



GIPF House, Windhoek | Tel: +264 61 205 1757 | Email address: homeloan@kuleni.com.na

## PENSION BACKED HOUSING LOAN APPLICATION FORM

**Mark all appropriate boxes with an X**

**Please read: Very important:** Kindly note that you will have to pledge (cede) 33.33% of your available pension benefits to the Government Institutions Pension Fund ("the FUND") which financed your property and that you will have no right to cancel this pledge/cession without the written consent of the FUND. By signing this form, you consent to the FUND to access your pension information and to share this information with the ADMINISTRATOR to assist in the assessment and facilitation of your loan.

<b>PURPOSE OF THE LOAN</b>	
Purchase New Property	
Building loan or Additional loan (Renovations) in a proclaimed area	
Building loan or additional loan (Renovations) in an Un-proclaimed area	
Settle existing home loan with the financial institution	

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## SECTION A – APPLICANT'S INFORMATION

Title							
Name				Surname			
Marital status	Married	Single	Divorced		Widowed		
Married in community of property		Married out of Community of property					
ID type	ID	Passport				Foreign passport	
Date of birth				ID number			
Current residential address							
Amount applied for							
Job category or Post designation							
Work Address							
Number of years employed							
Gross Annual income (attach latest pay slip)							
Gross Annual Income of Spouse (attach latest pay slip)							

## SECTION B – CONTACT INFORMATION

Home phone				Work phone			
Cellphone No.				Fax number			
E-mail address							
Postal address							
Next of Kin	Name			Surname			Cellphone No.

## SECTION C – CO-APPLICANT'S INFORMATION (if applicable)

Title							
Name				Surname			
Marital status	Married	Single	Divorced		Widowed		
Married in community of property		Married out of Community of property					
ID type	ID	Passport				Foreign passport	
Date of birth				ID number			
Current residential address							
Amount applied for							
Job category or Post designation							
Work Address							
Number of years employed							
Gross Annual income (attach latest pay slip)							
Gross Annual Income of Spouse (attach latest pay slip)							

## SECTION D – CONTACT INFORMATION OF CO-APPLICANT (If applicable)

Home phone				Work phone			
Cellphone No.				Fax number			
E-mail address							
Postal address							

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### SECTION E – PROPERTY INFORMATION

Erf description			Suburb		
Street address			Town		
Region			Area code		
Purchase Price			Quotation amount		
Estimated market value	N\$				
Name of Builder					
Contact details of Builder					
Do you/your family live on the property?	Yes		No		

### SECTION F – SIGNATORIES (CONFIRMATION FROM EMPLOYER AND/OR GIPF)

Applicant \_\_\_\_\_ Signature of witness \_\_\_\_\_ Date \_\_\_\_\_  
 Co-Applicant (if applicable) \_\_\_\_\_ Signature of witness \_\_\_\_\_ Date \_\_\_\_\_  
 Authorized signatory of Employer \_\_\_\_\_ Signature of witness \_\_\_\_\_ Date \_\_\_\_\_  
 Authorized signatory of GIPF \_\_\_\_\_ Signature of witness \_\_\_\_\_ Date \_\_\_\_\_

### FOR OFFICE USE

Application Fee	N\$	Principal debt (cash amount + application fee)	N\$		
Current Rate					
Outstanding Balance	N\$	Installment amount	N\$		
New Loan amount approved		Monthly admin fee	N\$		
Number of Monthly installments		Property valuation /Inspection fee	N\$		
Insurance premium		Total payroll deduction			
Consultant		Snr Consultant		Manager	
Application approved		Application Declined			
Motivation					

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## DOCUMENTS REQUIRED

1. Certified copy of Identity document
2. Copy of the Pay slip stamped by the HR office
3. Certified copy of the Marriage Certificate (if applicable)
4. Deed of sale if property is being purchased
5. Signed quotations for renovations and buildings
6. Cancellation figures for Bank Take overs
7. Proof of ownership
8. Disability and death insurance policy

## TERMS AND CONDITIONS

### 1. Interpretation

In this agreement, unless inconsistent with the context:

- 1.1 "Repo Rate" means the interest rate at which the Bank of Namibia lends money to commercial banks
- 1.2 "Agreement" means this Housing Loan Application Form together with all letters and notices given in terms hereof from time to time, all read together;
- 1.3 "Surety Agreement" means the Agreement concluded between the Fund and the Lender;
- 1.4 "Fund" means the fund specified above, unless the context clearly indicates a contrary intention;
- 1.5 "Lender" means Kuleni Financial Services (Pension-Backed Home loan ) (Reg. No. );
- 1.6 Any reference to one gender shall be deemed to include the other and any reference to the singular shall include the plural;
- 1.7 The headings are for convenience purposes only.
- 1.8 "Qualifying Amount" means an amount equal to one-third (1/3) of the Borrowers accumulated pension fund credit
- 1.9 "Amortisation Schedule" or "Summary of Loan life" means the repayment schedule provided by the Pension fund or its administrators showing how the loan will be repaid over time.
- 1.10 "Cancellation" means the settlement and closure of an exiting housing or mortgage loan held by the borrower with another financial institution.

