



Government Housing Subsidy

First Home Finance Consultant's Guide

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Who is funding the **First Home Finance Subsidy?**

ooba Home Loans has entered into a partnership with the National Housing Finance Corporation to gain access to the First Home Finance subsidy on a National basis.



National Housing Finance Corporation has a budget to distribute subsidies to qualifying applicants.

What does **First Home Finance** mean?

Finance Linked Individual Subsidy Programme, is a housing subsidy for first-time home buyers to assist with funds when purchasing a home.



How First Home Finance **Works:**

<p>Contributes towards your first property</p>	<p>Covers shortfall</p>	<p>Reduces monthly installments</p>	<p>Can be used for fees and costs</p>
<p>Contributes towards buying your first residential property, vacant serviced residential land or building a house in a formal town</p>	<p>It can be used as a deposit to cover any shortfall between the approved home loan amount and the purchase price.</p>	<p>If not for shortfall, it can be used to reduce your initial home loan amount making the monthly installments more affordable.</p>	<p>It can be used to pay any charges or attorney fees such as transfer and/or bond registration costs.</p>

How the First Home Finance subsidy can be used:

Depending on how much an applicant qualifies for, as determined by the First Home Finance Subsidy Quantum, the subsidy may be used to acquire a residential property in conjunction with one of the following ways:

1. Housing loan via a formal bank to buy new or old residential property.
2. Housing loan via a formal bank to buy a vacant serviced residential-stand, linked to an NHBRC registered homebuilder contract.
3. Housing loan via a formal bank to build property on a self-owned serviced residential stand, through an NHBRC registered builder.
4. Housing finance to build a property on a tribal stand available through permission to occupy (PTO), linked to an NHBRC registered builder with a building contract.
5. Housing loans supported by pension and provident funds.
6. Housing loans supported by co-operative or community-based schemes.
7. Housing loans supported by employer based housing schemes.
8. Housing loans that are not supported by any form of security.
9. Housing finance facilities other than loans. (eg. Instalment sales agreement and rent-to-own agreement)
10. Housing purchase supported by personal resources. (eg. Stokvel)



What are the **Qualifying Criteria** for First Home Finance?

The qualifying criteria via National Housing Finance Corporation and Human Settlements are the same. The homebuyer should tick all the boxes (where relevant):



You earn between R3 501 to R22 000 per month (gross combined household income)



You are a South African Citizen or have Permanent Residency in South Africa



You haven't received a Government housing subsidy before



You are married or cohabiting



You are over 18 years old



You haven't owned fixed residential property before



You are single with financial dependents

*Criteria based on guidelines from National Housing Finance Corporation



Which Documents are required for First Home Finance Full Application?

Single Applicant with Dependents



Certified Identity Document for applicant



Certified Birth Certificate or Identity Document of dependent/s listed



Certified Affidavit confirming relationship if dependant is not a biological child and/or does not have the same surname as the applicant



Certified Affidavit confirming relationship if the dependant is a parent or sibling



Certified Court Orders or Order issued by the Commissioner of Child Welfare (where applicable)



Certified Proof of Guardianship for foster children (where applicable)



Proof of Monthly Income



Offer to Purchase



Building Contract and Building Plans (where applicable)



Accepted Home Loan Letter of Grant



Variable Proof of Income Requirements

- Overtime earnings - latest 6 months payslips
- Commission earnings - latest 12 months' payslips
- Shift Work earnings - latest 6 months payslips

Widow with Dependents



Certified Identity Document for applicant



Certified Birth Certificate or Identity Document of dependent/s listed



Certified Affidavit confirming relationship if dependants is not a biological child and/or does not have the same surname as the applicant



Certified Affidavit confirming relationship if the dependant is a parent or sibling



Certified Court Orders or Order issued by the Commissioner of Child Welfare (where applicable)



Certified Proof of Guardianship for foster children (where applicable)



Certified Marriage Certificate, Civil Union Certificate or certified affidavit confirming the relationship



Certified Divorce Settlement document, which includes proof of custody of children



Proof of Monthly Income



Offer to Purchase



Building Contract and Building Plans (where applicable)



