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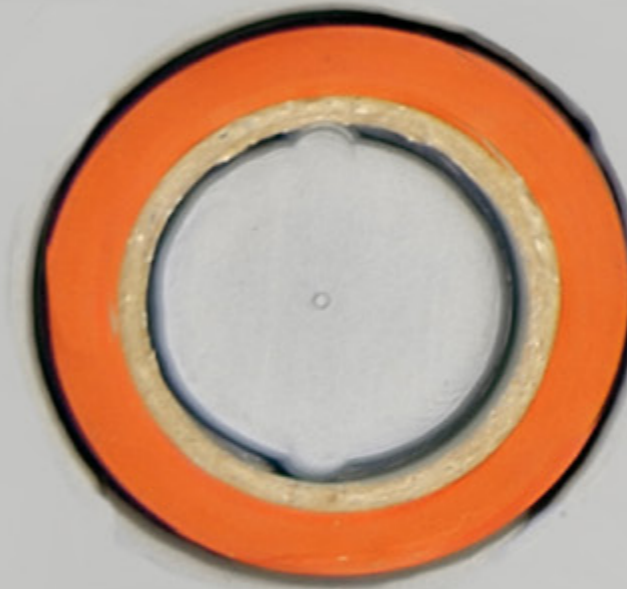
HOW IT ALL WORKS

An overview of
SA Home Loans



SA Home Loans

A FRESH APPROACH TO HOME FINANCE



ABOUT SA HOME LOANS

SA Home Loans was launched in 1999 and is South Africa's largest non-bank mortgage provider.

We offer both switch and new home loans, with a flexible range of home loan options that allow us to meet your specific needs throughout the life of your loan.

We're not a mortgage broker sourcing loans for the major banks, but rather a registered financial institution that lends directly to the public.

We pride ourselves on our personalised approach to assisting you in getting your home loan as well as providing service thereafter.

Our culture is deeply rooted in providing Amazing Service to you at all times.



HOW IS MY INTEREST RATE CALCULATED?

Our interest rate is linked to the JIBAR rate and your interest rate is calculated based on your particular circumstances. Because we're flexible and want your home loan to be appropriate to your changing needs, there are variable and capped options available. You're welcome to discuss this with us to ensure you're getting the best option throughout the life of your loan.

WHAT IS THE JIBAR RATE?

At SA Home Loans we use 3 month JIBAR (Johannesburg Interbank Agreed Rate) as our base rate, while the banks use Prime as their base rate. 3 Month JIBAR is an independently determined 3-month rate quoted on the SA Futures Exchange. It is in essence an approximation of what the banks believe REPO (rate determined by Monetary Policy Committee) will average over the next 3 months. Given that Prime is 3.5% above the REPO rate, JIBAR is on average 3.5% below Prime.

While JIBAR and Prime may have slight timing differences in their movements, they will generally move in the same direction. We then add on a "link rate" (depending on your risk profile) to get to the total interest rate applied.

Our lending rates are reset on a quarterly basis on predetermined dates, as set out in the loan agreement. JIBAR is reviewed on these quarterly reset dates, and the latest market quoted JIBAR rate is used to determine the interest rate for existing clients for the following quarter. The effect on you is that your interest rate will not move at the same time as Prime, but only on predetermined quarterly reset dates, in line with Prime and the expected movements thereon for the next quarter.



