

PROCEDURE ON DECEASED BENEFICIARIES IN THE SUBSIDY APPLICATION AND ADMINISTRATION PROCESS

The following article is confirmation of the procedure on how to deal with deceased beneficiaries in the subsidy administration process.

1. BACKGROUND

- 1.1. This department has been inundated with enquiries regarding the status of subsidy applications in the case of the death of a beneficiary.
- 1.2. In the event of a death of applicant in a PHDB project, the possible problems that could arise by the:
 - 1.2.1. PHDB, which does not want funds tied up in projects that cannot be completed;
 - 1.2.2. Department of Housing, which should not be faced with administrative problems with regard to the processing of subsidy applications;
 - 1.2.3. Remaining beneficiaries, ' should not suffer escalating costs as a result of a project being delayed; and
 - 1.2.4. Developer, who should not be prejudiced by increased costs and reduced profit as a result of a delay.

2. PROCEDURE

- 2.1 In view of the above, the procedures that will apply in the different scenarios are as follows:
 - 2.1.1 If a sale agreement has been concluded with a beneficiary but the beneficiary's application for a subsidy has not been approved, then the sale should be cancelled and the site reallocated. The sale agreement is suspensive upon the approval of the subsidy application. The site may well be reallocated to another family member but essentially, in these cases, the sales administration process commences afresh.
 - 2.1.2 If a sale agreement has been concluded and the deceased beneficiary's application for a subsidy has been approved, and an executor of the deceased's estate has been appointed, then the property can be transferred into the name of the deceased estate and the executor will sign all other necessary documentation. If the estate is wound up prior to transfer, then the property can obviously be transferred to the heirs of the beneficiary.

- 2.2.3 If a sale agreement has been concluded and the deceased beneficiary's subsidy application has been approved, but there is no executor, then the developer must use his best endeavours to contact the dependants. If the deceased beneficiary's spouse or other dependant is over the age of 21 years, then the beneficiary should be replaced and the process continued thereafter.
- 2.3.4 If a sale agreement has been concluded and *the subsidy application has been approved, and there is no executor, and no dependant over the age of 21 years, then the developer should attempt to contact the dependants in order to arrange for the death to be reported and an executor appointed. The executor can then sign all further documentation and the site can be transferred into the name of the estate or the heirs if the estate is finalised. If however, there is no dependant over the age of 21 years and the dependant cannot be located or, alternatively, do not co-operate with regard to the reporting of the death of the beneficiary, then the site should be reallocated. Clearly, this will be easier to do in the case of a greenfields project. In the case of an *in situ* upgrade, it would appear to be preferable to take steps to report the death so that an executor can be appointed.

WILL

I the undersigned, _____ I.D. No: _____
declare this to be my last will and testament.

1. REVOCATION OF PREVIOUS WILL

I revoke all former wills or other testamentary dispositions heretofore made by me jointly and individually.

2. APPOINTMENT OF EXECUTOR

I appoint as the Executor of the will _____ .

3. POWERS OF DISPOSAL AND LIQUIDATION

My Executor may in his sole discretion sell or realise any assets of my estate at a price and at a time and in a manner as he may deem fit provided that he shall always endeavour to act in the interests of my estate and heirs.

4. APPOINTMENT OF HEIRS

I bequeath my entire estate to _____

AS WITNESSES:

1. _____

TESTATOR

2. _____

DATE