



THE SPEAKER

COUNCIL ITEM

REQUEST FOR APPROVAL TO WRITE OFF RATES AND TAXES OF HLANO FINANCIAL SERVICES (FORMERLY KHYALATHU HOME LOANS) REPOSESSED HOUSES IN MANGAUNG METRO MUNICIPALITY (PHASE TWO AND BOTSHABELO) AND THE TRANSFER OF THESE HOUSES TO BENEFICIARIES ASSISTED WITH GOVERNMENT NON-PROJECT LINKED INDIVIDUAL SUBSIDY HOUSING PROGRAMME

1. PURPOSE

- 1.1** To inform the Council about the Non-Project Linked Individual Housing Subsidy Programme implemented by the Free State Department of Human Settlements in Mangaung in order to assist qualifying beneficiaries occupying properties that were repossessed by Khayeletu/ Hlano Housing Solution after owners defaulted on their mortgage loans.
- 1.2** To request the Council to approve the write-off of outstanding rates and taxes on the 314 properties attached as **Annexure "A"** and to issue Clearance Certificate to enable the transfer of these properties by Hlano to the beneficiaries approved by the Provincial Human Settlements under the Non-Project Linked Individual Subsidy Housing Programme.

2. STRATEGIC INTENT

- 2.1** To provide access to state housing assistance where qualifying households wish to acquire an existing house thus promoting home ownership and discharging the state constitutional obligation as enshrined in section 26(2) of the Constitution of the Republic of South Africa.
- 2.2** To give effect to the principles of co-operative governance as contained in section 41 of the Constitution by ensuring that there is coherence in programmes implemented by three spheres of government in order to provide housing assistance to citizens.
- 2.3** To contribute to the government target of ensuring the creation of 1, 5 million housing opportunities as contained in Outcome 8 of the 2014- 2019 Medium Term Strategic Framework.

3. FOR CONSIDERATION AND DECISION BY

- 3.1** Council

4. BACKGROUND INFORMATION

4.1 HISTORY OF KHAYALETHU HOME LOAN/HLANO FINANCIAL SERVICES

- 4.1.1** The South African Housing Trust Limited was incorporated in terms of the Companies Act, 1973 (Act No. 61 of 1973), as a company having a share capital with its main business being the promotion of the construction of low-cost housing in South Africa.
- 4.1.2** The Company was funded mainly by the Government of the Republic of South Africa and the private sector to carry out its main function; and government later became the sole stakeholder of the company.



- 4.1.3** Two wholly-owned subsidiaries of the company were established, namely Nu-way Housing Developments (Pty) Limited and Khayaletu Home Loans (Pty) Limited, which catered for the property development business and the home loan business of the company, respectively.
- 4.1.4** The delay in, and low profitability of, stand sales together with the bond repayment boycotts by home owners severely hampered the growth of the company and the company had substantially accumulated losses for each year from 1995 to 1998.
- 4.1.5** During the year 2000 Cabinet approved the sale of the South Africa Housing Trust's subsidiaries (Nu-way and Khayaletu) and they were sold as going concerns for the best prices available.
- 4.1.6** Hlano Financial Solutions bought the portfolio of debt of Khayaletu, and as a result, it had to recover all the outstanding home loans owed to Khayaletu by borrowers. The South African Housing Trust was later disestablished through an Act of Parliament. Hlano Financial Services is a successor in law of Khayaletu Home Loan.
- 4.1.7** During the nineties, the banks pulled out from the townships as a result of bond boycotts. The Government realized that very little end-user finance in the form of housing credit had been available to low-income households, which, in turn, impeded the ability of many households to improve their housing condition.
- 4.1.8** The first step in creating an enabling environment for private investment in housing was the signing of the Record of Understanding between the Government and the Association of Mortgage Lenders.
- 4.1.9** The agreement served as a foundation for a number of measures undertaken by the Government to normalize the housing environment. Various forms of subsidies were made available to defaulting borrowers who met the qualifying criteria.
- 4.1.10** It is against this backdrop of the above-mentioned agreement that the Free State Department of Human Settlements seeks to assist beneficiaries occupying Hlano Financial Services houses in Phase Two and Botshabelo.

