirements that may be identified by the particular province.

If any borrower who qualifies for relocation assistance makes application, through a lender or Servcon, for that assistance, he or she shall be entitled to receive it. In this regard relocation assistance will differ from individual subsidies in the sense that individual subsidies will be granted subject to the availability of funds. PHDBs must, however, ensure that sufficient funds are allocated to the grant of relocation assistance, in order to ensure that funds will be available for all applications for relocation assistance.

The following diagram provides a flow chart for the process of deciding on relocation assistance.

Figure 2. Relocation Assistance: Flow Chart:



1. If the borrower is an aged or disabled person and due to unaffordability not able to enter into an arrangement (whether purchase or Rescheduling) with the lender, the provisions of Section 7.7 of Chapter 7 of the Code will apply.
2. Subject to Section 7.5.4 of Chapter 7 of the Code.

7.10 PHDB Administrative Guidelines for Relocation Assistance

- a. The name of any borrower who has received relocation assistance in terms hereof, and the name of his or her spouse, if any, shall be recorded on the national housing data base. The effect of this recordal will be that the borrower (and his or her spouse, if any) no longer qualify to receive either relocation assistance or a subsidy. Any grant made to an aged person or a disabled person in terms of section 7.7 must, for the purposes of this section 7.10, be deemed to be relocation assistance.
- b. In order to ensure that PHDBs are able to plan the allocation of their funds to ensure that funds will be available in respect of all applications for relocation assistance, every lender shall, at the end of each and every month, advise each PHDB :
- the number of right sizing agreements concluded during the month in question; and
 - the total amount of relocation assistance for which the borrowers with whom those right sizing agreements have been concluded will qualify, if they all purchase right sized properties.

7.11 Key Points to Remember

Remember:

- ✓ Relocation assistance in terms of the Record of Understanding as amended by the Revised Record of Understanding, is offered to borrowers who, on 31 August 1997, were at least three months in arrears, and who now wish to relocate to more affordable housing.
- ✓ Relocation assistance, where only the Record of Understanding applies to the lenders concerned is offered to borrowers who, on 31st May 1995, were at least three months in arrears and now wish to relocate to more affordable housing.
- ✓ Servcon is one of the statutory bodies established as part of the housing policy to support this process. Servcon mediates the awarding of the relocation grant as part of the strategy to stabilise the housing environment.
- ✓ Properties in Possession refer to instances where the legal process has been pursued to its conclusion. In this case, the lender has become the owner of that property, by virtue of the fact that it has purchased the property at a sale in execution.
- ✓ Non-Performing Loans refer to instances where legal proceedings have not yet been pursued to their conclusion, and the borrower remains the registered owner of the property.
- ✓ The fact that any borrower may previously have owned a property and may previously have received any assistance from the Government of the Republic of South Africa in order to acquire a property does not disqualify the borrower or the occupant from receiving relocation assistance.

ANNEXURE A

CHAPTER 7, HOUSING SUBSIDY SCHEME / RELOCATION ASSISTANCE

**MORTGAGE LENDERS THAT HAVE ENTERED INTO THE RECORD OF
UNDERSTANDING WITH THE GOVERNMENT OF THE REPUBLIC OF SOUTH
AFRICA**

1. ABSA BANK
2. FIRST NATIONAL BANK
3. NATAL BUILDING SOCIETY *
4. NEDCOR
5. SAAMBOU
6. STANDARD BANK
7. AFRICAN BANK
8. BOLAND BANK *
9. BOPHUTHATSWANA BUILDING SOCIETY
10. CITIZEN BANK
11. COMMUNITY BANK
12. GBS MUTUAL BANK
13. MERCHANTILE BANK
14. KHAYALETHU HOME LOANS
15. CAPE OF GOOD HOPE
16. FUTURE BANK

