

# Home Income Plan

MAKE THINGS HAPPEN



**NEDBANK**

You've worked hard your whole life  
to own your own home, and now you can  
let your home work for you!





## Contents

- 4 The Nedbank Home Income Plan and what it can do for you
- 4 Live off your home while living in it
- 5 There are so many benefits
- 6 Understand how the plan works
- 7 Features
- 8 Consider your options carefully
- 9 Take a look at the fees
- 10 Apply for your Nedbank Home Income Plan
- 10 Bank on our service promise

This innovative plan allows you access to the equity in your home while you continue to live in it.





## The Nedbank Home Income Plan and what it can do for you

By the time you retire you'll have dedicated a lifetime to creating a home you love as well as a lifestyle you value. Now you can secure the financial freedom to enjoy both to the full, with a Nedbank Home Income Plan.

This innovative plan ensures that you could stay in your home throughout your retirement years without making any radical lifestyle sacrifices, by allowing you access to the equity in your home while you continue to live in it. In short, the Nedbank Home Income Plan provides you with a loan against the value of your house, which it pays out in cash.

At Nedbank we understand that your home is exceptionally valuable, both as a source of stability and as a store of the treasured memories it holds within its walls. We trust you will look forward to enjoying the best your retirement years have to offer from the secure comfort of this cherished environment, partnered by the Nedbank Home Income Plan.

### Live off your home while living in it

Available for the first time from a trusted South African bank, the Nedbank Home Income Plan puts cash in your hands to spend as you please at a time in your life when you have the freedom and flexibility to enjoy the fruits of a lifetime's labour to the full! You've worked hard your whole life to own your own home, and now you can let your home work for you!

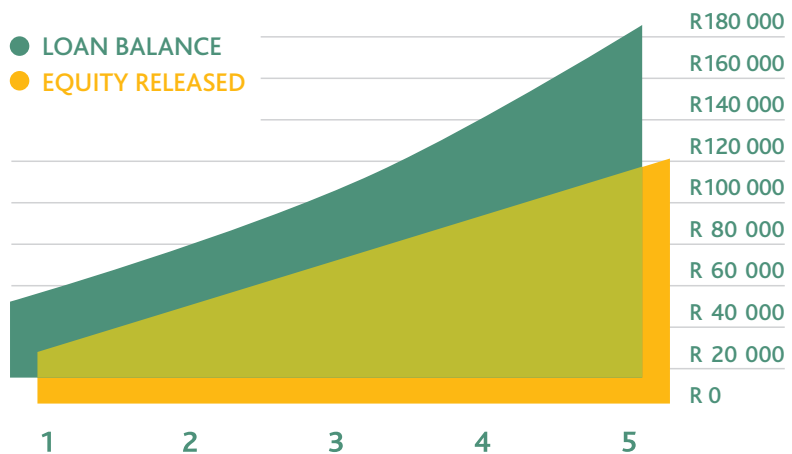
The most innovative feature of the Nedbank Home Income Plan is that you are not required to repay the loan for at least five years, as long as you're still living in the house.

At the end of the five-year loan period you must repay the loan. This you can do through other funds, from the sale of your home, or you could of course apply for a new plan.

**There are so many benefits in choosing a Nedbank Home Income Plan, including:**

- You are not selling your home to Nedbank - you will remain the owner of your home and can continue living in it. Nedbank will simply register a bond over the property as security for the loan.
- You choose whether you would prefer to receive a single cash lump sum, or regular smaller instalments, or a combination of both.
- The prime-linked interest rate is fixed for the full five-year term of the loan.
- You will know upfront what, according to your plan, the final amount repayable to Nedbank will be for the period indicated on your 'funds offered' quotation.
- This plan is covered by a unique guarantee which under certain conditions will make up the difference if the funds released upon the sale of your property are less than the balance of the plan.
- The plan provides you with the means of making the monthly interest repayments while still enjoying the benefit of the funds released from your home.
- You can provide for your family in your will, if the value of your property is more than the loan balance.
- The cash released from your home through a Nedbank Home Income Plan is tax-free in your hands.

The graph below provides an indication of what you could expect from a Nedbank Home Income Plan.



Please note: The above graph is for illustrative purposes only and displays a combination plan with an initial lump sum release and equal monthly drawdowns over 60 months.



## Understand how the plan works

The Nedbank Home Income Plan is based on the best examples of the product as offered in a number of overseas markets such as the UK, Australia and the USA for a number of years. The features and benefits of the plan have been carefully tailored for the South African market, meaning that if you are between the ages of 65 and 85, you may apply for a Nedbank Home Income Plan, although younger or older applicants may be considered under special circumstances.

