



KWAZULU-NATAL PROVINCE

HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

Policy Communiqué

Circular No. 1/2024

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REVISED GUIDELINES FOR STAKEHOLDER CONSULTATION

The Revised Guidelines for Stakeholder Consultation was approved by the Head of Department for implementation with effect from 24 November 2022.

The Guidelines provide for an effective mechanism for stakeholder's consultations that is used by the Department to actively engage with stakeholders when researching, developing, designing, formulating, reviewing, and evaluating policies.

The document ensures that the department engages with the right people in the right way in any policy development, enhancement, evaluation, and review process. It also reduces project risks, helps to manage resources more effectively, facilitate team collaboration, meet timelines, and build trust through better relationships with stakeholders.

The guidelines aim to provide an appropriate consultation and communication process since this is paramount to effective support, adoption, approval and implementation of policies, guidelines, and procedures. It also indicates where relevant stakeholders especially sector departments will participate and engage in the effort to create integrated, sustainable human settlements. The process will help ensure that all the relevant stakeholders are appropriately and adequately consulted for the required purpose, specifically in respect of the introduction of new policies or legislation, changes to existing policies, implementation strategies and the communication of this timeously.

1. CONSULTATION PROCESS

Prior to initiating any consultation, the following must be considered:

- a) Determining the purpose of the consultation.
- b) Identifying the target group for consultation.
- c) Setting out consultation methods.
- d) Expected completion date

1.1. National Task Teams

The Department nominates representatives to attend National task team or reference group meetings. The representative provides verbal input or comment at meetings or collates and submits comment or input from other relevant directorates to the National Department of Human Settlements as part of their consultation process in National strategy, Policy research and development.

1.2 Target Group

The identification of the target group will depend on the nature and content of the policy being developed or evaluated, research project being undertaken, problem identified or information communicated. To ensure adequate coverage of the relevant stakeholders, they should include those affected by the policy, those involved in implementation and/or those that have a direct interest in the policy. These groups should be given an opportunity to express their opinions. A detailed list of target groups relevant to the Department of Human Settlements may be accessed in the Revised Guidelines.

1.3 Consultation Methods

1.3.1 Workshops, Information Sessions, Summits, or Indabas

- a) New or enhanced policies/guidelines/procedures will be communicated through Information sessions with internal and external stakeholders.
- b) Face to face or virtual workshops or information sessions with internal and/or external stakeholders will provide a forum for participation and contribution in policy research, development, evaluation, and enhancement.
- c) Strategic documents or broader consultation may be undertaken through Human Settlements Summits or Indabas.

1.3.2 Telephone, E-mail or Virtual Platforms

- a) Requests for policy guidance and advice may be received via telephone, or email should be responded to via the same or preferred method.
- b) Comments on draft policies/guidelines/procedures may be requested via e-mail or through virtual platforms from the identified target groups.

1.3.3 Website Publication, Social Media or SharePoint

- a) New draft policies/guidelines/procedures or amendments to existing policy and research surveys may be posted on a dedicated page on the Department website or SharePoint, inviting comments and responses. Stakeholders may be notified via email of such postings with the required link to the document provided.
- b) Open public consultations with external stakeholders like implementing agents and municipalities will be posted on the internet or the Department's social media pages. In exceptional cases such as policies on internal procedures when confidentiality is required, consultation may be restricted to internal stakeholders through the use of the intranet or SharePoint only.
- c) Internal and external stakeholders will have access to approved National and Provincial policy documents through publication on the Department's website and SharePoint.

1.3.4 Policy Communiqué

Policies/guidelines/procedures will be communicated through the publication of the Policy Communiqué as and when they are approved. The Communiqué will be forwarded to all stakeholders through email, as well as be published on the Department's website and social media pages.

2. TIME FRAMES

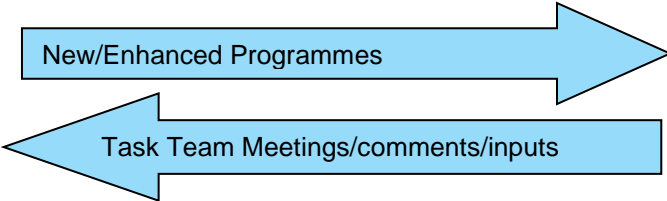
A reasonable consultation period granted for adequate submission of comments on draft policies will be a minimum of 10 working days. Urgent cases where there is a need for swift decision-making or where stakeholders have already had sufficient opportunity to comment, the period may be shortened to 5 working days. Cognisance needs to be taken of time constraints for inputs requested from the National and/or other Departments.