* Now operating as Boland PKS

ANNEXURE B

CHAPTER 7, HOUSING SUBSIDY SCHEME / RELOCATION ASSISTANCE

**REVISED RECORD OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA AND THE BANKING COUNCIL OF SOUTH AFRICA:
MORTGAGE LENDERS COVERED BY THIS AGREEMENT**

1. ABSA BANK
2. FIRST NATIONAL BANK
3. BOLAND BANK PKS
4. NEDCOR
5. SAAMBOU
6. STANDARD BANK
7. FUTURE BANK

ANNEXURE C

CHAPTER 7, HOUSING SUBSIDY SCHEME / RELOCATION ASSISTANCE

**MORTGAGE LENDERS TO WHOM THE ARRANGEMENTS OF THE ORIGINAL ROU
STILL APPLY**

1. AFRICAN BANK
2. BOPHUTHATSWANA BUILDING SOCIETY
3. CITIZEN BANK
4. COMMUNITY BANK
5. GBS MUTUAL BANK
6. MERCHANTILE BANK
7. KHAYALETHU HOME LOANS
8. CAPE OF GOOD HOPE

ANNEXURE D

INDIVIDUAL REGISTRATION NUMBER		INDIVIDUAL PHDB RESOLUTION NUMBER	
APPLICATION FOR A GRANT TO AGED OR DISABLED PERSON IN RESPECT OF PROPERTY IN POSSESSION OR A NON PERFORMING LOAN			
PROPERTY IN POSSESSION*		NON-PERFORMING LOAN*	
AGED*		DISABLED*	
APPLICATION FOR GRANT AND ADMINISTRATION OF PAYMENT THEREOF ATTENDED BY:*			
SERVCON*		SOUTH AFRICAN HOUSING TRUST*	OTHER (Specify)*
THE APPLICATION IS HEREBY RETURNED AS THE FOLLOWING ADDITIONAL INFORMATION IS REQUIRED:			
1.			
2.			
3.			
IN CASE OF INCOMPLETE INFORMATION - CONTACT (To be completed by Applicant)			
NAME :			
POSTAL ADDRESS :			
TELEPHONE NUMBER :			

In the application form PHDB means Provincial Housing Development Board.

For office use only

* Tick (✓) whichever is applicable.

TABLE 1				
THE FOLLOWING DOCUMENTS MUST BE ATTACHED AND WERE FOUND TO BE PRESENT				OFFICIAL USE ✓
Certified copy of Marriage certificate				
Certified copy of R.S.A. Bar Coded Identity Document	Self		Spouse	
Certified copy of Divorce Settlement				
Certified copy of Spouse's Death Certificate				
Certified copy of Proof of Monthly Income				
Certified copy of Permanent Residence Permit (Bar Coded Permit)				

TABLE 2 (For official use only)				
STEP	PROCESS RECORD	DATE	SIGNATURE	
			Official	Supervisor
1	Application Received			
2	Procedural Check			
3	Application Returned for Correction			
4	Application Returned Corrected			
5	Data Capture			
6	Data Verified			
7	Searches Completed a) Internal Affairs b) Deeds Office c) National Housing Data Base			
8	Filed			
9	Date Subsidy Approved by PHDB			
10	Date applicant/conveyancer notified of PHDB acceptance/non-acceptance			

SECTION A: PERSONAL DETAILS (To be completed by all applicants)					
A "Spouse" is defined as a Husband, Wife or Long Term Partner					
Married, living with long term partner or single with dependants					
	Period		Period		Period
Married*		Habitually Co-habiting with long term partner*		Widow/Widower with dependants*	
Divorced with dependants*		Single with dependants*			
	APPLICANT			SPOUSE (or Deceased Partner)	
Surname					
Maiden or Former Name					
Full Names (First Three Only)					
Identity Number					
Gender*	Male*	Female*	Male*	Female*	
Race*	African*	White*	African*	White*	
	Coloured*	Asian*	Coloured*	Asian*	
	Other*		Other*		
If "other" specify					
Residential Address : _____					