4.2 NON-PROJECT LINKED INDIVIDUAL SUBSIDY HOUSING PROGRAMME

- 4.2.1** The program envisages a funding arrangement for housing assistance to individual households who wish to acquire properties of choice.
- 4.2.2** The programme accommodates both beneficiaries who wish to access only subsidy funding to acquire a residential property or persons who have acquired vacant serviced stands without state assistance and who need assistance with the construction of a house.
- 4.2.3** To promote a secure tenure right, the National Housing Code requires payment of the approved subsidy to be made upon receipt of change of ownership of the purchased property in favor of the approved beneficiary.
- 4.2.3** In order to qualify the applicants must meet the following requirements:
- He or she is lawfully resident in South Africa.



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- He or she is legal competent to contract.
- Neither the applicant nor his or her spouse has previously derived benefits from any housing subsidy scheme.
- A person who has not owned fixed residential property may apply, except where the applicant has acquired a vacant serviced site and needs assistance to construct a house.
- The grossly monthly household income of his or her household may not exceed the amount of the maximum income limit as approved by the minister and currently is R3501.00.

5. DISCUSSION

5.1 During the 2014/2015 financial year the Department was inundated with complaints from occupants of Hlano Financial Services houses, who alleged that Hlano sold their houses after they defaulted on their home loans and they are being evicted from the houses. Subsequent to the complaints, The Department had a meeting with Hlano Financial Services officials, and Mangaung Metro Municipality which culminated into the following agreement (**see the attached letters as Annexure "B"**):

- Hlano will submit a list of all their Property in Possession (PIPs); See the attached list as **Annexure "A"**;
- The attached houses will be sold to the occupant who qualify for non- project linked individual subsidy housing programme;
- The purchase price will be the maximum subsidy amount, regardless of the market value of the property because adherence to the market value will stall the process in instances where the value is above the subsidy quantum (R 160 753.00).
- Mangaung Metro Municipality promised to consider issuing rates clearance certificates to expedite the process of registration of ownership to qualifying beneficiaries because the housing policy dictate that payment of the purchase price will only be made once the property is transferred to the beneficiary.
- The Department will continue assisting qualifying beneficiaries until the Hlano Financial Services portfolio of qualifying beneficiaries is finalized in the Free State Province, in our case Botshabelo and Phase 2.
- All the parties agreed that the process will take several financial years to complete, and Hlano will suspend evictions of occupants of the repossessed properties.
- Hlano agreed that due to the fact that the majority of the occupants are pensioners, unemployed and child headed families, it won't sell their portfolio to the private sector who are strongly demanding to buy the portfolio in Mangaung.

5.2 Pursuant to the agreement, the MEC of the Free State Department of Human Settlements approved some of the applications of the beneficiaries of Hlano Houses during the 2014/2015 financial year and



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waited for the officials of Mangaung Metro Municipality to present the matter to Council for the write-off of debts. Refer to **Annexure "C"**.

6. LEGAL IMPLICATIONS

- 6.1** Currently, the occupants of Hlano houses are not regularly paying services, which means Mangaung Municipality is losing out on the expected revenue. The properties are registered under Hlano Financial Services; upon registration of title deeds they will be registered under the approved beneficiary's names.
- 6.2** Upon registration of title deeds into the beneficiary's name, Human Settlements Directorate must inform Finance and Engineering Services to install prepaid water meters, in order to minimize the risk of unpaid water accounts.
- 6.3** If this submission is not approved by Council, Hlano Financial Services will be entitled to evict the occupants and sell the properties to willing buyers. And, in terms of the Prevention of Illegal Eviction of Occupants Act and the latest Constitutional court cases on evictions, the Municipality is responsible for providing alternative and/or temporary accommodation to evicted occupants. Currently, Mangaung Metro does not have the budget to provide serviced sites and temporary shacks to 315 households.
- 6.4** HLANO as part of its social responsibility to Mangaung's community is willing to pay for the outstanding rates and taxes of 58 approved beneficiaries, refer to **Annexure "D"**. Council is therefore requested to write-off the rates and taxes of 257 beneficiaries, which is the remainder from **Annexure "A"**.
- 6.5** At the moment, Provincial Human Settlements has approved 84 beneficiaries, refer to **Annexure "E"**. The remainder will be submitted as and when applications are approved.