3. APPLICATION

- a) All draft policies/guidelines/procedures inviting comments through the chosen method of consultation must provide a closing date for submission based on the suggested time frames.
- b) The responsible official's contact details including, telephone number, and/or e-mail address must be included in the request for comments.
- c) A reminder will be sent to stakeholders in the first day of 2nd week before the agreed final date of submitting comments/inputs.
- d) Memoranda will be sent directly to key internal stakeholders requesting for inputs/comments should there be none received after sending a reminder and the final date of submission has passed.
- e) Formal letters will be sent directly to key external stakeholders requesting for inputs/comments should there be none received after sending a reminder, and the final date of submission has been exceeded by 5 working days
- f) Should there be significant input received, a revised draft will be developed and re-submitted for further consultation before proceeding for approval. Although consultation may be required at more than one stage in the process, the extent of consultation will be determined by the Department in proportion to the subject being addressed.
- g) Receipt of contributions will be acknowledged. Furthermore, the Communications Unit will issue an email to all staff, on behalf and approved by the Head of Department, acknowledging the stakeholders who have submitted their comments.
- h) All approved policy documents being communicated will, where appropriate and feasible, be made available in alternative formats to the visually and hearing-impaired stakeholders in Braille or recordings.
- i) All approved policy documents will be made available where possible in both English and Isizulu.
- j) All personal information gathered from attendance registers will ensure compliance with the POPIA by including the required provisions on the register.

CONSULTATION PROCESS

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS



KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

NATURE/ PURPOSE OF CONSULTATION

STAKEHOLDERS

- Policy requests, guidance & advice.
- Comments on draft policies
- Research surveys

- Access to provincial & National policies.
- Comments on draft policies, procedures, processes, guidelines

- Participation in policy dev, enhancement, evaluation & review.
- Workshop & communication of new/enhanced/ revised policy.

- Policy, procedures, processes, guidelines & directives

- Advise, debate, draft & enhance Provincial & National policy & legislation,
- problem solving initiatives,
- monitoring implementation,
- Identification & participation in research,
- exchange & communicate Info

- KZN DoHS
- Districts, Local Municipalities,
- IA's, Housing Professionals,
- Sector Depts,
- Housing Institutions, SHI's, NGO's, CBO's, Private Developers, Private/ Tertiary Institutions,
- members of public

- KZN DoHS
- Districts, Municipalities,
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- IA's, Housing Professionals,
- Sector Depts,
- Housing Institutions, SHI's, NGO's, Community Organisations, Private Developers

- KZN DoHS
- Sector Depts, Municipalities
- Tertiary Institutions, Civil society reps, relevant experts

- TELEPHONE
- E-MAIL
- VIRTUAL PLATFORMS
- SOCIAL MEDIA
- LETTERS
- MEMORANDA

- WEBSITE
- SOCIAL MEDIA
- SHAREPOINT

- WORKSHOPS
- INFORMATION CONSULTATION SESSIONS
- VIRTUAL PLATFORMS

- POLICY COMMUNIQUE
- WEBSITE
- EMAIL
- SHAREPOINT

- TELEPHONE
- E-MAIL
- VIRTUAL PLATFORMS
- SOCIAL MEDIA
- WORKSHOPS/SUMMITS/ INDABA

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FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP) IMPLEMENTATION GUIDELINES FOR NON-MORTGAGE BASED PRODUCTS

The FLISP Guidelines for Non-Mortgage Based Products was approved by the Honourable MEC for implementation with effect from 24th October 2023.

In October 2005, the National Department of Human Settlements introduced the Financial Linked Individual Subsidy Programme (FLISP) to assist households that were unable to access mortgage loans without other forms of housing finance support. Labelled the "gap market," these households were described as earning too little to qualify for adequate mortgage loans and yet earning too much to qualify for adequate housing subsidies. The programme was then introduced to and administered by provincial departments. By 2012, FLISP was substantially revised and included aspects which were previously not included in the programme. The programme was reviewed further by the National Department in consultation with all relevant stakeholders and has since identified several shortcomings. The current amendments of FLISP are a response to that review. Henceforth, FLISP shall also extend to non-mortgage housing finance options.