### 2. The Loan

- 2.1 The Lender hereby agrees to lend the principal debt to the Borrower, upon the terms and conditions set out in this agreement;
- 2.2 The Borrower acknowledges that the principal debt will only be advanced to him/her upon signature of this agreement by the Employer, the Fund referred to and the Lender;
- 2.3 The Borrower undertakes and agrees to use the principal debt for housing purposes only, as required in terms of section 19(5) of the Pension Funds Act, No. 24 of 1956, and confirms that this has been explained to him;
- 2.4 The home loan should be utilised to finance houses and land in proclaimed and unproclaimed areas such as communal land. If the house or land to be financed is in a proclaimed urban area, the applicant must provide proof of ownership (i.e. title deed). If the house or land to be financed is in an unproclaimed area such as a communal land, the applicant must provide leasehold certificate or communal land right certificate
- 2.5 The Borrower hereby absolves and indemnifies the Lender from and against all and any loss, damage, costs and expenses which it (the Borrower), or the Lender may sustain or incur, either directly or indirectly as a result of the Lender relying on and using the banking details and/or any information supplied above in order to pay the proceeds of the loan as specified above. The Lender will not be held liable in respect of any error or omissions from any particulars given to the Lender by the Borrower or third party.
- 2.6 The Borrower shall for the full duration of the loan, maintain a valid life insurance policy that is sufficient to settle the outstanding balance of the pension-backed home loan in the event of the borrows death. The policy shall be ceded in favour of the Pension Fund or its duly appointed administrators as a security for the loan. Proof of the policy and cession shall be provided prior to loan disbursement and upon request thereafter.
- 2.7 Borrowers in proclaimed areas must maintain fire insurance on the property securing the loan and provide a cover note to the Pension Fund or its Administrators. Fire insurance is not required for properties in unproclaimed areas.

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- 2.8 Borrowers may use the pension -backed home loan to cancel the bond held by another financial institution, subject to confirmation of the outstanding balance and Pension Fund approval. Kuleni acts only as facilitator and no cash back is permitted.
- 2.9 The Scheme enables members to access housing finance, but it is important for members to understand its limits. The fund and administrators are not responsible for the conduct, performance or obligations of third parties such as sellers, contractors and suppliers. This means the fund and the Administrator cannot be held responsible for incomplete work, poor workmanship, defective materials, delays , cost overruns or non delivery where such matters arise from agreements entered into directly by the member with these service providers.

### **3. Monthly Instalments**

- 3.1 The Borrower agrees to repay the principal debt, together with interest and the other stipulated charges specified above by way of fixed consecutive monthly instalments, initially in the amount specified above.
- 3.2 The Employer shall be entitled to deduct the monthly instalments due in terms hereof from the salary and other emoluments accruing to the Borrower and to apply such deductions towards the Borrower's Indebtedness to the Lender. For these purposes and as security for the timeous payment of monthly instalments due, the Borrower hereby irrevocably authorises the Employer to affect such deductions and undertakes not to terminate such authorisation until the principal debt and all interest due thereon has been paid in full;
- 3.3 The Lender has the right to vary the monthly stipulated charges referred to above from time to time.

### **4. Interest**

- 4.1 Interest shall be charged on the daily balance of the outstanding loan amount owing from time to time, with effect from the date the principal debt is advanced to or on behalf of the Borrower. Interest so charged shall be debited on the last day of each month and shall be due and payable as soon as it is debited;
- 4.2 The interest rate specified in above shall be a variable rate linked to the Repo Rate. Should the Repo Rate change, the Lender shall be entitled as from the date on which the said Repo Rate changed, or any other date thereafter, to increase or reduce the interest rate levied in respect of this agreement by the same percentage as the percentage by which the said Repo Rate is increased or reduced and as a consequence to vary the number of instalments payable by the Borrower to cater for the change in the interest rate: Provided that the number of instalments payable will not be increased beyond the terms stipulated in the Usury Act and/or Pension Funds Act and as specified in the rules of the Fund of which the Borrower is a member;
- 4.3 If the Repo Rate changes, the Lender will notify the Borrower of such fact and of the consequential changes to the Borrower's number or value of instalments;
- 4.4 If any amount, interest or other, is not paid when it is due, or if the parties agree that payment of any amount shall be deferred, interest on such unpaid amount shall there upon form part of the total amount owing by the Borrower to the Lender in terms of this agreement and shall bear interest as specified in this agreement. Any interest accruing on the unpaid amount is acknowledged to be, forthwith upon its being debited to the Borrower's account, due and payable;
- 4.5 Notwithstanding the provisions in 4.2, the Lender shall be entitled, after written notice to the Borrower to revise the interest rate as set out above from time to time.

### **5. Anticipation of Repayment Date**

- 5.1 The Borrower shall be entitled to pay the outstanding balance of the principal debt, including all accrued interest, in one amount without notice to the Lender. All payments must be reflected on Employer Payroll.

