



human settlements

Department  
Human Settlements  
REPUBLIC OF SOUTH AFRICA



# FLISP

FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME





# CONTENTS

What is FLISP?	1
What to do with FLISP?	2
Who can apply?	3
Requirements	4
Accessing FLISP & Application Processes	6
FLISP Summarised	8
Submission of a Home Loan Application	10
FLISP Subsidy Bands	12

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

## What is FLISP?

The Finance Linked Individual Subsidy Programme (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 R3 501 and R22 000 per month, (the 'affordable' or 'gap' market). Individuals in these salary bands generally find it hard to qualify for housing finance; their income is regarded as low for mortgage finance, but too high to qualify for the government 'free-basic house' subsidy scheme.



# What to do with FLISP?

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

**A**

buy an existing, new or old, residential property;

**C**

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

or

**B**

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



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

# Who can apply?

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

- South African citizen with a valid ID; or permanent residents with a valid permit;
- over 18 years and competent to legally contract;
- have never benefited from a Government Housing Subsidy Scheme before;
- have an Approval in Principle of home loan from an accredited South African financial institution; 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 FLISP:

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



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



# Accessing FLISP & Application Processes

## EXAMPLE 1 FLISP REDUCES

Property Price	R300 000
Bank HL Approval	R300 000
Less FLISP as a deposit	R 93 526
<b>EVENTUAL HOME LOAN AMOUNT</b>	<b>R206 474</b>

**FLISP 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 an 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.

## EXAMPLE 2 FLISP AUGMENTS

Property Price	R300 000
Bank HL Approval	R206 474
FLISP as HL top up	R 93 526
<b>EVENTUAL HOME LOAN AMOUNT</b>	<b>R206 474</b>

**FLISP AUGMENTS** shortfall between the qualifying loan amount and the total product price (**payment made to transfer attorneys**)

**SUBSIDY QUANTUM Example 2** is based on an R9 000 p/m income-band, where the individual after the Lender/Bank's credit and affordability assessment, based on the National Credit Act



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

**Option 1: Development Housing Projects**

Applicant identifies property from FLISP Developments

Applicant signs an offer to purchase a property with a Developer

Developer assists applicant to apply for a home loan with a Lender.

Applicant completes FLISPS Forms with a Developer.

**Option 2: Open market**

Applicant identifies a new or old property in the **Open Market**, or for construction on an acquired vacant serviced stand

Applicant signs a property **offer to purchase** with the Seller or through an Estate Agent.

Applicant applies for a home loan with a Lender

# FLISP Summarised

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

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

FLISP may be used for the following:-

- Buy an existing, new or old, residential property
- Buy a vacant serviced residential-stand; or
- Build a residential property
- Build on a tribal land available through permission to Occupy

**FLISP**  
FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME

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



# Submission of a Home Loan Application

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

## FLISP APPLICATION PROCESS

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

### Option 1: Development Housing Projects

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

### Option 2: Open Market

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

## APPROVAL/DECLINE OF A HOME LOAN AND FLISP APPLICATION

Should the **home loan application** be **declined**, the FLISP application will not be considered any further

Should the **home loan application** be **approved**, the FLISP application will be processed

If **FLISP Application** outcome is negative, the application will be declined; however the application may continue with the home loan transaction without FLISP, in accordance to the Lender/Bank's terms and conditions

If **FLISP application** outcome is **positive**, the subsidy will be granted

## SUBMISSION AND PROCESSING OF FLISP APPLICATION

FLISP application should be emailed [to flisp@nhfc.co.za](mailto:to flisp@nhfc.co.za)

NHFC receives emailed FLISP Application Forms and the Application Supporting Documents from the FLISP Trained Developers, Financial Institutions, Estate Agents, Human Settlement Provincial & Regional Offices or directly from the applicant

NHFC assess and process FLISP applications; and communicates the outcomes to the applicant

## PAYMENT OF A SUBSIDY

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


# FLISP Subsidy Bands

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

Step Number	Increment Band		
	Lower	Higher	Quantum
1	R 3 501.00	R 3 700.00	R 121 626.00
2	R 3 701.00	R 3 900.00	R 120 585.00
3	R 3 901.00	R 4 100.00	R 119 545.00
4	R 4 101.00	R 4 300.00	R 118 504.00
5	R 4 301.00	R 4 500.00	R 117 463.00
6	R 4 501.00	R 4 700.00	R 116 422.00
7	R 4 701.00	R 4 900.00	R 115 382.00
8	R 4 901.00	R 5 100.00	R 114 341.00
9	R 5 101.00	R 5 300.00	R 113 300.00
10	R 5 301.00	R 5 500.00	R 112 259.00
11	R 5 501.00	R 5 700.00	R 111 219.00
12	R 5 701.00	R 5 900.00	R 110 178.00
13	R 5 901.00	R 6 100.00	R 109 137.00
14	R 6 101.00	R 6 300.00	R 108 097.00
15	R 6 301.00	R 6 500.00	R 107 056.00
16	R 6 501.00	R 6 700.00	R 106 015.00
17	R 6 701.00	R 6 900.00	R 104 974.00
18	R 6 901.00	R 7 100.00	R 103 934.00
19	R 7 101.00	R 7 300.00	R 102 893.00
20	R 7 301.00	R 7 500.00	R 101 852.00
21	R 7 501.00	R 7 700.00	R 100 811.00
22	R 7 701.00	R 7 900.00	R 99 771.00
23	R 7 901.00	R 8 100.00	R 98 730.00
24	R 8 101.00	R 8 300.00	R 97 689.00
25	R 8 301.00	R 8 500.00	R 96 648.00
26	R 8 501.00	R 8 700.00	R 95 608.00
27	R 8 701.00	R 8 900.00	R 94 567.00
28	R 8 901.00	R 9 100.00	R 93 526.00
29	R 9 101.00	R 9 300.00	R 92 486.00
30	R 9 301.00	R 9 500.00	R 91 445.00