SECTION B : DETAILS OF DEPENDANTS (Information on only 2 dependants to be supplied by applicant)			
Surname	Initials	Relationship to Applicant	Age
Gender	Male*	Female*	
If more than two dependants, provide total number of dependants			

SECTION C : INCOME DETAILS (To be completed by all applicants)		
	Applicant	Spouse
Retirement or disability benefits	R	R
Other remuneration or income received from any source	R	R
TOTAL	R	R
JOINT TOTAL (Applicant/Spouse)	R	

SECTION D : DETAILS OF CITIZENSHIP (To be completed by all applicants)		
Are you a South African Citizen	YES *	NO *
If you are not a South African Citizen supply the following :		
Country of which you are a Citizen		
South African Permanent Residence Permit Number		
Date Permit was Issued		

SECTION E: DETAILS OF PROPERTY (To be completed by applicant)			
Description of Property:			
Town:			
Street address, if available			
Erf (Stand) / Lot / Unit Number*		Township:	
Type of Tenure*:	Ownership	Leasehold	Deed of Grant

SECTION F: FINANCIAL ARRANGEMENTS: (Aged/Disabled Applicants) (To be completed by applicant)		
1.	Total amount owed to lender in terms of sale or rescheduling agreement (Adjusted loan balance)	R
2.	Monthly instalments on existing loan(Item 1)	R
3.	Loan which applicant is able to afford	R
4.	Monthly instalment which applicant is able to afford(Item 3)	R
5.	Amount for which the applicant qualifies in terms of relocation assistance	R
6.	Grant required to make sale or rescheduling agreement affordable to applicant (Item 1 minus Item 3)	R
7.	Amount owed to lender after deduction of grant	R

SECTION G: DETAILS OF PREVIOUS HOUSING ASSISTANCE BY THE STATE TO THE APPLICANT OR HIS/HER SPOUSE, IF APPLICABLE (To be completed by applicant)			
NATURE OF HOUSING ASSISTANCE	AWARDED TO		
	APPLICANT	SPOUSE	
First Time Home Ownership Interest Subsidy Scheme *	R	R	
Housing Subsidy Scheme *	R	R	
Other (specify) *	R	R	

SECTION H : DETAILS OF LENDER

Name :

Postal Address :

Approval Code of
PHDB

Telephone Number

Code

Facsimile Number

Code

AFFIDAVIT BY APPLICANT & SPOUSE / PARTNER*

APPLICANT

I, the undersigned applicant, do hereby solemnly / under oath* declare :

- 1. That all the information contained in this application form is true and correct and that all material facts have been disclosed therein.
- 2. That my estate has not, at date of application, been sequestrated or made insolvent.

I further acknowledge that I am aware that if any information supplied by me in this application is incorrect or fraudulent, the Provincial Housing Development Board may take appropriate legal action against me and may also institute a criminal prosecution.

.....
SIGNATURE OF APPLICANT

SPOUSE/PARTNER*

I, the undersigned spouse/partner* solemnly / under oath declare that:

- 1. I am married to the applicant. / I habitually cohabit with the applicant as if we are husband and wife.*
- 2. All details given in this application form including details of me and my income and employment status, are true and correct.
- 3. I am aware that I could be prosecuted if any of the details given in this application form are incorrect or fraudulent.

