



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

Policy Communiqué

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Copies obtainable from www.kzndhs.gov.za, Policies and legislation

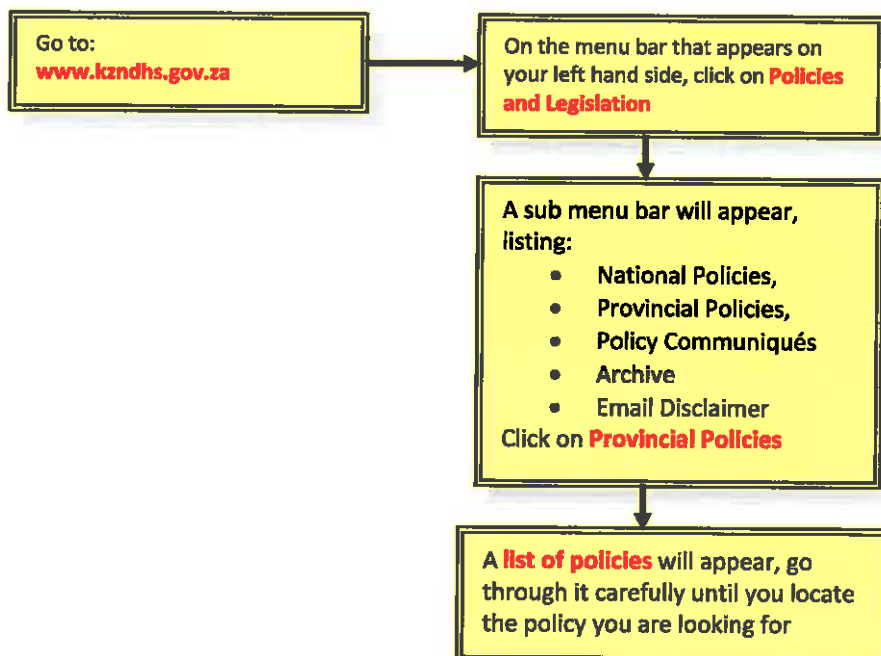
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HOW TO ACCESS POLICY DOCUMENTS ON THE DEPARTMENT'S WEBSITE

The following article was published in Policy Communiqué 2/2010 and Policy Communiqué 4/2011 and is being re-communicated in an effort to assist stakeholders in trying to access policy documents on the Department's website.

Firstly, the Department's website address is www.kzndhs.gov.za. This website can be accessed by Human Settlement officials without internet access by simply clicking on the "internet explorer" icon which will display the Department's "intranet" site. On the extreme right side of the screen under the menu "quick links", click on "Policies & Legislation" or alternately type in the above website address in the address bar. When you access the page, go to the menu bar on the left hand side and click on "policies and legislation", a sub menu bar will appear parallel to the main menu, giving an option to choose between National, Provincial policies, Policy Communiqués, Archives, and Email Disclaimer, click on the relevant item you looking for i.e. "Provincial policies" if you require a Provincial policy document, etc. This will reveal the applicable list of the item selected. You will then have to go through the list carefully and locate the particular document you are looking for (This is illustrated in the diagram below).



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THE DIRECTIVE ON THE CALCULATION FOR INFORMAL SETTLEMENT UPGRADE

Please note that the 3% of the project cost is to be calculated on all other items listed under phases 1, 2 and 3 excluding the project management fee and Relocation grant. The project management fee in turn is calculated on all items listed under phases 1, 2 and 3 (including the 3% fee available for Survey, registration etc. but excluding the Relocation grant).

It must be noted that the percentages (including the amounts) are not fixed but should be regarded as 'up to' or as the maximum available to cover specific expenses (lower fees should be promoted).

Note: Refer to Policy Communiqué 1/2013 – Annexure C for the Informal Settlement Upgrade cost breakdown.

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KWAZULU-NATAL FINANCE LINKED INDIVIDUAL SUBSIDY (FLISP)

INTRODUCTION

Beneficiaries in the gap market, particularly those beneficiaries at the lower end of the income range experience difficulty with raising mortgage loans as there appears to be a general reluctance from the banking sector to finance this market for a number of reasons.

Potential beneficiaries who earn from R3501 to R15000 per month will be considered for the programme. Subsidies will be approved on a sliding scale. The subsidy ranges from R83 000 for the lowest income group down to R10 000 for beneficiaries earning R15 000 per month.

POLICY GUIDELINES

The FLISP programme will be used for the following.

- (a) To purchase an existing residential property (land with top structure)
- (b) To purchase a new residential property (land with top structure);
- (c) To purchase a vacant property (provided that it is linked to a NHBRC registered; house building contract); and
- (d) Integrated Residential Developments (IRDP) must be adjusted to allow for the allocation of vacant stands (to the value of R50 000) to persons earning between R3501 and R7000 per month free of charge. These beneficiaries will assume the responsibility of constructing their own homes over time as and when their financial situation improves.

Credit-linked FLISP application

The FLISP subsidy will be used to reduce the principal debt to render the amortization of the loan balance over the loan period more affordable. It must be noted that the FLISP subsidy must not be used to enhance qualifying loan amounts and the beneficiary will be expected to cover all the applicable conveyancing and legal costs.

Non-credit linked FLISP application.

Beneficiaries who have sufficient finance available for example, their own savings and/or contribution from an employer, and who requires a top up can apply for a non-credit linked FLISP subsidy. It must be noted that the assistance will be limited to the subsidy quantum that the beneficiary will qualify for as approved by the National Department of Human Settlements from time to time.

In addition to the documents that are required for a subsidy application the following documents must be submitted.

- A signed deed of sale by all parties.
- Proof that the beneficiary has the difference between the subsidy amount (that he or she will eligible for in terms of the respective income category) and the purchase price of the house must be submitted to the department.
- In instances where an employer is assisting an applicant proof thereof must be submitted to the department. Such proof must include the names of the beneficiary, his or her identity number and the amount.
- A copy of the most recent rates certificate as it will give an indication of the value of the property.

Administration of the Programme

The Department will be responsible for the administration of the programme. The department will maintain and manage all systems and processes applicable to the programme.

The Department will reserve and manage a budget for the implementation of the programme.

Monitoring and Evaluation

The Internal Audit Sub-directorate must monitor the implementation of the policy and identify any risk that the department may be exposed to and make recommendations on how to mitigate the said risk.

The Monitoring and Evaluation Directorate must monitor the implementation of the policy against the targets set for each financial year by the Subsidy Administration Directorate.

The Product Development unit will review the implementation of the programme after three years identify any challenges or short comings that may have been experienced in the implementation of the policy and make appropriate recommendations.

The guideline may be accessed on the Departments website at www.kzndhs.gov.za.

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