31	R 9 501.00	R 9 700.00	R 90 404.00
32	R 9 701.00	R 9 900.00	R 89 363.00
33	R 9 901.00	R 10 100.00	R 88 323.00
34	R 10 101.00	R 10 300.00	R 87 282.00
35	R 10 301.00	R 10 500.00	R 86 241.00
36	R 10 501.00	R 10 700.00	R 85 200.00
37	R 10 701.00	R 10 900.00	R 84 160.00
38	R 10 901.00	R 11 100.00	R 83 119.00
39	R 11 101.00	R 11 300.00	R 82 078.00
40	R 11 301.00	R 11 500.00	R 81 038.00
41	R 11 501.00	R 11 700.00	R 79 997.00
42	R 11 701.00	R 11 900.00	R 78 956.00
43	R 11 901.00	R 12 100.00	R 77 915.00
44	R 12 101.00	R 12 300.00	R 76 875.00
45	R 12 301.00	R 12 500.00	R 75 834.00
46	R 12 501.00	R 12 700.00	R 74 793.00
47	R 12 701.00	R 12 900.00	R 73 752.00
48	R 12 901.00	R 13 100.00	R 72 712.00
49	R 13 101.00	R 13 300.00	R 71 671.00
50	R 13 301.00	R 13 500.00	R 70 630.00
51	R 13 501.00	R 13 700.00	R 69 590.00
52	R 13 701.00	R 13 900.00	R 68 549.00
53	R 13 901.00	R 14 100.00	R 67 508.00
54	R 14 101.00	R 14 300.00	R 66 467.00
55	R 14 301.00	R 14 500.00	R 65 427.00
56	R 14 501.00	R 14 700.00	R 64 386.00
57	R 14 701.00	R 14 900.00	R 63 345.00
58	R 14 901.00	R 15 000.00	R 62 304.00
59	R 15 001.00	R 15 200.00	R 61 264.00
60	R 15 201.00	R 15 400.00	R 60 223.00

61	R 15 401.00	R 15 600.00	R 59 182.00
62	R 15 601.00	R 15 800.00	R 58 141.00
63	R 15 801.00	R 16 00.00	R 57 101.00
64	R 16 001.00	R 16 200.00	R 56 060.00
65	R 16 201.00	R 16 400.00	R 55 019.00
66	R 16 401.00	R 16 600.00	R 53 979.00
67	R 16 601.00	R 16 800.00	R 52 938.00
68	R 16 801.00	R 17 000.00	R 51 897.00
69	R 17 001.00	R 17 200.00	R 50 856.00
70	R 17 201.00	R 17 400.00	R 49 816.00
71	R 17 401.00	R 17 600.00	R 48 774.00
72	R 17 601.00	R 18 000.00	R 47 734.00
73	R 18 001.00	R 18 200.00	R 46 693.00
74	R 18 201.00	R 18 400.00	R 45 653.00
75	R 18 401.00	R 18 600.00	R 44 612.00
76	R 18 601.00	R 19 000.00	R 43 571.00
77	R 19 001.00	R 19 200.00	R 42 531.00
78	R 19 201.00	R 19 400.00	R 41 490.00
79	R 19 401.00	R 19 600.00	R 40 449.00
80	R 19 601.00	R 19 800.00	R39 408.00
81	R 19 801.00	R 20 000.00	R 38 367.00
82	R 20 001.00	R 20 200.00	R 37 327.00
83	R 20 201.00	R 20 400.00	R 36 286.00
84	R 20 401.00	R 20 600.00	R 35 245.00
85	R 20 601.00	R 20 800.00	R 34 205.00
86	R 20 801.00	R 21 000.00	R 33 164.00
87	R 21 001.00	R 21 200.00	R 32 123.00
88	R 21 201.00	R 21 400.00	R 31 082.00
89	R 21 401.00	R 21 600.00	R 30 042.00
90	R 21 601.00	R 21 800.00	R 29 001.00
91	R 21 801.00	R 22 000.00	R 29 960.00

A young couple, a man and a woman, are smiling and looking towards the camera. The man is holding a set of keys in his right hand, which is raised. They are both wearing light blue shirts. The background is a plain, light-colored wall.

**We strive to make  
the dreams of many  
home-seekers a  
reality**



Financier | Facilitator | Innovator

For more information on the FLISP subsidy, accredited development projects, nearest contact office and/or FLISP application status contact FLISP Information Centres contact:

**FLISP OFFICES**

**NHFC**

The Isle of Houghton,  
Old Trafford 3,  
11 Boundary Road,  
Houghton, 2193

**Tel No.**

0860 011 011

[FLISP@nhfc.co.za](mailto:FLISP@nhfc.co.za)

[www.nhfc.co.za](http://www.nhfc.co.za)

**FLISP**  
FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME

