

**APPLICABLE TO ALL MEMBERS****Introduction**

As a member of one of the DSV Flexi Retirement Funds, you have access to a Retirement Backed Home Loan facility offered to the fund members by a division of **FNB**. Approved loans will be provided to members at **PRIME LESS 1%**. According to South African legislation, members are only allowed to use the loans for either purchasing a new home or doing alterations on their existing home. The loan **may not** be used for any other purchases/payments – including purchasing a motor vehicle or paying off hospital bills or credit card debt.

Where does the money come from?

They do NOT use your actual money in your retirement fund. FNB will loan the funds – just like a normal bank loan.

Why do they call it a HOME LOAN BACKED BY THE RETIREMENT FUND?

The bank uses your retirement fund [pension/provident fund] as surety against the loan. This means that if you were to default on your payments [non-payment], they could then use the money in your fund to pay off the loan.

What may I use the loan for?

Loans may be made for **HOUSING** purposes only! This means that you can use the loan to **purchase a new house**, or you can use a loan to **make alterations** to your existing home. The house needs to be **owned** by you or your spouse, and be **occupied** or will be occupied by yourself, your spouse or a child. The bank will check up on this to ensure that you comply with the above.

Note: Your property may be subject to inspection. Should it be found that the loan was used for purposes other than the housing purposes stated above, it will be considered fraud and result in a disciplinary action by the employer. You will be in contravention of the **DSV Code of Conduct** and subject to disciplinary proceedings.

What does the bank have to comply with?

In terms of the National Credit Act, the bank needs to ensure that you are **financially able** to make the repayments on the loan. They will look at your financial position, assess what other debt you have and then make a decision whether or not they will be able to loan money to you. If they are able to grant you a loan in terms of the National Credit Act, then the maximum amount that the bank will be allowed to grant to you is in terms of the agreed limits as stipulated by the Fund.

CAN I APPLY FOR A LOAN?**Who can apply?**

Any **member of the DSV Flexi Retirement Fund and employee of DSV** who wants to renovate, extend, build or buy a new home can apply for a Retirement Supported Home Loan. As long as you can **afford the repayments** and the amount you want to borrow is not more than the agreed limits as stipulated by the fund. See below for the size of the loan requested.

Note: Only a member of the DSV Flexi Retirement Fund and employee of DSV **with a South African identity document** is eligible to apply for a Retirement Supported Home Loan.

When will the loan not be granted?

When one of the following is true, the **loan cannot be granted**:

- ❖ The money is not used for a permanent structure
- ❖ You do not own the house
- ❖ You are not a member of the DSV Flexi Retirement Fund
- ❖ You use the money for purposes other than housing (like buying a car)
- ❖ You cannot afford the monthly repayments
- ❖ You do not pass the credit check that they have to perform in terms of the National Credit Act

WHAT IS THE PROCESS TO APPLY FOR A LOAN?**How can I apply for a loan?**

Contact the Fund's approved service provider, **FNB**, via SMS. SMS the word 'Home' to 30752 at no cost to you. FNB will contact you within 48 hours.

What documentation do you need when you apply?

- ❖ **Your latest Fund Benefit Statement or current fund value;**
- ❖ Certified copy of your South African ID document or Smart ID Card;
- ❖ Latest one-month payslip (4 consecutive for weekly, 2 consecutive for fortnightly paid, 1 for monthly paid);
- ❖ Latest proof of residence (not older than 2 months);
- ❖ Latest three months stamped bank statement (if not banking with FNB);
- ❖ If married the above documentation for your spouse as well including your marriage certificate;
- ❖ Valid Building quotation or Offer to purchase (not older than 1 month)

IMPORTANT: In order to proceed with the loan application, **you must have your latest benefit statement.** You may obtain your latest benefit statement or a quotation of your latest fund credit balance from EBS Africa Online.
The website is:
<https://portal.ebsafrica.co.za/ASPOneFA>.

What are the fees and interest rate charged?

They will charge you **prime less 1%** on your outstanding balance. A monthly administration fee of R23 per month (including VAT) will be payable on approved loans. FNB offers a Customer Protection Plan at R2.49 per R1,000 of cover however this insurance is **optional**.

What size loan can I request?

The value of the loan request is limited to the **lesser amount** of either **the maximum amount agreed in terms of the agreement with FNB** or the value of your housing purchases. The minimum loan amount is R5,000. The loan amount also depends on what **monthly repayments** you can afford. The maximum amount agreed on in terms of the Fund's agreement is:

- ❖ A loan amount of under R300,000 – an amount up to **60% of your Fund Benefit** after taking into account any liens.
- ❖ A loan amount of between R300,000 and R500,000 – an amount up to **50% of your Fund Benefit** after taking into account any liens. The maximum loan amount that may be granted is R500,000.

How do I pay back the loan?

Your monthly repayments will be **deducted directly from your salary** by the Payroll Department, and then paid over to the Bank. The maximum term of the loan is the lesser of **20 years or normal retirement age**.

What is the application process?

- Obtain your current fund value from EBS Africa Online (<https://portal.ebsafrica.co.za/ASPOneFA>)
- SMS "HOME" to 30752
- FNB Consultant to call member within 48 hours and explain process
- FNB Consultant to send the member a Pre-Approval Form
- The member returns Pre-Approval Form to FNB Consultant with supporting documentation
- Pre-Approval Form is processed in terms of the National Credit Act & FNB Credit Criteria
- The member is advised of outcome within 72 hours
- The member will receive an SMS stating the reason for the decline, if the application is unsuccessful
- If loan is approved, the member will receive a contract for signature to forward back to Loan Writer
- FNB to email application to Company for signature
- FNB to email Fund and/or Fund Administrator for signature
- Once consent is received FNB will finalise the application and make payment

CONTACT DETAILS

For queries, concerns or problems relating to home loan applications, please contact Siyabonga Mako on:

Tel: +2712 673 2105 or +27 81 015 5636

E-mail: Siyabonga.mako@za.dsv.com