Should you qualify, your plan will consist of a cash amount, calculated by Nedbank based on an assessment of the value of your property by an independent certified valuer. And while this cash is yours to begin enjoying immediately, the loan in terms of the plan is due and payable only after five years.

At the end of the five-year plan term you will have the option of either repaying the loan or reapplying for a new loan. At this point your new loan will be priced at a rate linked to the prevailing prime rate, again fixed for another five-year term. In addition, you may sell your home, move to another property and transfer the plan, subject to certain terms and conditions.

You choose whether you would prefer to receive a single cash lump sum, or regular smaller instalments, or a combination of both.

**A Nedbank Home Income Plan includes the following standard features:**

- Your individual circumstances and your property value will determine the interest rate offered to you.
- Individual property risk criteria will determine the granting of the loan.
- The minimum loan value is R250 000 and there is no upper limit.
- If your property is still bonded, the outstanding bond may not exceed 15% of the total loan amount released.
- Further amounts may be borrowed if the value of the property increases more than expected.
- A Nedbank transactional account is required to receive the monthly payments.
- You must ensure that you have homeowner's insurance and that your property is well-maintained so as to preserve and enhance its value.

**TIP:** Please feel free to speak to us about alternative products and services.





## Consider your options carefully

At Nedbank we understand how precious your home is to you, which is why we urge you to consider all your options carefully before applying for your Nedbank Home Income Plan.

The first step would be to question whether you are in fact comfortable releasing value from your home. If the answer is 'yes', we strongly recommend that you consult your family, financial and legal advisers and your executor. Together they'll be able to assist you in forming a clear view of the financial and tax implications, and possibly even offer suitable alternatives, such as moving into a less expensive property, drawing on existing resources such as investments, or even accessing surplus funds from previous pension funds.

To assist with your decision about this unique and innovative plan, a Nedbank representative will meet with you and your family during the application process to discuss the matter, and show you how inflation, interest rates and changes in property prices could affect you. We shall also explain in easy-to-understand language the implications of any special Nedbank Home Income Plan conditions, such as moving home, or someone moving in with you, or how the rollup of interest affects any inheritance you may wish to pass on. More importantly, we shall provide you with comprehensive details of the guarantees and risk management tools that will be put in place to protect your interests.

It's essential that you're able to take this step with absolute peace of mind, or not at all!

**TIP:** Once you've consulted Nedbank, we'll gladly send copies of any relevant documentation to all parties concerned, helping you make a sound decision.



## Take a look at the fees:

LOAN INITIATION FEE	Loans under R500 000 – R199,50 Loans over R500 000 – R262,20
MORTGAGE REGISTRATION FEES	R4 200,00 (approximately)
MONTHLY ADMINISTRATION FEE	R5,70
VALUATION FEE	R1 500,00
PROPERTY REVALUATION (AFTER FIVE YEARS)	No charge
HOMEOWNER'S INSURANCE PREMIUMS	Monthly and/or annual premiums must be paid by you and cannot be debited against the loan amount

- Any fees charged by legal advisers etc are not included in Nedbank's range of fees.



Improve your lifestyle and enjoy opportunities that previously seemed impossible.

## Apply for your Nedbank Home Income Plan

If you decide to apply for a Nedbank Home Income Plan, rest assured that you are not alone; thousands of homeowners around the world enter into similar arrangements every year. They improve their lifestyle by doing so, and enjoy opportunities that previously seemed impossible. If you would like to arrange an appointment with a Nedbank financial planner or client consultant to assist you throughout the process, or if you require more information, please feel free to call our **Nedbank Contact Centre** on **0860 555 020** Monday to Friday 8:00 to 16:30 or visit [www.nedbank.co.za](http://www.nedbank.co.za). **Terms and conditions apply.**

You choose whether you would prefer to receive a single cash lump sum, or regular smaller instalments, or a combination of both.

## Bank on our service promise

We promise to:

- treat you as an individual;
- treat you with respect at all times;
- acknowledge your requirements and take them seriously; and
- continually strive for service excellence.

If you feel that we have or have not lived up to this promise, please let us know by emailing us at [ClientFeedback@nedbank.co.za](mailto:ClientFeedback@nedbank.co.za), or calling us on 0860 444 000.



A Member of the  **OLD MUTUAL** Group

We subscribe to the Code of Banking Practice of The Banking Association South Africa and, for unresolved disputes, support resolution through the Ombudsman for Banking Services. We are an authorised financial service provider.

StoneCastle Company (PTY) Ltd has been appointed as an agent of Nedbank to administer the product on its behalf.