1. APPLICATION OF THE GUIDELINE

The current FLISP guideline may be used only for one or more of the following purposes specifically and only by first time homeowners and before the registration thereof in their names:

- 1.1 To buy a house.
- 1.2 To buy a housing stand.
- 1.3 To build a house on a housing stand but which must be: a) enrolled with National Home Builders Registration Council (NHBRC). b) linked to a building contract with an NHBRC registered contractor.
- 1.4 To pay for house buying costs (e.g., legal fees which may include; conveyancing fee, transfer fee, deposit, endorsement of the title deed).
- 1.5 Further to this, FLISP may be used in one of the following ways:
 - a) In combination with a housing loan granted or guaranteed by a pension/provident fund and, where necessary or desired, also money from personal resources.
 - b) In combination with a housing loan granted or guaranteed by a cooperative or community-based savings scheme and, where necessary or desired, also money from personal resources.
 - c) In combination with a housing loan granted or guaranteed by GEHS and where necessary or desired, also money from personal resources.
 - d) In combination with a housing loan supported by an Instalment Sale Agreement and, where necessary or desired, also money from personal resources

2. QUALIFICATION CRITERIA

FLISP for non-mortgaged based products provides a subsidy to qualifying beneficiaries who have secured loans that are supported by; a pension or provident fund, co-operatives; government employee housing schemes (GEHS) or finance facilities other than loans such as instalment sale agreements. The approved subsidy is then used to acquire an existing house, or a vacant residential serviced stand linked to a house construction contract with home builders registered with the NHBRC. The objective of the Programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan repayment term and/or to make good any shortfall between the qualifying loan amount and the total product price or as a deposit.

The FLISP subsidy is only available to a first-time homeowner whose monthly household income is between R3 501 to R22 000 per month. The subsidy is granted on a sliding scale ranging from R169 264.60 for a household income of R3501 per month to R38 911.40 for a household income of R22 000 per month.

3. APPLICATION AND ALLOCATION PROCESS: NON-MORTGAGE FLISP PRODUCTS:

3.1 Pension/Provident Fund backed Housing Loan

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>The following procedure will commence upon the receipt of a FLISP application. The required proof can be provided in the form of a letter from the bank or the loan agreement:</p> <ol style="list-style-type: none"> The applicant submits the FLISP application form and supporting documents by email, post, or in person, to the Subsidy Administration Directorate (SAD) to assess for the approval of the applicant based on the FLISP qualification criteria. The SAD performs a verification of the FLISP application form to check for completeness. If the application is incomplete, they will then advise the applicant of an incomplete application via a letter for the purpose of resubmission. If the application is complete, then subsidy administration continues to assess the application according to the FLISP qualification criteria and completion of the verification process. The SAD opens the subsidy application file and performs a verification of the supporting documentation and the application. The following documents are assessed: <ol style="list-style-type: none"> FLISP Application Form Supporting Documentation 	<ol style="list-style-type: none"> Lender provides details of key loan terms and conditions, including interest rate. Municipal rates/property assessment indicating the current valuation of the property (as received from the seller) South African Smart Card or a bar-coded identity document of every adult member of the household. Birth certificates for every child of the household. Marriage certificate Affidavit confirming customary union. Divorce settlement agreement, to prove custodianship. Court order to prove guardianship. Proof of sources of income <p>For the purposes of assessing whether any particular person is entitled to receive a housing subsidy, the income of his or her spouse/partner (if any) shall be added to that person's income include:</p> <ol style="list-style-type: none"> basic salary (3 months payslip) and/or wages; any allowances paid on a regular, monthly or seasonal basis as part of an employment contract any loan interest subsidy, or 	<p>The following stakeholders will play a critical part in the process:</p> <ol style="list-style-type: none"> Lender (Pension/Provident Fund Administrator and or Affiliated Bank) <ol style="list-style-type: none"> Provides a letter that indicates details of the housing loan backed by a pension/ provident fund to the applicant (Interest rate, Terms and conditions, Loan amount, Monthly repayment amount). Performs an affordability and credit worthiness assessment on beneficiaries. Provide banking account details to applicant for the transfer of funds if applicant opts to use the lender as a fund's keeper. Ensure timeous disbursement of subsidy funds to relevant parties NHBRC-registered Contractor <ol style="list-style-type: none"> Provide the applicant with proof of valid NHBRC certification Provide the applicant with building plans and costs. Attorney <ol style="list-style-type: none"> Provide Trust Account details to the applicant. Ensure timeous disbursement of subsidy funds to relevant parties Inform applicant when disbursement of funds from Trust Account to relevant parties occurs. KZNDHS <ol style="list-style-type: none"> Receive, assess and submit application for approval Provide timeous feedback to the applicant of the application status Ensure timeous disbursement of subsidy funds to relevant parties Negotiating with financial institutions regarding their

