FIRST HOME FINANCE

What is First Home Finance?

First Home Finance 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.

First Home Finance enables qualifying beneficiaries to buy or build their first home on affordable basis in both urban and rural areas.

What to do with First Home Finance

Qualifying applicants can:

A

Buy an existing, new or old residential property

B

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

C

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

The once-off First Home Finance amount ranges between R30,001 and R130,505, depending on the applicant's monthly income.

WHO CAN APPLY

Applicants intending to acquire residential property may apply for First Home Finance 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 First Home Finance:

- 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 (where 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)

Accessing First Home Finance

REDUCES

Property Price	R300,000
Approved Home Loan	R300,000
Less FHF as a deposit	R93,526
Eventual Home Loan Amount	R206,474

First Home Finance **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 a 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.

AUGMENTS

Property Price	R300,000
Approved Home Loan	R300,000
Less FHF as a HL TOP UP	R93,526
Eventual Home Loan Amount	R206,474

First Home Finance **AUGMENTS** shortfall between the qualifying loan amount and the total product price (payment made to transfer attorneys)
SUBSIDY QUANTUM Example 2 is based on a 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).

HOW YOU CAN APPLY

STEP 1	Visit the NHFC website – www.nhfc.co.za, or call the NHFC on 010 085 2199 to see if you meet the qualifying criteria
STEP 2	Check if you qualify for a home loan at a bank of your choice
STEP 3	Identify a house or stand that you want to buy
STEP 4	Conclude a purchase and sale agreement
STEP 5	Obtain a home loan confirmation from the bank / financial institution
STEP 6	Complete and submit an application online on the First Home Finance Application Portal on the NHFC website

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 First Home Finance application together with supporting documentation to the NHFC

FIRST HOME FINANCE

For more **information**, and to **enquire** about how we can best **serve** you, go to our website where you can apply online

010 825 2199

Apply online through the **First Home Finance Application Portal** on the NHFC website: www.nhfc.co.za

NHFC
NATIONAL HOUSING FINANCE CORPORATION SOC LTD

First Home Finance Subsidy Table and Document Requirements

Document Requirements

Smart ID Card or Bar-Coded ID Book.
Bar-Coded Permanent Residence Permit (where applicable).
Latest 3 months payslips.
Latest 3 months bank statements – must correspond to the same months as the payslips provided.
Home Loan Approval in Principle or Grant Quotation.
Agreement of sale for the property (OTP).
Birth Certificate/ID of all financial dependents living with the applicant (where applicable).
Proof of Foster Children Guardianship (where applicable).
Marriage Certificate, Civil Union Certificate or Co-habiting affidavit, Proof of Partnership (where applicable).
Divorce Settlement (where applicable).
Spouse's Death Certificate (where applicable).
Building Contract and Approved Building Plan (where applicable).

Powered by MortgageMax

First Home Finance Subsidy Table

FIRST HOME FINANCE

Upper limit R169 265,00
Lower Limit R 38 911,00

	Increment Band		Quantum
	Lower	Higher	
1	R3 501,00	R3 700,99	R169 265
2	R3 701,00	R3 900,99	R167 816
3	R3 901,00	R4 100,99	R166 369
4	R4 101,00	R4 300,99	R164 920
5	R4 301,00	R4 500,99	R163 471
6	R4 501,00	R4 700,99	R162 022
7	R4 701,00	R4 900,99	R160 575
8	R4 901,00	R5 100,99	R159 126
9	R5 101,00	R5 300,99	R157 677
10	R5 301,00	R5 500,99	R156 229
11	R5 501,00	R5 700,99	R154 781
12	R5 701,00	R5 900,99	R153 333
13	R5 901,00	R6 100,99	R151 884
14	R6 101,00	R6 300,99	R150 437
15	R6 301,00	R6 500,99	R148 988
16	R6 501,00	R6 700,99	R147 539
17	R6 701,00	R6 900,99	R146 090
18	R6 901,00	R7 100,99	R144 643
19	R7 101,00	R7 300,99	R143 194