WHAT FURTHER LENDING OPTIONS ARE AVAILABLE AND HOW DO I APPLY?

a) FURTHER LOAN

A further loan is processed when the amount requested by you exceeds the current registered bond amount. The further loan is registered at the Deeds Office. If you would like to apply for a further loan, the following process needs to be followed:

- Contact the Client Services Help Desk and request an application form.
- Complete the application and email/fax it through to Client Services: Further Lending, together with all supporting documents.
- Client Services will review the application and forward it through to Credit for a decision.
- If the application is approved, you will need to wait until the loan has been registered in the Deeds Office before the funds are paid out. This can take up to 6 weeks. If you have applied for Quick Cash and this has been approved, then a portion of your monies can be paid out earlier.

b) FURTHER ADVANCE

A further advance is the amount available to you up to the existing registered bond amount. If you would like to apply for a further advance, the following process needs to be followed:

- Contact the Client Services Help Desk and request an application form.
- Complete the application and email/fax it through to Client Services: Further Lending, together with all supporting documents.
- Client Services will review the application and forward it through to Credit for a decision.
- If the application is approved, you will be required to sign a Schedule to Loan Agreement, Loan Agreement and Quotation. Upon receipt, the funds will be transferred to your account.
- The above process usually takes 5 working days.

c) RE-ADVANCE

A re-advance is done when you wish to re-borrow any portion of the total capital amount that you have pre-paid (i.e. paid by you in excess of the required instalments and not re-advanced before that time).

during any 12-month period. If you would like to apply for a re-advance the following process needs to be followed:

- Contact the Client Services Help Desk and request an application form.
- Complete the application and email/fax it through to Client Services: Further Lending.
- Client Services will review the application and if necessary forward it through to Credit for approval.
- If the application is approved, the funds will be transferred to your account.
- The above process usually takes 24-48 hours.

To enable the processing of all Further Lending options efficiently, you will be required to fax updated supporting documents as indicated on the relevant application forms. Further lending may be subject to an updated valuation being conducted, taking into account the existing valuation date and comments thereon.

d) PERSONAL LOANS

Our Personal Loan product can offer you up to R100 000, paid to you within 24hrs of your application. The term of your loan can be tailored to suit your budget and the rate is fixed for the duration of the loan. The entire application is completed over the telephone for your convenience and Credit protection is already included to protect you against Death, Disability and Retrenchment.

To apply for your personal loan:

- Contact our Personal Loan Sales Centre
- Complete the application over the phone, including a full affordability assessment
- Send us your latest Bank Statements and Payslip
- On credit approval and signing of your contract, the funds will be disbursed to your Debit Order account
- For queries on your Personal loan, you can contact our Client Services Help Desk



LIFE ASSURANCE

The SA Home Loans Bond Protection Plan is a simple, trustworthy insurance plan that ensures you won't lose your home if you are unable to pay your bond due to death or disability.

Our comprehensive policy includes a Death Benefit as well as an Instalment Protection benefit:

a) DEATH BENEFIT

In the event of death, the outstanding balance will be settled*. Claims arising within 24 months of the date of commencement of the policy, from any condition or event which is directly, indirectly or traceable to a pre-existing or excluded condition, will not be paid.

b) INSTALMENT PROTECTION BENEFIT

In the event of a temporary disability where, for example, you are unable to work for more than 90 days due to an illness or injury, SAHL Life will pay the home loan instalments while you are unable to*. If the disability is of a permanent nature, SAHL Life reserves the right to settle the full outstanding bond balance. Claims arising from any condition or event which is directly, indirectly or traceable to a pre-existing or excluded condition, will not be paid for the duration of the policy.

Benefits of having your policy with SA Home Loans:

- Convenience – policy concluded over the phone.
- No medical examinations*.
- In some cases we can insure people who simply cannot get insurance elsewhere due to an existing medical condition.
- Cover automatically adjusts with any prepayments and further lending, which means you will always be covered to the value of the outstanding loan*.
- There are no separate debit order costs as the premiums are debited together with the home loan instalment.

*Please refer to the terms and conditions as set out in the policy document for more information.



HOME OWNER'S COVER

Home Owner's Cover is necessary to ensure that the financial risk undertaken by SA Home Loans is protected should the structure of the dwelling suffer damage. The cover provides peace of mind and a sense of security for you in the event of sudden and unforeseen circumstances.

The mortgage loan account is debited with the premiums due in terms of the policy and paid to SAHL Insurance Company on a monthly basis.

