



human settlements

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Building No 6 & 7, No 7 Government Boulevard, Riverside Park, Extension 2
Mbombela, Mpumalanga, Private Bag X11328, Mbombela, 1200
Tel: +27 (13) 766 6088, Fax: +27 (13) 766 8441

Litiko
Lekuhlaliswa Kwebantfu

Departement van
Menslike Nedersittings

UmNyango
Wokuhlaliswa Kwabantu

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GOVERNMENT REVISES SCHEME FOR MIDDLE-INCOME EARNERS

“First Home Finance has more benefits to both rural and urban areas”

The Department of Human Settlements has unveiled the revised government-funded housing subsidy programme for middle-income earners. The Finance Linked Individual Subsidy Programme (FLISP), or Help-Me-Buy-A-Home scheme, has been remodelled into First Home Finance, with an aim to improve access to affordable housing through subsidies to help people secure mortgages with financial institutions. This follows a decision by the Minister and all Provincial MEC's (MinMEC) taken later last year following the assessment of the efficacy and challenges of the programme.

Sequel to that, the sector witnessed the official launch of the revived programme earlier this year. The novel aspects of the reviewed programme cater for beneficiaries who cannot access home loans from financial institutions but intend to, among other options, build their own houses in rural areas and cities' serviced sites. The said aspects effectively expand the programme's scope and are expected to increase access to it as more categories are considered. Thus, Human Settlements MEC, Mr Speed Mashilo considered the revised programme to be more rural development aligned and all-inclusive.

The programme is meant for first-time homeowners who can be subsidised between **R38 911.00** and **R169 265.00** depending on the gross monthly household income. The qualifying beneficiaries must have a household income of **R3501.00** to **R22 000.00** per month and greater subsidy support is provided to the lowest earners. Individuals in these salary bands find it hard to qualify for housing finance as their income is regarded as low for mortgage finance but too high to qualify for the government free-basic house. To be eligible for this subsidy, you must be a South African citizen or permanent resident with a valid permit. The beneficiary must also be 18 or older and have not benefited from the government subsidy before.

“Using the rebranded First Home Finance, beneficiaries can buy an existing residential property or a vacant serviced residential site linked to the accredited home builder. In addition, they can build on a self-owned stand or tribal land using Permission to Occupy (PTO) employing the services of the accredited homebuilder”, stated MEC Mashilo. Beneficiaries can also use the subsidy to pay for registration and transfer costs of the purchased property. Over **R 7 million** has been set aside this financial year for the realisation of **50** First Home Finance programme in various areas of the Province. To apply for First Home Finance, potential beneficiaries are urged to visit www.nhfc.co.za, or direct enquiries to firsthomefinanceenquiries@nhfc.co.za, or call 010 825 2199.

ISSUED BY THE COMMUNICATIONS DIRECTORATE
MPUMALANGA DEPARTMENT OF HUMAN SETTLEMENTS
CONTACT: FREDDY NGOBE – 013 766 6014 / 082 859 4630/ fingobe@mpg.gov.za