Accepted Home Loan Letter of Grant



Variable Proof of Income Requirements

- Overtime earnings – latest 6 months payslips
- Commission earnings – latest 12 months' payslips
- Shift Work earnings – latest 6 months payslips

Married or Co-Habiting Applicants



Certified Identity Document for applicant



Certified Birth Certificate or Identity Document of dependent/s listed



Certified Affidavit confirming relationship if dependants is not a biological child and/or does not have the same surname as the applicant



Certified Affidavit confirming relationship if the dependant is a parent or sibling



Certified Court Orders or Order issued by the Commissioner of Child Welfare (where applicable)



Certified Marriage Certificate, Civil Union Certificate or certified affidavit confirming the relationship



Certified Proof of Guardianship for foster children (where applicable)



Proof of Monthly Income



Offer to Purchase



Building Contract and Building Plans (where applicable)



Accepted Home Loan Letter of Grant



Variable Proof of Income Requirements



- Overtime earnings - latest 6 months payslips
- Commission earnings - latest 12 months' payslips
- Shift Work earnings - latest 6 months payslips

Divorced with Dependents



Certified Identity Document for applicant



Certified Birth Certificate or Identity Document of dependent/s listed



Certified Affidavit confirming relationship if dependants is not a biological child and/or does not have the same surname as the applicant



Certified Affidavit confirming relationship if the dependant is a parent or sibling



Certified Court Orders or Order issued by the Commissioner of Child Welfare (where applicable)



Certified Proof of Guardianship for foster children (where applicable)



Certified Marriage Certificate, Civil Union Certificate or certified affidavit confirming the relationship



Certified Divorce Settlement document, which includes proof of custody of children



Proof of Monthly Income



Offer to Purchase



Building Contract and Building Plans (where applicable)