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<ul style="list-style-type: none"> c) Deeds Search d) Proof of builder's registration with NHBRC e) The Property Assessment f) Amount reflected in the FLISP suspensive account with a bank affiliated with the Department g) If no account with an affiliated bank, then a confirmation of the Attorneys trust account in the form of a letter from the bank to confirm the banking details. h) Loan terms and conditions forms <p>4. If the application fails the compliance assessment, the SAD will re-verify the FLISP application form along with the supporting documentation.</p> <p>5. If the application passes the compliance assessment, the SAD drafts the submission for the MEC's approval.</p> <p>6. Should approval be granted by the MEC, a letter of undertaking is drafted by the SAD which advises the applicant/attorney/ bank and attorney of the approval. The Letter of Undertaking must include the following:</p> <ul style="list-style-type: none"> a) Personal resource contribution due by beneficiary into the Attorneys Trust account. The use of the Attorneys Trust account may only be permitted if the applicant does not have a bank account with a bank affiliated with the Department. b) If applicable, request the applicant's 	<ul style="list-style-type: none"> other remuneration payable regularly on a monthly basis to the individual (and/or to his or her spouse) by his or her employer d) any financial obligations met on behalf of the individual (or his or her spouse) by his or her employer on a regular monthly basis e) any commission payable to the individual (and/or to his or her spouse) on a monthly basis (an average of the most recent 12 (twelve) months will be determined for eligibility assessment purposes) f) where commission is present in all 3 months of the payslip, it must be added to the basic g) where overtime is present in all 3 months of the payslip, it must be added to the basic h) income received through self-employment and i) any retirement or disability benefits received on a regular (monthly) basis. 	<p>participation in FLISP and conclude agreements with participating lenders that will regulate the roles and responsibilities of the parties.</p> <ul style="list-style-type: none"> 5. Assessing the FLISP applications against qualifying criteria and processing these applications onto the National Housing Subsidy Data Base. 6. Administering payments of approved subsidies to lenders as provided in theprescripts of the FLISP. 7. Submitting quarterly reconciliation reports to the NDHS regarding the subsidy funding received and disbursed.

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>attorney to confirm that they have done due diligence on the applicant's source of finance for personal contribution.</p> <p>7. Where applicable, Attorney confirms pre-lodgement/lodgement of the transfer at the Deeds office via a letter indicating that pre-lodgement/ lodgement has occurred, this will only occur in the event of the beneficiary opting to purchase a property. In the instance of a property being built, registered building plans will be required to ensure that the payment process may commence.</p> <p>8. The Finance Directorate (FD) will perform a reconciliation of the payment process for the purpose of completing and submitting the payment requisition form for approval by the MEC.</p> <p>9. The FD then creates an account and ensures that funds have been transferred into the beneficiary account. Thereafter the payment is authorized and released by FD to the attorney.</p> <p>10. On receipt of proof of payment from FD, attorney accepts the payment into a trust account and payment to parties takes place according to conditions on the grant letter/ letter of undertaking. Disbursements are to be paid to the relevant parties</p>		

3.2 Co-Operative/Community Based Savings Schemes Backed Housing Loan

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>These applications will be considered provided that the said Co-Operative is duly registered and constituted as per the Co-Operatives Act 14 of 2005. Proof of co-operative/community-based savings must be provided in the form of a bank statement and affidavit from the relevant individual or entity, or</p> <p>A Stokvel that is duly registered with the National Stokvel Association of South Africa (NASASA) or a Stokvel Savings account reflecting the applicant's details, contribution, and funds/loan available to him/her. For a Stokvel's Savings Account there should be policy or agreement which governs the account and a managing body or committee that oversees the overall function of the contributions and members.</p> <p>The following procedure will commence upon the receipt of a FLISP application:</p> <ol style="list-style-type: none"> 1. The applicant submits the FLISP application form and supporting documents by email, post or in person, to the Subsidy Administration Directorate to assess for an approval of the applicant based on the FLISP qualification criteria. 2. Subsidy Administration performs a verification of the FLISP application form to check for completeness. If the application is incomplete, they will then 	<ol style="list-style-type: none"> 1. Loan terms and conditions, including interest rate. 2. Savings account in the name of the association/Stokvel and or members: bank document that shows proof of membership including the names of the contributors 3. Savings account in a private name: bank document that shows proof of persons contributing towards the savings/regular payments into the account by the contributing persons 4. Affidavit from applicant indicating that the savings or loan are funded by a co-operative/ community-based savings scheme. 5. Municipal rates/property assessment indicating the current valuation of the property (as received from the seller) 6. New property: recent occupation certificate from municipality and valuation by an accredited valuer, from the developer. 7. South African Smart Card or a bar-coded identity document of every adult member of the household. 8. Birth certificates for every child of the household. 	<ol style="list-style-type: none"> A. Applicant/ Beneficiary Must ensure a property inspection is performed by an accredited evaluator. B. Co-Operative <ol style="list-style-type: none"> 1. Ensure registration with the National Credit Regulator 2. Provide a letter to members who apply for FLISP. This letter should indicate the amount of funds provided to the member and the repayment expected in return. C. NHBRC-registered Contractor <ol style="list-style-type: none"> 1. Provide the applicant with proof of valid NHBRC certification 2. Provide the applicant with building plans and labour costs. A pro-forma invoice should be provided by the contractor to the applicant with the pro-forma invoice including banking account details. D. Attorney <ol style="list-style-type: none"> 1. Provide Trust Account details to the applicant. 2. Ensure timeous disbursement of funds to relevant parties 3. Inform applicant when disbursement of funds from Trust Account to relevant parties occurs E. KZNDHS <ol style="list-style-type: none"> 1. Receive, assess and submit application for approval 2. Provide timeous feedback to the applicant of the application status 3. Ensure timeous disbursement of subsidy funds to relevant parties 4. Negotiating with financial institutions regarding their participation in FLISP and conclude agreements with participating lenders that will regulate the roles and responsibilities of the parties. 5. Assessing the FLISP applications against qualifying criteria and processing these applications onto the National Housing Subsidy Data Base.