.....
SIGNATURE SPOUSE/PARTNER*

COMMISSIONER OF OATHS

I CERTIFY that the Deponent/s has/have acknowledged that he/she/they* know and understand the contents of their affidavit's, which was/were signed and sworn to/affirmed* before me at on this day of of the year

OFFICIAL DATED STAMP

Full names and Surname:

Identity Number:

Capacity:

Postal Address:

Area :

.....
SIGNATURE OF COMMISSIONER OF OATHS

MEDICAL CERTIFICATE IN RESPECT OF DISABLED PERSONS AS REQUIRED IN THE HOUSING SUBSIDY SCHEME OF THE GOVERNMENT OF SOUTH AFRICA			
(To be completed by district surgeon/medical practitioner and submitted with Housing Subsidy Application Form)			
1. Name of subsidy applicant:			
2. Postal Address:			
3. Identity No			
4. Name of disabled person			
5. Relation of disabled person to applicant, if not applicant:			
Husband*	Wife*	Long term partner*	Child* Financial dependant*
6. Nature of Disability*			
CATEGORY	NATURE	DEGREE	
A	Walking	Walking aids	
B	Walking	Wheel chair - partial usage	
C	Walking	Wheel chair - full time usage	
D	Hearing	Partially/profound deaf	
7. Special Requirement*			
7.1	Access to house - 12 square metres of paving and ramp at doorway - Groups A, B & C		
7.2	Kick plates to doors - Groups A, B & C		
7.3	Grab rails and lever action taps in bathroom - Groups A, B & C		
7.4	Visual door bell indicators - Group D		
8. Particulars of district surgeon/medical practitioner			
8.1	Surname:		
8.2	Full Names:		
8.3	Postal Address:		
8.4	Registration Number with the Medical and Dental Council:		
8.5	Telephone Number: ()		
8.6	Facsimile Number: ()		
I certify that the above details are true and correct.			
Signature:		Date:	
MEDICAL PRACTITIONER/			

* Tick (✓) whichever is applicable.

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ANNEXURE E

INDIVIDUAL REGISTRATION NUMBER		INDIVIDUAL PHDB RESOLUTION NUMBER	
APPLICATION FOR RELOCATION ASSISTANCE			
CREDIT LINKED*			
NON-CREDIT LINKED*			
PROPERTY IN POSSESSION*		NON-PERFORMING LOAN*	
SPECIFY INSTITUTION RESPONSIBLE FOR ADMINISTRATION OF PAYMENT OF RELOCATION ASSISTANCE:*			
SERVCON*		SOUTH AFRICAN HOUSING TRUST*	OTHER (Specify)*
THE APPLICATION IS HEREBY RETURNED AS THE FOLLOWING ADDITIONAL INFORMATION IS REQUIRED:			
1.			
2.			
3.			
IN CASE OF INCOMPLETE INFORMATION - CONTACT (To be completed by Applicant)			
NAME :			
POSTAL ADDRESS :			
TELEPHONE NUMBER :			

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For office use only

* Tick (✓) whichever is applicable.

TABLE 1				
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Certified copy of R.S.A. Bar Coded Identity Document	Self		Spouse	
Certified copy of Divorce Settlement				
Certified copy of Spouse's Death Certificate				
Proof of Disability (Appendix 1)				
Certified copy of Agreement of Sale or Lease of right sized property				
Certified copy of Right Sizing Agreement concluded with Lender				
Written confirmation by lender of credit granted to applicant, where applicable				
Certified copy of Proof of Monthly Income				
Certified copy of Permanent Residence Permit (Bar Coded Permit)				

TABLE 2 (For official use only)				
STEP	PROCESS RECORD	DATE	SIGNATURE	
			Official	Supervisor
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4	Application Returned Corrected			
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7	Searches Completed a) Internal Affairs b) Deeds Office c) National Housing Data Base			
8	Filed			
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10	Date applicant/conveyancer notified of PHDB acceptance/non-acceptance			

SECTION A: PERSONAL DETAILS (To be completed by all applicants)					
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Married, living with long term partner or single with dependants					
	Period		Period		Period
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Divorced with dependants*		Single with dependants*			
	APPLICANT			SPOUSE (or Deceased Partner)	
Surname					
Maiden or Former Name					
Full Names (First Three Only)					
Identity Number					
Gender*	Male*	Female*	Male*	Female*	
Race*	African*	White*	African*	White*	
	Coloured*	Asian*	Coloured*	Asian*	
	Other*		Other*		
If "other" specify					
Residential Address : _____					

<input type="checkbox"/>	Disabled	Yes*	No*		
<input type="checkbox"/> If you or any of your dependants are disabled and you are applying for additional subsidy, please attach original medical form (Appendix 1), duly completed and signed by your District Surgeon/Medical Practitioner, registered with the Medical and Dental Council.					

