

WHAT THE FLISP, YOU CAN BE A HOMEOWNER TOO!

Introduction

There has been an increased interest in buying property in South Africa with the reduction of interest rates and the increase of bank approvals. Additionally, the Finance Linked Individual Subsidy Programme (FLISP) was introduced. Many South Africans saw this as an opportunity to finally achieve their dreams of buying their first home.

What Is FLISP?

FLISP is a government housing subsidy that was introduced to assist first-time homebuyers so that they may build or buy their first home. When taking out a bond with a bank or financial institution, the paying of a deposit can reduce the monthly loan instalments and makes it more cost-effective and affordable to buy a home. When a person qualifies for FLISP, they have to apply for the subsidy, which is then paid to the financial institution or bank that granted the bond.

Criteria To Qualify For FLISP?

In order to qualify and have a successful application for the subsidy, the following criteria must be met:

- The applicant must be a South African citizen or permanent resident of South Africa;
- The applicant must not have received a housing subsidy from the government before;
- The applicant must not have owned fixed residential property before;
- The applicant must earn from R3 501.00 and R22 000.00 per month;
- The applicant must be over 18 years of age and competent to contract; and
- The applicant must be married, cohabiting or single with financial dependents.

How Much Can A Successful Applicant Qualify For?- And How Can It Be Used?

The subsidy amount that is granted is dependent on the amount of income the applicant receives and can range from R27 960.00 to R121 626.00. Successful applicants can use this amount to buy a residential property already in existence for the first time. This amount can also be used to buy a vacant residential stand linked to house-building contracts or build a new house on a vacant stand

already owned by the applicants; in both instances, the builders must be registered with the National Home Builders Registration Council (NHBRC).

Conclusion

In conclusion, the introduction of this subsidy can make it possible for many South Africans who were previously unable to purchase their first home. Therefore, when in the process of purchasing a property, it is essential to consult with a legal professional so you may know all the opportunities available to you.

Contact an attorney at SchoemanLaw for your legal needs.