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>advise the applicant/representative of an incomplete application via a letter for the purpose of resubmission. A letter is sent to the applicant/representative via an email depending on the application process followed by the applicant/ representative. The letter of advice provided to the applicant/ representative should highlight why the application is incomplete and should provide a path of corrective action for the applicant/ representative to achieve a complete application.</p> <p>3. If the application is complete, then subsidy administration continues to assess the application according to the FLISP qualification criteria and completion of the verification process.</p> <p>4. SAD opens the subsidy application file and performs a verification of the supporting documentation and the application. The following documents are assessed:</p> <ul style="list-style-type: none"> a) FLISP Application Form b) Supporting Documentation c) Deeds Search d) Proof of builder's registration with NHBC e) The Property Assessment f) Amount reflected in the FLISP suspensive account with a bank affiliated with the Department g) If no account with an affiliated bank, then a confirmation of the Attorneys trust account in the form of a letter from the bank to confirm the banking details. h) Loan terms and conditions forms 	<ul style="list-style-type: none"> 9. Marriage certificate 10. Affidavit confirming customary union. 11. Divorce settlement agreement, to prove custodianship. 12. Court order to prove guardianship 13. Proof of sources of income <p>For the purposes of assessing whether any particular person is entitled to receive a housing subsidy, the income of his or her spouse (if any) shall be added to that person's income include:</p> <p>For the purposes of assessing whether any particular person is entitled to receive a housing subsidy, the income of his or her spouse/partner (if any) shall be added to that person's income include:</p> <ul style="list-style-type: none"> a) basic salary (3 months payslip) and/or wages; b) any allowances paid on a regular, monthly or seasonal basis as part of an employment contract c) any loan interest subsidy, or other remuneration payable regularly on a monthly basis to the individual (and/or to his or her spouse) by his or her employer 	<ul style="list-style-type: none"> 6. Administering payments of approved subsidies to lenders as provided in theprescripts of the FLISP. 7. Submitting quarterly reconciliation reports to the NDHS regarding the subsidy funding received and disbursed.

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>5. If the application fails the compliance assessment, the SAD will re-verify the FLISP application form along with the supporting documentation.</p> <p>6. If the application passes the compliance assessment, the SAD drafts the submission for the MEC's approval.</p> <p>7. Should approval be granted by the MEC, a letter of undertaking is drafted by the SAD which advises the applicant/attorney/ bank and attorney of the approval. The Letter of Undertaking must include the following:</p> <p>a) Personal resource contribution due by beneficiary into the Attorneys Trust account. The use of the Attorneys Trust account may only be permitted if the applicant does not have a bank account with the departmental affiliated bank</p> <p>b) If applicable, request the applicant's attorney to confirm that there has done due diligence on the applicants source of finance for personal contribution</p> <p>8. Where applicable, the Attorney confirms pre-lodgement/ lodgement of the transfer at the Deeds office via a letter indicating that pre-lodgement/ lodgement has occurred, this will only occur in the event of the beneficiary opting to purchase a property. In the instance of a property being built, registered building plans will be</p>	<p>d) any financial obligations met on behalf of the individual (or his or her spouse) by his or her employer on a regular monthly basis</p> <p>e) any commission payable to the individual (and/or to his or her spouse) on a monthly basis (an average of the most recent 12 (twelve) months will be determined for eligibility assessment purposes)</p> <p>f) where commission is present in all 3 months of the payslip, it must be added to the basic</p> <p>g) where overtime is present in all 3 months of the payslip, it must be added to the basic</p> <p>h) income received through self-employment and</p> <p>i) any retirement or disability benefits received on a regular (monthly) basis.</p>	