Accepted Home Loan Letter of Grant

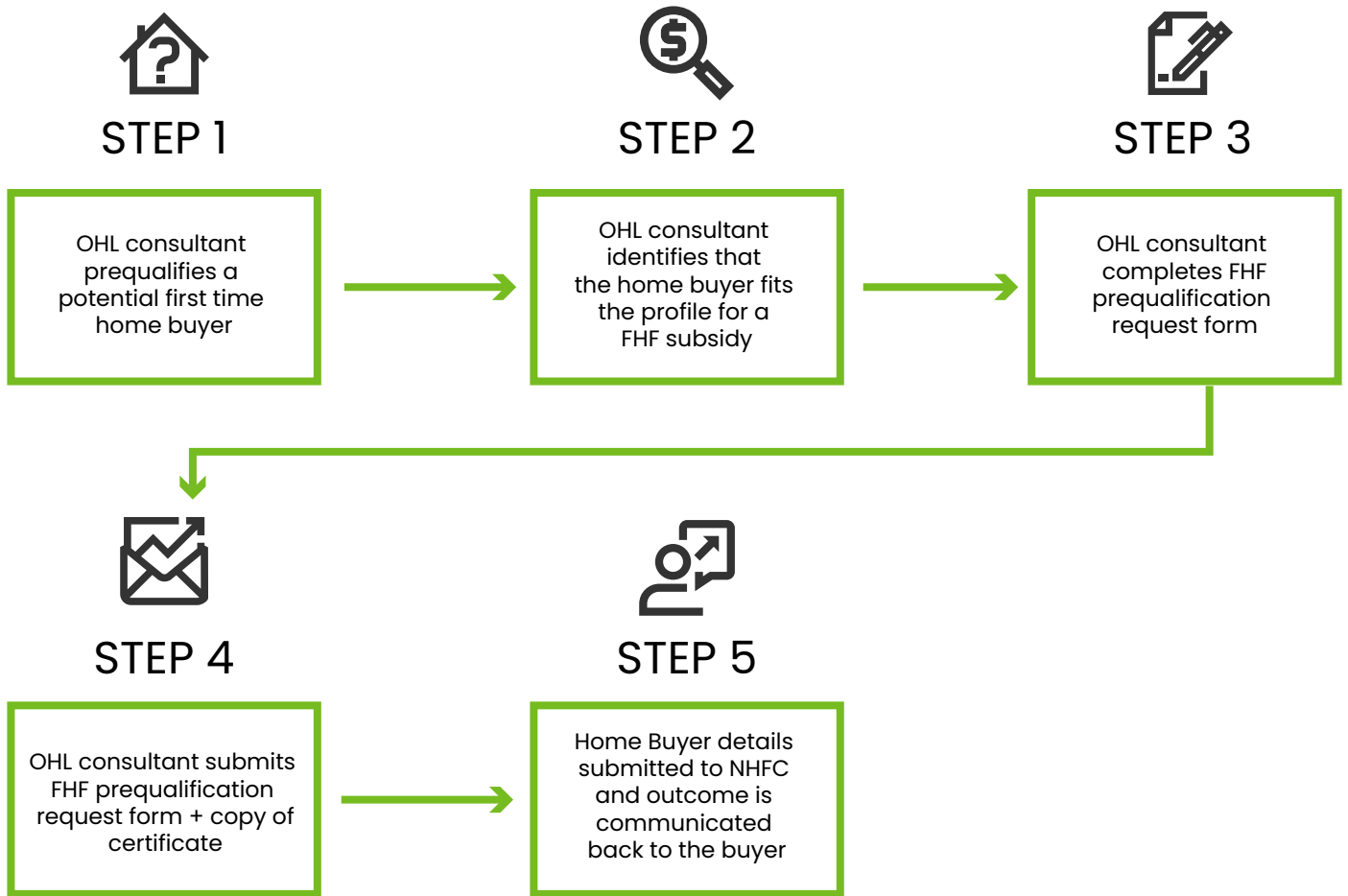


Variable Proof of Income Requirements

- Overtime earnings - latest 6 months payslips
- Commission earnings - latest 12 months' payslips
- Shift Work earnings - latest 6 months payslips

First Home Finance Subsidy Prequalification Process

How to check if your buyer qualifies for First Home Finance



What can I expect post my First Home Finance Pre-qualification application?

Depending on the outcome of the First Home Finance prequalification process, you will receive an email confirming whether the applicant is eligible for the subsidy or not. Should the applicant qualify, you will receive the following certificate, which you can share with the applicant:



Congratulations

you have been prequalified for First Home Finance

Your Details:	
Full Name <input type="text"/>	Reference Number <input type="text"/>
ID Number/s <input type="text"/>	Date Issued <input type="text"/>
First Home Finance Assessed <input type="text"/>	
<small>*T&C's APPLY</small>	

Part of our home ownership service is to prequalify your eligibility for Government's First Home Finance (FHF). Based on the information provided by you, the National Housing Finance Corporation, funder of the FHF subsidy program, has performed various checks to pre-assess your eligibility for a housing subsidy. These checks are:

Population Search: Home Affairs *Check the validity of ID number provided	✓
Property Ownership Search: Deeds Office *Check if no previous property was owned	✓
National Housing Subsidy Data Base Search *Check if no previous government housing subsidy awarded	✓

Based on the information provided by you, we have calculated the First Home Finance subsidy amount you qualify for above. The final subsidy amount, and its grant, is subject to a full First Home Finance application being presented to the National Housing Finance Corporation with all the required documentation and all information supplied by you at the time remaining correct. Terms and conditions will apply.

ooba Home Loans will assist you with the subsidy application, in addition to your home loan application. Contact your ooba Consultant immediately on signing your offer to purchase.

Speak to your ooba Consultant about further related services provided to you:

Assistance with a home loan application to compare multiple bank quotations

Assistance with understanding bond and transfer costs

Assistance with your deposit and the importance of a deposit

Assistance with protecting your home through ooba Insure

For expert advice on your home loan and multiple quotes to compare contact me.