### **6. Change of Circumstance Clause**

The Lender shall, after written notice to the Borrower, be entitled to increase the formula set out above equal to any

- 6.1 Increased cost or other liability incurred by the Lender (and/or any of its partners) as a result of any law or regulation (including any law or regulation relating to taxation, prudential requirements or any other form of banking or monetary control); or
- 6.2 Increased risk incurred by the Lender in respect of the Borrower and/or the Fund.

### **7 Security/Pledge**

- 7.1 Members pension benefits are pledged as security for the home loan. The pledged amount is limited to one-third of the members pension credit balance and no cash is withdrawn directly from the fund.

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## **8. Certificate of Indebtedness**

8.1 A certificate signed by any officer of the Lender, whose appointment need not be proved, as to the amount owing to the Lender by the Borrower at any time, the fact that such amount is due and payable, the rate of interest payable thereon and the date from which such interest is reckoned, shall be binding and shall be *prima facie* proof of the facts stated therein.

## **9. Default**

9.1 The full outstanding loan amount and all other stipulated charges, including interest, shall become due and payable by the Borrower within 7 days of receipt of a written notice by the Lender calling upon him to do so. This notice by the Lender may be given in the following circumstances:

- a) The Borrower's service with the Employer and/or his membership of the Fund is terminated for any reason whatsoever.
- b) The Borrower commits a breach, inclusive of that contemplated in 9.3, of the terms of the agreement;
- c) The Borrower is in arrears to the amount of two or more consecutive months of non-payment of the contracted instalment, referred to above;
- d) Any change or proposed change in the Fund rules and/or Pension Funds Act occurs which may affect the Lender's security position;
- e) The Borrower commits any act of insolvency contemplated in the Insolvency Act, is sequestrated or placed under administration.

9.2 As security for the Fund's right of recourse against the Borrower, if pursuant to a default by the Borrower, the Fund pays to the Lender any amount due by the Borrower in terms of this agreement, the Borrower hereby cedes and pledges to the Fund its right, title and interest in and to the withdrawal and other benefits to which he is entitled in terms of the rules of the Fund.

## **10. Penalties**

The Lender shall be entitled to increase the interest rate formula as set out above to the maximum rate stipulated in terms of the NCA, in the following circumstances:

- 10.1 Where the Lender becomes aware of the loan not being used for housing purposes as contemplated in section 19(5)(a) of the Pension Funds Act No. 24 of 1956;
- 10.2 Where the Borrower intends to apply for an administration order in terms of the Magistrate's Court Act and fails to advise the Lender of this intention.
- 10.3 This increase in the interest rate formula will be applied retrospectively. In the case of 10.1 above the increase rate will apply from date of issuance of the loan.

## **11. Blacklisting for Dishonest Conduct**

The Scheme is built on principles of honesty, integrity and responsible use of pension -backed finance. Any dishonest or fraudulent behaviour by members or their appointed contractors will not be tolerated and may result in blacklisting from the Scheme, recovery of funds and possible legal actions.

- 11.1 Members are required to provide truthful, accurate information and to apply to loan funds strictly for approved housing purposes. dishonest conduct by Members includes, but is not limited to:
  - a) Submitting false or forged document's (e.g., payslips, allocation letters or title deeds).
  - b) Misrepresenting employment status, income or household obligations.
  - c) Colluding with contractors, valuers, or inspectors to inflate invoices, falsify progress or divert loan funds.
  - d) Using loan proceeds for non-housing purposes such as personal consumption, speculative property purchases or business ventures.
- 11.2 Where dishonesty by a member is detected, the Administrator may:
  - a) Declare the member ineligible for current and future participation in the Scheme.
  - b) Report the misconduct to the employer and to GIPF
  - c) Blacklist the member from accessing pension backed home loans in future; and
  - d) Recover all outstanding amounts directly from the Members pension benefit, in addition to initiating legal action if necessary.

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## **12. Domicilium**

The Borrower hereby chooses domicilium citandi et executandi at the address specified in above.

**Any notice given by the Lender in terms of the agreement shall be addressed to the Borrower at his chosen domicilium citandi et executandi. Notices which are posted shall be irrefutably deemed to be received by the Borrower 5 (five) working days after posting.**

## **13. General**

- 13.1 The Borrower undertakes to notify the Lender of any changes in respect of any information furnished in this agreement;
- 13.2 No failure by the Lender to exercise its rights in terms of the agreement nor any indulgence allowed to the Borrower shall operate as a waiver or abandonment by the Lender of any of its rights under the agreement;
- 13.3 The Lender shall be entitled to treat as one debt, two or more than two amounts owing and payable by the Borrower in terms of this agreement or any other concluded between the Lender and the Borrower. In such circumstances the Borrower will be obliged to complete and sign a new Housing Loan Application and, on such terms, and conditions as the Lender may reasonably deem fit. Any consolidation effected in terms hereof shall in no way affect the security granted hereunder or the rights of the Lender to prosecute any proceedings already instituted at that time in terms hereof.

## **14. Cession and Transfer**

The Lender and/or the Fund, as the case may be, may cede or transfer all or any of their rights in terms of this agreement without the prior consent

## **15. Loan Repayment Schedule**

(Please note that this may not be a true reflection of your repayment schedule as it is based on when you will start repaying the loan, but only provides an indication of how the repayment of the loan works.)

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