SECTION B : DETAILS OF DEPENDANTS (Information on only 2 dependants to be supplied by applicant)			
Surname	Initials	Relationship to Applicant	Age
Gender	Male*		Female*
If more than two dependants, provide total number of dependants			

SECTION C : MONTHLY INCOME DETAILS (To be completed by all applicants)		
	Applicant	Spouse
Indicate if you are:	Unemployed *	
	Employed *	
	Self Employed *	
	Pensioner *	
Basic Monthly Income	R	R
Regular Periodic Allowances	R	R
Housing Allowance Payable (Loan interest subsidy)	R	R
Regular financial obligations met by employer on behalf of applicant and spouse	R	R
Commission Received (12 months average)	R	R
Pension or Disability Grant	R	R
TOTAL	R	R
JOINT TOTAL (Applicant/Spouse)	R	
Amount of Subsidy Applied For	R	

SECTION D : DETAILS OF CITIZENSHIP (To be completed by all applicants)		
Are you a South African Citizen	YES *	NO *
If you are not a South African Citizen supply the following :		
Country of which you are a Citizen		
South African Permanent Residence Permit Number		
Date Permit was Issued		

SECTION E (i): DETAILS OF PROPERTY TO BE ACQUIRED OR LEASED BY APPLICANT (To be completed by applicant)

Name of Seller/Developer/Institution [■] :			
District:		Municipality	
Township:		Erf (Stand) / Lot Number*	
Township Extension:			
Unit Number:			
Description of Dwelling:		Flat* (name of Building)	House* (Street Address)
Type of Tenure*:			
	Ownership	Leasehold	Deed of Grant
	Instalment Sale	Shareblock	Lease
	Other (Specify)		
Type of property being acquired or leased:		New site and building from developer/institution*	Existing property purchased from owner*
		Other (Specify)*	
Price of property		R	
If the property to be acquired/leased forms part of an approved project linked or institutional subsidy project, provide details:			
Name of project:			
Developer's/Institution's name:			
Developer's/Institution's address:			
Telephone Number:		Code	
Facsimile Number:		Code	
Number of sites in project:			
Total Product Price		R	

SECTION E (ii) (To be completed by Provincial Housing Department)	
Subsidy Amount Qualified for	R
Disability Subsidy (Plus)	R
Geotechnical Assistance (Plus)	R
Sub Total	R
Grants Received from State Resources (Minus)	R
Previous capital expenditure (Minus)	R
Total Subsidy Amount Qualified for	R

■ *Developer/Institution will be relevant where relocation assistance is provided in terms of a project linked or institutional subsidy project.*

SECTION F: DETAILS OF CREDIT-LINKED APPLICATIONS (To be completed only by a applicant who has applied for a loan)						
Security for loan:	Mortgage bond*		Other*	If other specify:		None*
If security other than a mortgage bond will be supplied, provide details	<hr/> <hr/> <hr/>					
Amount of loan:	R		Monthly repayment	R		

SECTION G: DETAILS OF PREVIOUS HOUSING ASSISTANCE BY THE STATE TO THE APPLICANT OR HIS/HER SPOUSE, IF APPLICABLE (To be completed by applicant)			
NATURE OF HOUSING ASSISTANCE	AWARDED TO		
	APPLICANT	SPOUSE	
First Time Home Ownership Interest Subsidy Scheme *	R	R	
Housing Subsidy Scheme *	R	R	
Other (specify) *	R	R	