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>required to ensure that the payment process may commence.</p> <p>9. The FD will perform a reconciliation of the payment process for the purpose of completing and submitting the payment requisition form for approval by the MEC.</p> <p>10. The FD then creates an account and ensures that funds have been transferred into the beneficiary account. Thereafter the payment is authorized and released by the FD to the attorney.</p> <p>11. On receipt of proof of payment from the FD, the attorney accepts the payment into a trust account and payment to parties takes place according to the letter of undertaking. Disbursements are to be paid to the relevant parties</p>		

3.3 Instalment Sale Agreement/Rent to Own

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>An applicant with an instalment-sale agreement/rent-to-own qualifies for a FLISP Subsidy but only if the agreement is registered in the Deeds Office and ownership is currently with the landlord/employer/relevant bank. The following procedure will apply:</p>	<ol style="list-style-type: none"> 1. Loan terms and conditions, including interest rate. 2. Affidavit from applicant indicating that savings or loan are funded by a lender. 3. Municipal annual rates/property assessment 	<p>A. Applicant/ Beneficiary Must ensure a property inspection is performed by an accredited evaluator</p> <p>B. Lender or Affiliated Bank</p> <ol style="list-style-type: none"> 1. Provide letter that indicates details of the instalment sale agreement to the applicant (Terms and conditions, Monthly instalments).

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>1. The applicant/ representative submits the FLISP application form and supporting documents (Offer to Purchase and Instalment sale agreement) by email, post or in person, to the Subsidy Administration Directorate (SAD) to assess for the approval of the applicant based on the FLISP qualification criteria.</p> <p>2. The SAD performs a verification of the FLISP application form to check for completeness. If the application is incomplete, they will then advise the applicant/ representative of an incomplete application via a letter for the purpose of resubmission. A letter is sent to the applicant/ representative via an email depending on the application process followed by the applicant/ representative. The letter of advice provided to the applicant/ representative should highlight why the application is incomplete and should provide a path of corrective action for the applicant/ representative to achieve a complete application.</p> <p>3. If the application is complete, then subsidy administration continues to assesses the application according to the FLISP qualification criteria and completion of the verification process.</p> <p>4. The SAD opens the subsidy application file and performs a verification of the supporting documentation and the application. The following documents are assessed:</p>	<p>indicating the current evaluation of the property (as received from the seller)</p> <p>4. Declaration by lender, that there is, currently, no mortgage against the property.</p> <p>5. Undertaking that section 10A and 10B, or equivalent, is to be included as a restriction on the title deed (sales agreement should include restrictions)</p> <p>6. ERF number, including allotment area, or section number of property subject to the instalment sale agreement.</p> <p>7. South African Smart Card or a bar-coded identity document of every adult member of the household.</p> <p>8. Birth certificates for every child of the household.</p> <p>9. Marriage certificate</p> <p>10. Affidavit confirming customary union.</p> <p>11. Divorce settlement agreement, to prove custodianship.</p> <p>12. Court order to prove guardianship</p> <p>13. Proof of sources of income For the purposes of assessing whether any particular person is entitled to receive a housing subsidy, the income of his or her spouse (if any) shall be added to that person's income include:</p> <p>a) basic salary (3 months' payslip) and/or wages;</p>	<p>2. Perform an affordability and credit worthiness assessment on beneficiaries.</p> <p>3. Provide banking account details to applicant for the transfer of funds if applicant opts to use the lender as a fund's keeper.</p> <p>4. Ensure timeous disbursement of subsidy funds to relevant parties</p> <p>C. Attorney</p> <p>1. Provide Trust Account details to the applicant.</p> <p>2. Ensure timeous disbursement of funds to relevant parties</p> <p>3. Inform applicant when disbursement of funds from Trust Account to relevant parties occurs</p> <p>D. KZNDHS</p> <p>1. Receive, assess and submit application for approval</p> <p>2. Provide timeous feedback to the applicant of the application status</p> <p>3. Ensure timeous disbursement of subsidy funds to relevant parties</p>