Angelique Anderson



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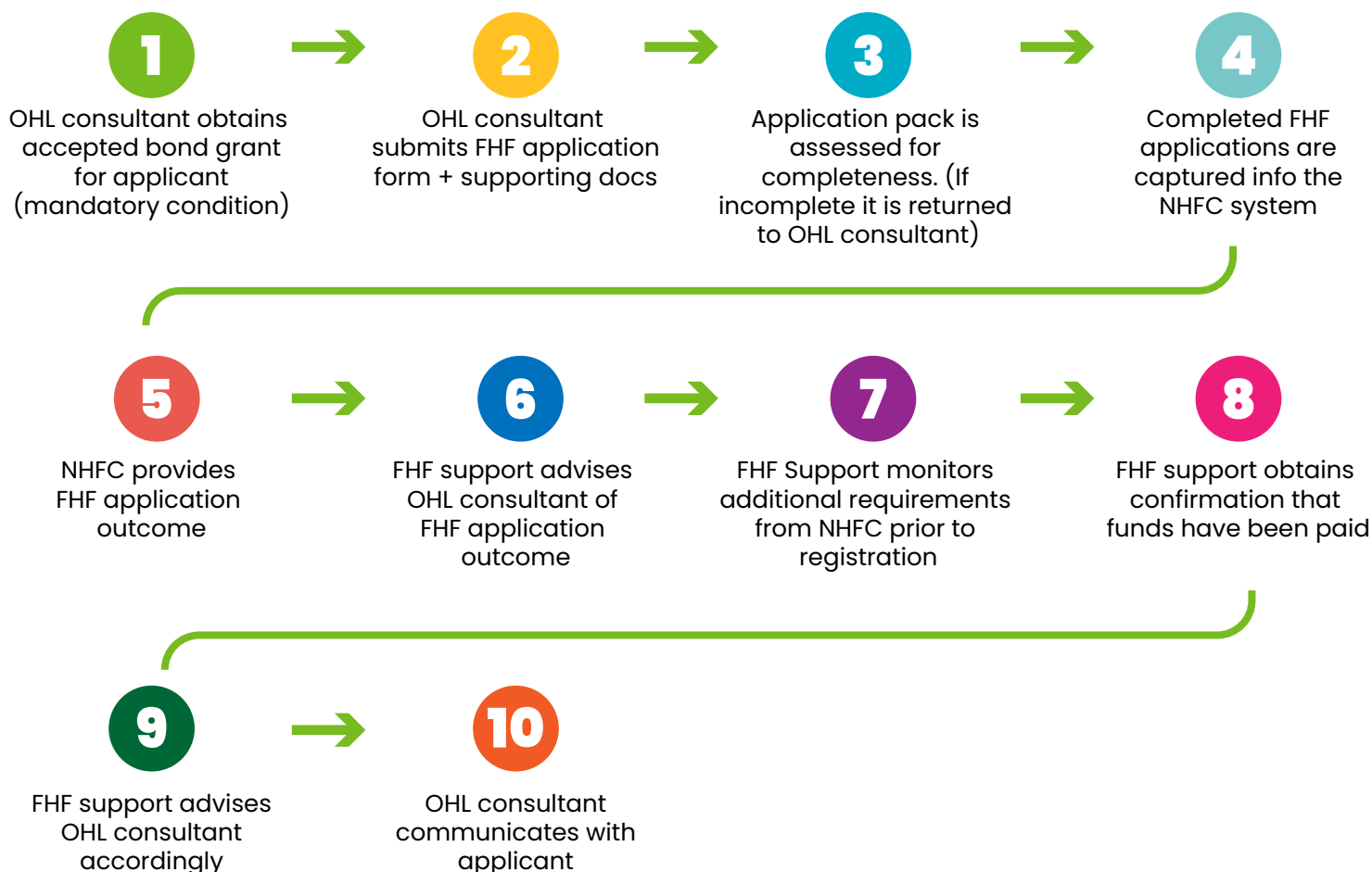
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First Home Finance Full Application Subsidy Process

It is incumbent on the applicant to complete the full subsidy application form as produced by the National Housing Finance Corporation (NHFC) and attach a copy the First Home Finance prequalification certificate (if issued) when submitting the application

First Home Finance Full Application Subsidy Process

How to submit your buyers First Home Finance Application form



How much does the **First Home Finance Subsidy** pay?

Based on the gross combined household income per month, the applicant may qualify for an amount ranging between **R38,911** to **R169,265**. All income types must be declared.