	Increment Band		Quantum
	Lower	Higher	
20	R7 301,00	R7 500,99	R141 745
21	R7 501,00	R7 700,99	R1138 849
22	R7 701,00	R7 900,99	R137 401
23	R7 901,00	R8 100,99	R135 952
24	R8 101,00	R8 300,99	R134 503
25	R8 301,00	R8 500,99	R133 056
26	R8 501,00	R8 700,99	R131 607
27	R8 701,00	R8 900,99	R130 158
28	R8 901,00	R9 100,99	R128 711
29	R9 101,00	R9 300,99	R127 262
30	R9 301,00	R9 500,99	R125 814
31	R9 501,00	R9 700,99	R124 365
32	R9 701,00	R9 900,99	R122 917
33	R9 901,00	R10 100,99	R114 555
34	R10 101,00	R10 300,99	R121 469
35	R10 301,00	R10 500,99	R120 020
36	R10 501,00	R10 700,99	R118 571
37	R10 701,00	R10 900,99	R117 124
38	R10 901,00	R11 100,99	R115 675

First Home Finance Subsidy Table

	Increment Band		Quantum
	Lower	Higher	
39	R11 101,00	R11 300,99	R114 226
40	R11 301,00	R11 500,99	R112 779
41	R11 501,00	R11 700,99	R111 330
42	R11 701,00	R11 900,99	R109 882
43	R11 901,00	R12 100,99	R108 433
44	R12 101,00	R12 300,99	R106 985
45	R12 301,00	R12 500,99	R105 537
46	R12 501,00	R12 700,99	R104 088
47	R12 701,00	R12 900,99	R102 639
48	R12 901,00	R13 100,99	R101 192
49	R13 101,00	R13 300,99	R99 743
50	R13 301,00	R13 500,99	R98 294
51	R13 501,00	R13 700,99	R96 847
52	R13 701,00	R13 900,99	R95 398
53	R13 901,00	R14 100,99	R93 950
54	R14 101,00	R14 300,99	R92 501
55	R14 301,00	R14 500,99	R91 054
56	R14 501,00	R14 700,99	R89 605
57	R14 701,00	R14 900,99	R88 156
58	R14 901,00	R15 000,99	R86 707
59	R15 001,00	R15 200,99	R85 260
60	R15 201,00	R15 400,99	R83 811

	Increment Band		Quantum
	Lower	Higher	
61	R15 401,00	R15 600,99	R82 362
62	R15 601,00	R15 800,99	R80 914
63	R15 801,00	R16 000,99	R79 466
64	R16 001,00	R16 200,99	R78 018
65	R16 201,00	R16 400,99	R76 569
66	R16 401,00	R16 600,99	R75 122
67	R16 601,00	R16 800,99	R73 673
68	R16 801,00	R17 000,99	R72 224
69	R17 001,00	R17 200,99	R70 775
70	R17 201,00	R17 400,99	R69 328
71	R17 401,00	R17 600,99	R67 879
72	R17 601,00	R18 000,99	R66 430
73	R18 001,00	R18 200,99	R64 982
74	R18 201,00	R18 400,99	R63 534
75	R18 401,00	R18 600,99	R62 086
76	R18 601,00	R19 000,99	R60 637
77	R19 001,00	R19 200,99	R59 190
78	R19 201,00	R19 400,99	R57 741
79	R19 401,00	R19 600,99	R56 292
80	R19 601,00	R19 800,99	R54 843
81	R19 801,00	R20 000,99	R53 395
82	R20 001,00	R20 200,99	R51 947

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First Home Finance Subsidy Table – April 2023

	Increment Band		Quantum
	Lower	**Higher**	
83	R20 201,00	R20 400,99	R50 499
84	R20 401,00	R20 600,99	R49 050
85	R20 601,00	R20 800,99	R47 602
86	R20 801,00	R21 000,99	R46 154
87	R21 001,00	R21 200,99	R44 705

	Increment Band		Quantum
	Lower	**Higher**	
88	R21 201,00	R21 400,99	R43 256
89	R21 401,00	R21 600,99	R41 809
90	R21 601,00	R21 800,99	R40 360
91	R21 801,00	R22 000,99	R38 911