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>a) FLISP Application Form b) Supporting Documentation c) Deeds Search d) The Property Assessment e) Amount reflected in the FLISP suspensive account with a bank affiliated with the Department f) If no account with an affiliated bank, then a confirmation of the Attorneys trust account in the form of a letter from the bank to confirm the banking details. g) Loan terms and conditions forms h) A Check is performed to ensure that there is no mortgage against the property</p> <p>5. If the application fails the compliance assessment, the SAD will re-verify the FLISP application form along with the supporting documentation.</p> <p>6. If the application passes the compliance assessment, the SAD drafts the submission for the MEC's approval.</p> <p>7. If the application passes the compliance assessment, the SAD drafts the submission for the MEC's approval.</p> <p>8. Where applicable, a request is made to the attorney to submit an affidavit that they have done due diligence on the source of the funding for personal contribution. The attorney confirms pre-lodgement of the transfer at the Deeds office via a letter indicating that pre-lodgement has occurred. Confirmation of pre-lodgement in terms of the Alienation of Land Act Section 20</p>	<p>b) any allowances paid on a regular, monthly or seasonal basis as part of an employment contract; c) any loan interest subsidy, or other remuneration payable regularly on a monthly basis to the individual (and/or to his or her spouse) by his or her employer; d) any financial obligations met on behalf of the individual (or his or her spouse) by his or her employer on a regular monthly basis; e) any commission payable to the individual (and/or to his or her spouse) on a monthly basis (an average of the most recent 12 (twelve) months will be determined for eligibility assessment purposes); f) where commission is present in all 3 months of the payslip, it must be added to the basic; g) where overtime is present in all 3 months of the payslip, it must be added to the basic; h) income received through self-employment and i) any retirement or disability benefits received on a regular (monthly) basis.</p>	

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>Endorsement against title deed of property and Sections 10A and 10B or the equivalent title deed.</p> <p>9. Should approval be granted by the MEC, a letter of undertaking is drafted by the SAD which advises the applicant/attorney/ bank of the approval. The Letter of Undertaking must include the following:</p> <ul style="list-style-type: none"> a) Personal resource contribution due by beneficiary into the Attorneys Trust account. The use of the Attorneys Trust account may only be permitted if the applicant does not have a bank account with a bank affiliated with the Department. b) If applicable, request the applicant's attorney to confirm that they have done due diligence on the applicant's source of finance for personal contribution <p>10. The FD will perform a reconciliation of the payment process for the purpose of completing and submitting the payment requisition form for approval by the MEC.</p> <p>11. The FD then creates an account and ensures that funds have been transferred into the beneficiary account. Thereafter the payment is authorized and released by the FD to the attorney.</p> <p>12. On receipt of proof of payment from the FD, the attorney accepts the payment into a trust account and payment to parties takes place according to the letter of undertaking. Disbursements are to be paid to the relevant parties</p>		

3.4 Government Employees Housing Scheme (GEHS)

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>The following procedure will commence upon the receipt of a FLISP application.</p> <ol style="list-style-type: none"> 1. The applicant/ representative submits the FLISP application form and supporting documents (Offer to Purchase, building documents) by email, post, in person, to the Subsidy Administration Directorate (SAD) to assess for the approval of the applicant based on the FLISP qualification criteria. 2. The SAD performs a verification of the FLISP application form to check for completeness. If the application is incomplete, they will then advise the applicant/ representative of an incomplete application via a letter for the purpose of resubmission. A letter is sent to the applicant/ representative via an email depending on the application process followed by the applicant/ representative via an email depending on the application processed followed by the applicant/ representative. The letter of advice provided to the applicant/ representative should highlight why the application is incomplete and should provide a path of corrective action for the applicant/ representative to achieve a complete application. 3. If the application is complete, then subsidy administration continues to assesses the application according to the FLISP qualification criteria and completion of the verification process. 4. The SAD opens the subsidy application file and performs a verification of the supporting documentation and the application. The 	<ol style="list-style-type: none"> 1. Loan terms and conditions, including interest rate. 2. Affidavit from applicant indicating that savings or loan are funded by a co-operative/ community-based savings scheme. 3. Municipal rates/property assessment indicating the current evaluation of the property (as received from the seller) 4. New property: recent occupation certificate from municipality and valuation by an accredited valuer, from the developer. 5. South African Smart Card or a bar-coded identity document of every adult member of the household. 6. Birth certificates for every child of the household. 7. Marriage certificate. 8. Affidavit confirming customary union. 9. Divorce settlement agreement, to prove custodianship. 10. Court order to prove guardianship. 11. Proof of sources of income For the purposes of assessing whether any particular person is entitled to receive a housing subsidy, the income of his or her spouse/partner (if any) shall be added to that person's income 	<p>The following stakeholders will play a critical part in the process:</p> <p>A. Applicant Must ensure a property inspection is performed by an accredited evaluator</p> <p>B. Lender or Affiliated Bank</p> <ol style="list-style-type: none"> 1. Provide letter that indicates details of the housing loan backed by a GEHS to the applicant (Interest rate, Terms and conditions, Loan amount, Monthly repayment amount) 2. Perform an affordability and credit worthiness assessment on beneficiaries. 3. Provide banking account details to applicant for the transfer of funds if applicant opts to use the lender as a fund's keeper. 4. Ensure timeous disbursement of subsidy funds to relevant parties <p>C. NHBRC-registered Contractor</p> <ol style="list-style-type: none"> 1. Provide the applicant with proof of valid NHBRC certification 2. Provide the applicant with building plans and labour costs. A pro-forma invoice should be provided by the contractor to the applicant with the pro-forma invoice including banking account details <p>D. Attorney</p> <ol style="list-style-type: none"> 1. Provide Trust Account details to the applicant. 2. Ensure timeous disbursement of funds to relevant parties 3. Inform applicant when disbursement of funds from Trust Account to relevant parties occurs <p>E. GEHS</p> <ol style="list-style-type: none"> 1. Enrols government employees applying to use its facility. 2. Assists applicants with regard to financial profiling, credit options, FLISP qualification assessments, housing options that are available and lenders' details.