See subsidy quantum below:

First Home Finance SUBSIDY BANDS wef 01 APRIL 2023											
Increment Band											
#	Lower	Higher	Amount	#	Lower	Higher	Amount	#	Lower	Higher	Amount
1	R3 501,00	R3 700,99	R169 264,60	32	R9 701,00	R9 900,99	R124 353,78	63	R15 801,00	R16 000,99	R79 442,96
2	R3 701,00	R3 900,99	R167 815,86	33	R9 901,00	R10 100,99	R122 905,04	64	R16 001,00	R16 200,99	R77 994,23
3	R3 901,00	R4 100,99	R166 367,12	34	R10 101,00	R10 300,99	R121 456,31	65	R16 201,00	R16 400,99	R76 545,49
4	R4 101,00	R4 300,99	R164 918,39	35	R10 301,00	R10 500,99	R120 007,57	66	R16 401,00	R16 600,99	R75 096,75
5	R4 301,00	R4 500,99	R163 469,65	36	R10 501,00	R10 700,99	R118 558,83	67	R16 601,00	R16 800,99	R73 648,02
6	R4 501,00	R4 700,99	R162 020,92	37	R10 701,00	R10 900,99	R117 110,10	68	R16 801,00	R17 000,99	R72 199,28
7	R4 701,00	R4 900,99	R160 572,18	38	R10 901,00	R11 100,99	R115 661,36	69	R17 001,00	R17 200,99	R70 750,55
8	R4 901,00	R5 100,99	R159 123,44	39	R11 101,00	R11 300,99	R114 212,63	70	R17 201,00	R17 400,99	R69 301,81
9	R5 101,00	R5 300,99	R157 674,71	40	R11 301,00	R11 500,99	R112 763,89	71	R17 401,00	R17 600,99	R67 853,07
10	R5 301,00	R5 500,99	R156 225,97	41	R11 501,00	R11 700,99	R111 315,15	72	R17 601,00	R18 000,99	R66 404,34
11	R5 501,00	R5 700,99	R154 777,24	42	R11 701,00	R11 900,99	R109 866,42	73	R18 001,00	R18 200,99	R64 955,60
12	R5 701,00	R5 900,99	R153 328,50	43	R11 901,00	R12 100,99	R108 417,68	74	R18 201,00	R18 400,99	R63 506,87
13	R5 901,00	R6 100,99	R151 879,76	44	R12 101,00	R12 300,99	R106 968,95	75	R18 401,00	R18 600,99	R62 058,13
14	R6 101,00	R6 300,99	R150 431,03	45	R12 301,00	R12 500,99	R105 520,21	76	R18 601,00	R19 000,99	R60 609,39
15	R6 301,00	R6 500,99	R148 982,29	46	R12 501,00	R12 700,99	R104 071,47	77	R19 001,00	R19 200,99	R59 160,66
16	R6 501,00	R6 700,99	R147 533,56	47	R12 701,00	R12 900,99	R102 622,74	78	R19 201,00	R19 400,99	R57 711,92
17	R6 701,00	R6 900,99	R146 084,82	48	R12 901,00	R13 100,99	R101 174,00	79	R19 401,00	R19 600,99	R56 263,19
18	R6 901,00	R7 100,99	R144 636,08	49	R13 101,00	R13 300,99	R99 725,27	80	R19 601,00	R19 800,99	R54 814,45
19	R7 101,00	R7 300,99	R143 187,35	50	R13 301,00	R13 500,99	R98 276,53	81	R19 801,00	R20 000,99	R53 365,71
20	R7 301,00	R7 500,99	R141 738,61	51	R13 501,00	R13 700,99	R96 827,79	82	R20 001,00	R20 200,99	R51 916,98
21	R7 501,00	R7 700,99	R140 289,88	52	R13 701,00	R13 900,99	R95 379,06	83	R20 201,00	R20 400,99	R50 468,24
22	R7 701,00	R7 900,99	R138 841,14	53	R13 901,00	R14 100,99	R93 930,32	84	R20 401,00	R20 600,99	R49 019,51
23	R7 901,00	R8 100,99	R137 392,40	54	R14 101,00	R14 300,99	R92 481,59	85	R20 601,00	R20 800,99	R47 570,77
24	R8 101,00	R8 300,99	R135 943,67	55	R14 301,00	R14 500,99	R91 032,85	86	R20 801,00	R21 000,99	R46 122,03
25	R8 301,00	R8 500,99	R134 494,93	56	R14 501,00	R14 700,99	R89 584,11	87	R21 001,00	R21 200,99	R44 673,30
26	R8 501,00	R8 700,99	R133 046,20	57	R14 701,00	R14 900,99	R88 135,38	88	R21 201,00	R21 400,99	R43 224,56
27	R8 701,00	R8 900,99	R131 597,46	58	R14 901,00	R15 000,99	R86 686,64	89	R21 401,00	R21 600,99	R41 775,83
28	R8 901,00	R9 100,99	R130 148,72	59	R15 001,00	R15 200,99	R85 237,91	90	R21 601,00	R21 800,99	R40 327,09
29	R9 101,00	R9 300,99	R128 699,99	60	R15 201,00	R15 400,99	R83 789,17	91	R21 801,00	R22 000,99	R38 911,40
30	R9 301,00	R9 500,99	R127 251,25	61	R15 401,00	R15 600,99	R82 340,43				
31	R9 501,00	R9 700,99	R125 802,52	62	R15 601,00	R15 800,99	R80 891,70				

