



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

D

Pay for House Buying Costs like Conveyancing fee, Transfer fee or Deposit



The once-off First Home Finance subsidy amount ranges between R38 911.40 and R169 265.00 depending on the applicant's monthly income.

Applicants intending to acquire residential property may apply for First Home Finance if they meet the following qualifying criteria:-

- Solely or exclusively to build or to buy your first home;
- 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 a home loan from an accredited South African financial institution, proof of own personal resources, a Grant Letter or Permission to Occupy;
- First-time home buyer, earning between R3,501 to R22,000 per month.

Finance Products or Arrangements to access First Home Finance Subsidy:

In addition to **mortgage loan**, the subsidy can now be accessed with the following **non-mortgage products**:

- Unsecured loans (incremental housing loans)
- Pension/Provident backed housing loans
- Instalment sale (Deed of Alienation Act) Agreements
- Rent-to-Buy/Own Agreements
- Community Based Schemes (e.g., Stokvel, Savings Clubs) housing loans
- Own/personal resources (savings or investments)
- Subsidy only—i.e., a subsidy can be used independent of any home/non-mortgage loan

In each of these cases where home/non-mortgage loan and subsidy are not sufficient to complete a house, the beneficiary may use money from personal resources.

First Home Finance can be implemented with:

- Government Employees Housing Scheme (both urban and rural areas)
- Private sector's Employer-Assisted Housing Scheme (urban and rural areas)

Applicants in rural areas: Obtain a Permission to Occupy from Traditional Authority

Recipients of serviced stand in urban areas: Obtain letter of allocation from Local Municipality if Title Deed has not been received

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 IDs of all financial dependants that will be living with you (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 – 3 months payslips or 6 months bank statements If Self Employed
- Home Loan Approval in Principle/Grant letter from an accredited Lender/Permission to Occupy
- Agreement of sale for the residential property
- Building Contract and Approved Building Plan (where applicable)



HOW YOU CAN APPLY

- STEP 1** Visit <https://fhf.nhfc.co.za/> to check if you qualify; Register by completing these steps; Log on and Click on Check Eligibility to get a pre-approval
- STEP 2** The next day; Log on to <https://fhf.nhfc.co.za/> to check your Pre-approval letter; Enter your ID number; View letter (Approved/Declined) This provides you an indication of how much you will qualify for
- STEP 3** Check if you qualify for a home loan at financial institutions such as banks, unsecured housing loans lenders, community-based organisations, etc.
- STEP 4** Identify a house you want to buy or a stand you want to build on
- STEP 5** Conclude a purchase and sale agreement
- STEP 6** Obtain a home loan confirmation/Permission to Occupy letter if allocated land by Traditional Authority
- STEP 7** Log on to <https://fhf.nhfc.co.za/> to complete your online application and submit your application including all required certified documents
- STEP 8** Contact First Home Finance after 21 working days if you haven't received any response by calling 010 085 2199/ firsthomefinanceenquiries@nhfc.co.za



Subsidy Quantum

Implementation date 1 April 2023

Step Number	Increment Band		Quantum
	Lower	Higher	
1	R 3 501,00	R 3 700,99	R 169 264,60
2	R 3 701,00	R 3 900,99	R 167 815,86
3	R 3 901,00	R 4 100,99	R 166 367,12
4	R 4 101,00	R 4 300,99	R 164 918,39
5	R 4 301,00	R 4 500,99	R 163 469,65
6	R 4 501,00	R 4 700,99	R 162 020,92
7	R 4 701,00	R 4 900,99	R 160 572,18
8	R 4 901,00	R 5 100,99	R 159 123,44
9	R 5 101,00	R 5 300,99	R 157 674,71
10	R 5 301,00	R 5 500,99	R 156 225,97
11	R 5 501,00	R 5 700,99	R 154 777,24
12	R 5 701,00	R 5 900,99	R 153 328,50
13	R 5 901,00	R 6 100,99	R 151 879,76
14	R 6 101,00	R 6 300,99	R 150 431,03
15	R 6 301,00	R 6 500,99	R 148 982,29
16	R 6 501,00	R 6 700,99	R 147 533,56
17	R 6 701,00	R 6 900,99	R 146 084,82
18	R 6 901,00	R 7 100,99	R 144 636,08
19	R 7 101,00	R 7 300,99	R 143 187,35
20	R 7 301,00	R 7 500,99	R 141 738,61
21	R 7 501,00	R 7 700,99	R 140 289,88
22	R 7 701,00	R 7 900,99	R 138 841,14
23	R 7 901,00	R 8 100,99	R 137 392,40
24	R 8 101,00	R 8 300,99	R 135 943,67
25	R 8 301,00	R 8 500,99	R 134 494,93
26	R 8 501,00	R 8 700,99	R 133 046,20
27	R 8 701,00	R 8 900,99	R 131 597,46
28	R 8 901,00	R 9 100,99	R 130 148,72
29	R 9 101,00	R 9 300,99	R 128 699,99
30	R 9 301,00	R 9 500,99	R 127 251,25
31	R 9 501,00	R 9 700,99	R 125 802,52
32	R 9 701,00	R 9 900,99	R 124 353,78
33	R 9 901,00	R 10 100,99	R 122 905,04
34	R 10 101,00	R 10 300,99	R 121 456,31
35	R 10 301,00	R 10 500,99	R 120 007,57
36	R 10 501,00	R 10 700,99	R 118 558,83
37	R 10 701,00	R 10 900,99	R 117 110,10
38	R 10 901,00	R 11 100,99	R 115 661,36
39	R 11 101,00	R 11 300,99	R 114 212,63
40	R 11 301,00	R 11 500,99	R 112 763,89
41	R 11 501,00	R 11 700,99	R 111 315,15
42	R 11 701,00	R 11 900,99	R 109 866,42
43	R 11 901,00	R 12 100,99	R 108 417,68
44	R 12 101,00	R 12 300,99	R 106 968,95
45	R 12 301,00	R 12 500,99	R 105 520,21
46	R 12 501,00	R 12 700,99	R 104 071,47
47	R 12 701,00	R 12 900,99	R 102 622,74
48	R 12 901,00	R 13 100,99	R 101 174,00

