



FIRST HOME FINANCE



What is First Home Finance?

First Home Finance was developed by the Department of Human Settlements to enable sustainable and affordable first time home-ownership 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.



First Home Finance enables qualifying beneficiaries to buy or build their first home on affordable basis in both urban and rural areas.

What to do with First Home Finance

Qualifying applicants can:

A

Buy an existing, new or old residential property

B

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

C

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



The once-off First Home Finance amount ranges between R30,001 and R130,505, depending on the applicant's monthly income.

WHO CAN APPLY

Applicants intending to acquire residential property may apply for First Home Finance 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; and
- 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 First Home Finance:

- 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)

Accessing First Home Finance

REDUCES

Property Price	R300,000
Approved Home Loan	R300,000
Less FHF as a deposit	R93,526
Eventual Home Loan Amount	R206,474

First Home Finance **REDUCES** the initial home loan amount, making monthly loan repayment instalments affordable (payment made to home loan account)
SUBSIDY QUANTUM Example 1 is based on a R9 000 p/m income - band, where the individual after the Lender/Bank's credit and affordability assessment, based on the National Credit Act (NCA) criteria, qualified for R300,000 home loan.

AUGMENTS

Property Price	R300,000
Approved Home Loan	R300,000
Less FHF as a HL TOP UP	R93,526
Eventual Home Loan Amount	R206,474

First Home Finance **AUGMENTS** shortfall between the qualifying loan amount and the total product price (payment made to transfer attorneys)
SUBSIDY QUANTUM Example 2 is based on a R9 000 p/m income-band, where the individual after the Lender/Bank's credit and affordability assessment, based on the National Credit Act (NCA).

HOW YOU CAN APPLY

- STEP 1** Visit the NHFC website – www.nhfc.co.za, or call the NHFC on 010 085 2199 to see if you meet the qualifying criteria
- STEP 2** Check if you qualify for a home loan at a bank of your choice
- STEP 3** Identify a house or stand that you want to buy
- STEP 4** Conclude a purchase and sale agreement
- STEP 5** Obtain a home loan confirmation from the bank / financial institution
- STEP 6** Complete and submit an application online on the First Home Finance Application Portal on the NHFC website

Submission of a Home Loan Application

Upon the lender granting of the home loan, the developer, banks, estate agents, bond originator, general public submits the beneficiary's completed First Home Finance application together with supporting documentation to the NHFC





For more
information,
and to
enquire about
how we can
best serve
you, go to our
website where
you can apply
online

010 825 2199

Apply online through the **First Home Finance**
Application Portal on the NHFC website:
www.nhfc.co.za