Which documents are required for Subsidy Payout?

Subsidy for Short Fall of Purchase Price or Payment of Costs

Copies of the following list of compulsory documents must be obtained by the Customer from the Transferring or Registration Attorney:

Letter of notification of lodgement from Attorney	✓
Signed Mortgage loan agreement	✓
Cancelled Cheque of Trust Account/Bank Confirmation Letter (not older than 3 months)	✓
Current Proof of Residence (eg. Bank Statement)	✓
Copy of Clients Identification Document	✓
Letter of First Home Finance Approval	✓
Windeed Search	✓
Proforma Invoice from Transferring and Registration Attorney (only applicable when subsidy is used for costs)	✓

Subsidy for Reduction of Capital Loan Amount

Copies of the following list of compulsory documents must be obtained by the Customer from the Transferring or Registration Attorney:

Letter of Registration Confirmation	✓
Copy of First Bond Statement	✓
Signed Mortgage Loan Agreement	✓
Copy of Clients Identification Document	✓
Letter of First Home Finance Approval	✓
Signed copy of Title Deed	✓

Frequently Asked Questions

Q: Are the banks aware of First Home Finance?

A: Most accredited South African banks/lenders know about First Home Finance, but it will help you even better to find out more about First Home Finance before you visit your bank/lender.

Q: Can I still apply for the First Home Finance Subsidy even if I receive a housing allowance from my employer?

A: Yes, you can if you meet the First Home Finance Qualifying Criteria.

Q: Can I still apply for the subsidy if I already own a house?

A: No, it is a First Home Finance Qualifying Criteria that you must be a first time home buyer to be considered for a First Home Finance subsidy.



Q: How long will First Home Finance be available to the public?

A: First Home Finance is a Government 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.

Q: How long does the First Home Finance application take?

A: NHFC has given an undertaking to communicate an outcome (provided that all supporting documents are submitted)

Full Application = 21 days from submission

Prequalification = 3 days from submission

Q: If the shortfall of purchase price exceeds the First Home Finance subsidy amount?

A: The purchaser will have to cover the shortfall balance themselves.

Frequently Asked Questions

Q: Does the NHFC condition the subsidy to include a pre-emptive rights clause?

A: No, the subsidies granted by the NHFC does not include such a condition.

Q: Is it possible not to qualify for First Home Finance at all?

A: Yes, if you do not meet the specified First Home Finance Qualifying Criteria you will not be considered for First Home Finance.

Q: Is there an expectation to repay?

A: No, you will not be asked to repay the First Home Finance Subsidy.

Q: Up to what age can I apply for a subsidy?

A: 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 a subsidy, or if you have balance of the purchase price.

Q: What if I own my own land?

A: The First Home Finance Subsidy may be used to build your own residential property on a self-owned serviced residential stand through an NHBRC register builder.

Q: Will I still qualify if I cancel my rent to buy lease and apply for a bond?

A: Yes, provided you meet First Home Finance Qualifying Criteria.