7. RECOMMENDATIONS

It is therefore recommended that:

- 7.1** Council takes note that Hlano Financial Services has 315 properties in Mangaung Metro Municipality (Phase Two and Botshabelo) registered in their name at the Deeds Office.
- 7.2** Council takes note that the undertaking letter signed by the Director: Legal Services of the Free State Department of Human Settlements after verification and approval, will serve as a confirmation that housing subsidy has been approved for the respective beneficiary, and the Municipality may issue clearance certificate upon receipt of the afore-said letter.
- 7.3** Council to delegate all administrative functions relating to the writing-off of these debts to the HOD: Human Settlement. *CM, CFO*
- 7.4** The Municipality's Human Settlement Directorate after conducting verification will provide finance with a letter confirming that the property forms part of Hlano Housing solution and it's purchased with government housing subsidy.




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- 7.5 The regularization of the tenure of occupation of the beneficiaries of Hlano houses in Mangaung will create revenue for the Municipality as many occupants will start paying for services because properties are registered in their names.
- 7.6 Council takes note that the transfer of properties to the beneficiaries will contribute to the government target of ensuring creation of 1,5 million housing opportunities as contained in Outcome 8 of the 2014-2019 Medium Term Strategic Framework.
- 7.7 Council approve the issuing of Clearance Certificate without payment of outstanding debt for respective properties excluding the ones in **Annexure "D"**, in order for Hlano Housing Solution to transfer the properties to the approved beneficiaries.

SUBMITTED BY

 27.11.18

Adv M J N Phaladi

HOD: Human Settlements

Recommended/Not ~~Recommended~~

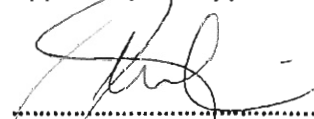


Adv. T Mlea

City Manager

28/11/2018

Approved/Not ~~Approved~~



Me SM Mlamfeli

Executive Mayor

Annexure "A"

	STAND	Block	TOWNSHIP
1	158	B	BOTSHABELO
2	668	B	BOTSHABELO
3	849	B	BOTSHABELO
4	1075	C	BOTSHABELO
5	1640	C	BOTSHABELO
6	2660	C	BOTSHABELO
7	552	C	BOTSHABELO
8	640	C	BOTSHABELO
9	834	C	BOTSHABELO
10	1847	D	BOTSHABELO
11	1872	D	BOTSHABELO
12	195	D	BOTSHABELO
13	1572	E	BOTSHABELO
14	18	E	BOTSHABELO
15	1863	F	BOTSHABELO
16	856	G	BOTSHABELO
17	2810	J	BOTSHABELO
18	345	J	BOTSHABELO
19	2419	K	BOTSHABELO
20	2467	K	BOTSHABELO
21	3062	K	BOTSHABELO
22	809	K	BOTSHABELO
23	1114	L	BOTSHABELO
24	120	L	BOTSHABELO
25	1252	L	BOTSHABELO
26	1563	L	BOTSHABELO
27	171	L	BOTSHABELO
28	2144	L	BOTSHABELO
29	2174	L	BOTSHABELO
30	2223	L	BOTSHABELO
31	226	L	BOTSHABELO
32	229	L	BOTSHABELO
33	475	L	BOTSHABELO
34	553	L	BOTSHABELO
35	740	L	BOTSHABELO
36	981	L	BOTSHABELO
37	1586	M	BOTSHABELO
38	1589	M	BOTSHABELO
39	1594	M	BOTSHABELO
40	1992	M	BOTSHABELO
41	2587	M	BOTSHABELO
42	1034	N	BOTSHABELO
43	1132	N	BOTSHABELO
44	165	N	BOTSHABELO
45	208	N	BOTSHABELO
46	2196	N	BOTSHABELO