SECTION H : DETAILS OF LENDER (Where credit is provided) (To be completed by applicant)			
Name :			
Postal Address :			
<hr/>			
Approval Code of PHDB			
Telephone Number	Code		
Facsimile Number	Code		

SECTION I: DETAILS OF THUBELISA HOMES (Where right sizing stock is provided by this Institution)			
Name of contact person:			
Postal Address:			
<hr/>			
National Home Builders Registration Council's Registration Number:			
Telephone Number	Code		
Facsimile Number	Code		

AFFIDAVIT BY APPLICANT & SPOUSE / PARTNER*

APPLICANT

I, the undersigned applicant, do hereby solemnly / under oath* declare :

1. That all the information contained in this application form (Including Appendix 1) is true and correct and that all material facts have been disclosed therein.
2. That my estate has not, at date of application, been sequestrated or made insolvent.

I further acknowledge :

3. That should the property which I am to acquire/lease not have been transferred to me/not have been occupied by me within three months after the date on which the Provincial Housing Development Board has made the subsidy amount available to me, the Provincial Housing Development Board shall, at its discretion, be entitled to withdraw the relocation assistance.
4. That all details given in this application form with regard to myself, my income and employment status are true and correct.
5. That the disabled person referred to in the medical certificate (Appendix 1) is either myself, my spouse (as defined in the application form), my child or my financial dependant.
6. That I am aware that if any information supplied by me in this application is incorrect or fraudulent, the Provincial Housing Development Board may take appropriate legal action against me and may also institute a criminal prosecution.

.....
SIGNATURE OF APPLICANT

SPOUSE/PARTNER*

I, the undersigned spouse/partner* solemnly / under oath declare that:

1. I am married to the applicant. / I habitually cohabit with the applicant as if we are husband and wife.*
2. All details given in this application form including details of me and my income and employment status, are true and correct.
3. I am aware that I could be prosecuted if any of the details given in this application form are incorrect or fraudulent.

.....
SIGNATURE SPOUSE/PARTNER*

COMMISSIONER OF OATHS

I CERTIFY that the Deponent/s has/have acknowledged that he/she/they* know and understand the contents of their affidavit's, which was/were signed and sworn to/affirmed* before me at on this day of of the year

OFFICIAL DATED STAMP

Full names and Surname:

Identity Number:

Capacity:

Postal Address:

Area :

.....
SIGNATURE OF COMMISSIONER OF OATHS

MEDICAL CERTIFICATE IN RESPECT OF DISABLED PERSONS AS REQUIRED IN THE HOUSING SUBSIDY SCHEME OF THE GOVERNMENT OF SOUTH AFRICA			
(To be completed by district surgeon/medical practitioner and submitted with Housing Subsidy Application Form)			
1. Name of subsidy applicant:			
2. Postal Address:			
3. Identity No			
4. Name of disabled person			
5. Relation of disabled person to applicant, if not applicant:			
Husband*	Wife*	Long term partner*	Child*
			Financial dependant*
6. Nature of Disability*			
CATEGORY	NATURE	DEGREE	
A	Walking	Walking aids	
B	Walking	Wheel chair - partial usage	
C	Walking	Wheel chair - full time usage	
D	Hearing	Partially/profound deaf	
7. Special Requirement*			
7.1	Access to house - 12 square metres of paving and ramp at doorway - Groups A, B & C		
7.2	Kick plates to doors - Groups A, B & C		
7.3	Grab rails and lever action taps in bathroom - Groups A, B & C		
7.4	Visual door bell indicators - Group D		
8. Particulars of district surgeon/medical practitioner			
8.1	Surname:		
8.2	Full Names:		
8.3	Postal Address:		
8.4	Registration Number with the Medical and Dental Council:		
8.5	Telephone Number: ()		
8.6	Facsimile Number: ()		
I certify that the above details are true and correct.			
Signature:		Date:	
MEDICAL PRACTITIONER/			

* Tick (✓) whichever is applicable.