Step Number	Increment Band		Quantum
	Lower	Higher	
49	R 13 101,00	R 13 300,99	R 99 725,27
50	R 13 301,00	R 13 500,99	R 98 276,53
51	R 13 501,00	R 13 700,99	R 96 827,79
52	R 13 701,00	R 13 900,99	R 95 379,06
53	R 13 901,00	R 14 100,99	R 93 930,32
54	R 14 101,00	R 14 300,99	R 92 481,59
55	R 14 301,00	R 14 500,99	R 91 032,85
56	R 14 501,00	R 14 700,99	R 89 584,11
57	R 14 701,00	R 14 900,99	R 88 135,38
58	R 14 901,00	R 15 000,99	R 86 686,64
59	R 15 001,00	R 15 200,99	R 85 237,91
60	R 15 201,00	R 15 400,99	R 83 789,17
61	R 15 401,00	R 15 600,99	R 82 340,43
62	R 15 601,00	R 15 800,99	R 80 891,70
63	R 15 801,00	R 16 000,99	R 79 442,96
64	R 16 001,00	R 16 200,99	R 77 994,23
65	R 16 201,00	R 16 400,99	R 76 545,49
66	R 16 401,00	R 16 600,99	R 75 096,75
67	R 16 601,00	R 16 800,99	R 73 648,02
68	R 16 801,00	R 17 000,99	R 72 199,28
69	R 17 001,00	R 17 200,99	R 70 750,55
70	R 17 201,00	R 17 400,99	R 69 301,81
71	R 17 401,00	R 17 600,99	R 67 853,07
72	R 17 601,00	R 18 000,99	R 66 404,34
73	R 18 001,00	R 18 200,99	R 64 955,60
74	R 18 201,00	R 18 400,99	R 63 506,87
75	R 18 401,00	R 18 600,99	R 62 058,13
76	R 18 601,00	R 19 000,99	R 60 609,39
77	R 19 001,00	R 19 200,99	R 59 160,66
78	R 19 201,00	R 19 400,99	R 57 711,92
79	R 19 401,00	R 19 600,99	R 56 263,19
80	R 19 601,00	R 19 800,99	R 54 814,45
81	R 19 801,00	R 20 000,99	R 53 365,71
82	R 20 001,00	R 20 200,99	R 51 916,98
83	R 20 201,00	R 20 400,99	R 50 468,24
84	R 20 401,00	R 20 600,99	R 49 019,51
85	R 20 601,00	R 20 800,99	R 47 570,77
86	R 20 801,00	R 21 000,99	R 46 122,03
87	R 21 001,00	R 21 200,99	R 44 673,30
88	R 21 201,00	R 21 400,99	R 43 224,56
89	R 21 401,00	R 21 600,99	R 41 775,83
90	R 21 601,00	R 21 800,99	R 40 327,09
91	R 21 801,00	R 22 000,99	R 38 878,35



**For more information
on First Home
Finance:**

Contact Center 010 085 2199

Apply online through the First Home Finance

Portal: <https://fhf.nhfc.co.za/>

Enquiries:

firsthomefinanceenquiries@nhfc.co.za

Complaints:

firsthomefinancecomplaints@nhfc.co.za

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