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>following documents are assessed:</p> <ul style="list-style-type: none"> a) FLISP Application Form b) Supporting Documentation c) Deeds Search d) Proof of builder's registration with NHBRC e) The Property Assessment f) Amount reflected in the FLISP suspensive account with a bank affiliated with the Department g) If no account with an affiliated bank, then a confirmation of the Attorneys trust account in the form of a letter from the bank to confirm the banking details. h) Loan terms and conditions forms <p>5. The SAD further liaises with the GEHS and confirms the availability of the loan amount as per the application. GEHS will then confirm same and provide a printout of the requested details as validation.</p> <p>6. If the application fails the compliance assessment, the SAD will re-verify the FLISP application form along with the supporting documentation.</p> <p>7. If the application passes the compliance assessment, the SAD drafts the submission for the MEC's approval.</p> <p>8. Where applicable, a request is made to the Attorney to submit an affidavit that they have done due diligence on the source of funding for personal contribution. The attorney confirms pre-lodgement/ lodgement of the transfer at the Deeds office via a letter indicating that pre-lodgement has occurred. this</p>	<p>include:</p> <ul style="list-style-type: none"> a) basic salary (3 months' payslip) and/or wages; b) any allowances paid on a regular, monthly or seasonal basis as part of an employment contract; c) any loan interest subsidy, or other remuneration payable regularly on a monthly basis to the individual (and/or to his or her spouse) by his or her employer; d) any financial obligations met on behalf of the individual (or his or her spouse) by his or her employer on a regular monthly basis; e) any commission payable to the individual (and/or to his or her spouse) on a monthly basis (an average of the most recent 12 (twelve) months will be determined for eligibility assessment purposes); f) where commission is present in all 3 months of the payslip, it must be added to the basic; g) where overtime is present in all 3 months of the payslip, it must be added to the basic; h) income received through self-employment and 	<p>3. Facilitates the payment of the applicant's savings in the GEHS Individual-linked Savings account to the lender.</p> <p>E. KZNDHS</p> <ul style="list-style-type: none"> 1. Receive, assess, and submit application for approval. 2. Provide timeous feedback to the applicant of the application status. 3. Liaise with the GEHS in respect of the loan amount available to the beneficiary. 4. Ensure timeous disbursement of subsidy funds to relevant parties.

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>will only occur in the event of the beneficiary opting to purchase a property. In the instance of a property being built, registered building plans will be required to ensure that the payment process may commence.</p> <p>9. Should approval be granted by the MEC, a letter of undertaking is drafted by the SAD which advises the applicant/attorney/ bank and attorney of the approval. The Letter of Undertaking must include the following:</p> <ul style="list-style-type: none"> a) Personal resource contribution due by beneficiary into the Attorneys Trust account. The use of the Attorneys Trust account may only be permitted if the applicant does not have a bank account with a bank affiliated with the Department. b) If applicable, request the applicants attorney to confirm that there have done due diligence on the applicants source of finance for personal contribution <p>10. The FD will perform a reconciliation of the payment process for the purpose of completing and submitting the payment requisition form for approval by the MEC.</p> <p>11. The FD then creates an account and ensures that funds have been</p>	<ul style="list-style-type: none"> i) any retirement or disability benefits received on a regular (monthly) basis. 	

PROCEDURE	REQUIRED DOCUMENTS	ROLES AND RESPONSIBILITIES
<p>transferred into the beneficiary account. Thereafter the payment is authorized and released by FD to the attorney.</p> <p>12. On receipt of proof of payment from FD, attorney accepts the payment into a trust account and payment to parties takes place according to the letter of undertaking. Disbursements are to be paid to the relevant parties</p>		

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The Revised Guidelines for Stakeholder Consultation and the Finance Linked Individual Subsidy Programme (FLISP) Implementation Guidelines for Non-mortgage based products may be accessed on the Department's website using the following link: <https://www.kzndhs.gov.za/index.php/features/policy-documents/provincial-policies>