

## **TYPES OF SUBSIDIES:**

### **Individual-Non Credit Linked Subsidy**

This programme provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved home loan. These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National Housing Programme.

### **Consolidation Subsidy**

This housing subsidy mechanism has been designed to afford previous beneficiaries of service stands, financed by the previous housing dispensation [including the independent Development Trust's site and service schemes], the opportunity to acquire houses. A top up subsidy to construct a house, is granted to beneficiaries with a household income not exceeding R3 500 per month.

### **Institutional Subsidy**

This subsidy is given to an approved housing institution that could comprise of a group of individuals who have formed a legal entity that will acquire residential property and manage it. This is the only subsidy that allows you to re-apply for another subsidy, purely because it is attached to the property and not an individual and is mainly used for rental purposes.

### **Finance -Linked Subsidy (FLISP)**

Application for this type of subsidy is made by the bank, on behalf of the applicant. The subsidy is used for bonded properties financed by a financial institution and the applicant's income must not exceed **R15 000.00 joint household income per month**.

### **Project Linked Subsidy (Integrated Residential Development Programme)**

These properties are built by contractors, employed by the province or municipality for groups of peoples that qualify for subsidies. The subsidy amount is linked to your income and the beneficiary must finance any shortfall.

## Affordable Rental Accommodation(ARA)

This subsidy is for people who are living in Hostels, which are being converted to family units and individual (single) units. Beneficiaries have a choice of choosing either a single unit or a family sized unit, according to their specific housing requirement.

## RDPS

### ESSENTIAL DOCUMENTS WHEN APPLYING:

- **NB: Certified copies of the following documentation:**
  - Bar-coded identity document
  - Bar-coded birth certificates of dependants ( with thirteen digits)
  - Marriage certificate or divorce decree
  - Divorce settlement documentation ( to prove custody of children) where relevant
  - Court orders or, orders issued by the Commissioner of Child Welfare to prove guardianship for foster children, where relevant
  - Spouse’s bar coded Identity document, if applicable
  - Death certificate of spouse if deceased
  - Proof of income (e.g. original pay slip; affidavit; letter of employment)
  - Affidavit when cohabiting/ unions solemnised in terms of SA Law
  - and accompanied by sworn statements to prove the authenticity of the relationship to the applicants, where applicable
  - Certificate of customary marriage obtained from Department of Home Affairs

### Finance Linked Individual Subsidy (FLISP)

FLISP 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 R3501- R15000 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’s “free-basic house” subsidy scheme.

## **Who can apply?**

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

- South African citizen with a valid ID; or permanent residents with a valid permit
- Over 18 years old and competent to legal contract
- Never have benefited from a Government Housing Subsidy Scheme before
- Have an approval in principle of home loan from an accredited South African Financial Institution
- First time home buyer, earning from R3501- R15000 per month

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

## **What to do with FLISP?**

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

- Buy an existing new or old residential property
- Buy a vacant serviced residential stand, linked to an NHBRC registered homebuilder contractor
- Build a residential property on self-owned serviced residential stand, through an NHBRC registered homebuilder

The once-off FLISP subsidy amount ranges between R10000 and R87000 depending on the applicant's monthly income.