Anne xing (YA)

47	2229	N	BOTSHABELO
48	2620	N	BOTSHABELO
49	2624	N	BOTSHABELO
50	2928	N	BOTSHABELO
51	2970	N	BOTSHABELO
52	2954	N	BOTSHABELO
53	2986	N	BOTSHABELO
54	3403	N	BOTSHABELO
55	3428	N	BOTSHABELO
56	3437	N	BOTSHABELO
57	3622	N	BOTSHABELO
58	1008	S	BOTSHABELO
59	1020	S	BOTSHABELO
60	1036	S	BOTSHABELO
61	1057	S	BOTSHABELO
62	1064	S	BOTSHABELO
63	1077	S	BOTSHABELO
64	1080	S	BOTSHABELO
65	1081	S	BOTSHABELO
66	1107	S	BOTSHABELO
67	1123	S	BOTSHABELO
68	1145	S	BOTSHABELO
69	1154	S	BOTSHABELO
70	1159	S	BOTSHABELO
71	1161	S	BOTSHABELO
72	1164	S	BOTSHABELO
73	1168	S	BOTSHABELO
74	117	S	BOTSHABELO
75	1172	S	BOTSHABELO
76	1183	S	BOTSHABELO
77	1188	S	BOTSHABELO
78	1207	S	BOTSHABELO
79	1230	S	BOTSHABELO
80	1250	S	BOTSHABELO
81	1253	S	BOTSHABELO
82	1255	S	BOTSHABELO
83	1257	S	BOTSHABELO
84	1264	S	BOTSHABELO
85	1267	S	BOTSHABELO
86	1271	S	BOTSHABELO
87	1273	S	BOTSHABELO
88	1280	S	BOTSHABELO
89	1289	S	BOTSHABELO
90	1291	S	BOTSHABELO
91	1301	S	BOTSHABELO
92	1316	S	BOTSHABELO
93	1319	S	BOTSHABELO

Annexure "A"

94	1323	S	BOTSHABELO
95	1327	S	BOTSHABELO
96	1332	S	BOTSHABELO
97	1337	S	BOTSHABELO
98	1342	S	BOTSHABELO
99	1346	S	BOTSHABELO
100	1348	S	BOTSHABELO
101	1349	S	BOTSHABELO
102	1351	S	BOTSHABELO
103	1365	S	BOTSHABELO
104	1370	S	BOTSHABELO
105	163	S	BOTSHABELO
106	179	S	BOTSHABELO
107	181	S	BOTSHABELO
108	191	S	BOTSHABELO
109	196	S	BOTSHABELO
110	1142	S	BOTSHABELO
111	452	S	BOTSHABELO
112	457	S	BOTSHABELO
113	511	S	BOTSHABELO
114	514	S	BOTSHABELO
115	566	S	BOTSHABELO
116	570	S	BOTSHABELO
117	575	S	BOTSHABELO
118	588	S	BOTSHABELO
119	591	S	BOTSHABELO
120	826	S	BOTSHABELO
121	919	S	BOTSHABELO
122	929	S	BOTSHABELO
123	1494	T	BOTSHABELO
124	1627	T	BOTSHABELO
125	2630	T	BOTSHABELO
126	2953	T	BOTSHABELO
127	3028	T	BOTSHABELO
128	421	T	BOTSHABELO
129	1055	U	BOTSHABELO
130	1075	U	BOTSHABELO
131	1078	U	BOTSHABELO
132	1082	U	BOTSHABELO
133	1085	U	BOTSHABELO
134	1108	U	BOTSHABELO
135	1112	U	BOTSHABELO
136	1149	U	BOTSHABELO
137	1155	U	BOTSHABELO
138	1156	U	BOTSHABELO
139	1157	U	BOTSHABELO
140	1172	U	BOTSHABELO

Annexure (1A)