The policy provides cover for damage to the buildings in the event of:

- Fire
- Storm
- Accidents
- A burst geyser, etc

SAHL Insurance Company has a 24-hour claims centre – 7 days a week – in the event of an emergency.

CAP

The CAP rate is an innovative product that allows you to protect your home loan interest rate for a 2-year period.

HOW IT WORKS:

- You may select to place a 1%, 2% or 3% CAP rate on your current interest rate which acts as a ceiling on your current interest rate for two years.
- Should interest rates rise above the chosen CAP rate, the instalment will increase in line with the rate increase, but any interest paid above the CAP rate will be refunded to you. The net effect of this is that you always pay the lower of the current rate or the capped interest rate on your loan for 2 years.
- During the 2-year CAPPED period, the interest rate is guaranteed to effectively never exceed this selected CAP rate.
- Should interest rates drop, you will still enjoy the lower rate, i.e. this is NOT a fixed rate product.

The CAP premium can be paid in cash or by accessing available funds from your home loan (subject to Credit approval).



WHAT IS SECURITISATION?

First launched and pioneered by SA Home Loans in 2001, securitisation is an alternative method of funding designed to bypass traditional intermediaries (the banks) and link borrowers directly to the money markets.

This non-bank concept of securitisation is a globally established means of funding. There is absolutely no risk for home owners. Properties are registered in the client's name and are therefore legally owned by the client.

WHAT ARE OUR INTEREST RATE REVIEW DATES?

SA Home Loans reviews interest rates on a quarterly basis on predetermined "reset dates" which are stipulated in the loan agreement. Please note that your rate will not necessarily increase or decrease on the reset dates, but will generally be in line with rate changes made by the South African Reserve Bank.



WHAT IF I SELL MY PROPERTY?

If you wish to cancel your loan with SA Home Loans, you need to contact the Client Services Help Desk and record your intention to cancel the loan. You are required to provide SA Home Loans with 60 days' notice to prevent Early Termination Charges. Early Termination Charge [ETC] is applicable to loans cancelled within the first 2 years of the loan registration date.

The cancellation process on average takes between 2-3 months. The duration will be dependent on the nature of the cancellation, as well as the attorneys and Deeds Office.

In the case where the loan is being cancelled due to a sale of the property – a formal request from the transferring attorney is required, in order for the loan to be placed “under cancellation” and the cancellation figures to be issued. In the event of a switch to another financial institution, the new bond registering attorney needs to send through the formal cancellation request prior to the cancellation figures being issued. Should the loan be fully paid up and you wish to cancel the loan, you are required to send through a written instruction for SA Home Loans to cancel.



CONTACT DETAILS

CLIENT SERVICES HELP DESK	0861 888 777 admin@sahomeloans.com	For all general enquiries regarding your home loan account, including: <ul style="list-style-type: none"> • Further Loans/Rapid Re-advances/Further Advances • Change of contact details • Debit order queries/changes • Purchasing of Home Owner's Cover • Personal Loans queries
CAP TEAM	0861 888 444 cap@sahomeloans.com	For enquiries on capping your interest rate
BOND PROTECTION COVER	0861 401 401 life@sahomeloans.com	For enquiries regarding our Bond Protection, Life Assurance and Insurance products
QUICK CASH TEAM	031 560 5403 quickcash@sahomeloans.com	For enquiries on accessing Quick Cash when you switch your home loan to SA Home Loans
HOME OWNER'S COVER	24Hour Hotline 0861 103 740	For all Home Owner's Insurance claims Open 24 hours a day, 7 days a week, 365 days a year
PERSONAL LOANS	0861 000 376 personalloans@sahomeloans.com	For enquiries on how to apply for a personal loan

Terms and Conditions apply to all SA Home Loans products described in this brochure. See website for further details.
SA Home Loans is a Registered Credit Provider and an Authorised Financial Services Provider. Licence Number: 2428.

WWW.SAHOMELOANS.COM