141	1179	U	BOTSHABELO
142	1199	U	BOTSHABELO
143	1216	U	BOTSHABELO
144	1231	U	BOTSHABELO
145	1246	U	BOTSHABELO
146	1263	U	BOTSHABELO
147	1319	U	BOTSHABELO
148	1323	U	BOTSHABELO
149	1335	U	BOTSHABELO
150	1419	U	BOTSHABELO
151	1442	U	BOTSHABELO
152	1463	U	BOTSHABELO
153	1475	U	BOTSHABELO
154	1479	U	BOTSHABELO
155	1484	U	BOTSHABELO
156	1489	U	BOTSHABELO
157	1490	U	BOTSHABELO
158	1493	U	BOTSHABELO
159	1500	U	BOTSHABELO
160	1539	U	BOTSHABELO
161	1549	U	BOTSHABELO
162	1552	U	BOTSHABELO
163	1581	U	BOTSHABELO
164	1641	U	BOTSHABELO
165	1661	U	BOTSHABELO
166	1886	U	BOTSHABELO
167	2201	U	BOTSHABELO
168	2323	U	BOTSHABELO
169	1106	U	BOTSHABELO
170	1256	U	BOTSHABELO
171	3478	U	BOTSHABELO
172	3628	U	BOTSHABELO
173	3825	U	BOTSHABELO
174	870	U	BOTSHABELO
175	1412	U	BOTSHABELO
176	1462U	U	BOTSHABELO
177	1477	U	BOTSHABELO
178	1520	U	BOTSHABELO
179	1525	U	BOTSHABELO
180	1071	W	BOTSHABELO
181	1404	W	BOTSHABELO
182	1635	W	BOTSHABELO
183	1743	W	BOTSHABELO
184	1758	W	BOTSHABELO
185	1782	W	BOTSHABELO
186	1795	W	BOTSHABELO
187	2037	W	BOTSHABELO

Annexure A''

188	2522	W	BOTSHABELO
189	2677	W	BOTSHABELO
190	2796	W	BOTSHABELO
191	2868	W	BOTSHABELO
192	2887	W	BOTSHABELO
193	2907	W	BOTSHABELO
194	2968	W	BOTSHABELO
195	2979	W	BOTSHABELO
196	298	W	BOTSHABELO
197	3015	W	BOTSHABELO
198	3037	W	BOTSHABELO
199	3278	W	BOTSHABELO
200	3331	W	BOTSHABELO
201	732	W	BOTSHABELO

Annexure 'A'

	Stand	TOWNSHIP
1	15490	MANGAUNG
2	15495	MANGAUNG
3	15498	MANGAUNG
4	15543	MANGAUNG
5	15551	MANGAUNG
6	15556	MANGAUNG
7	15583	MANGAUNG
8	15605	MANGAUNG
9	15614	MANGAUNG
10	15615	MANGAUNG
11	15642	MANGAUNG
12	15643	MANGAUNG
13	15699	MANGAUNG
14	15706	MANGAUNG
15	15714	MANGAUNG
16	15718	MANGAUNG
17	15723	MANGAUNG
18	15725	MANGAUNG
19	15726	MANGAUNG
20	15732	MANGAUNG
21	15734	MANGAUNG
22	15736	MANGAUNG
23	15737	MANGAUNG
24	15739	MANGAUNG
25	15742	MANGAUNG
26	15747	MANGAUNG
27	15757	MANGAUNG
28	15769	MANGAUNG
29	15771	MANGAUNG
30	15830	MANGAUNG
31	15867	MANGAUNG
32	15875	MANGAUNG
33	15885	MANGAUNG
34	15886	MANGAUNG
35	15889	MANGAUNG
36	15892	MANGAUNG
37	15904	MANGAUNG
38	15921	MANGAUNG
39	15953	MANGAUNG
40	15961	MANGAUNG
41	15982	MANGAUNG
42	15984	MANGAUNG
43	16009	MANGAUNG
44	16014	MANGAUNG
45	16016	MANGAUNG
46	16029	MANGAUNG
47	16038	MANGAUNG
48	16057	MANGAUNG
49	16058	MANGAUNG
50	16059	MANGAUNG
51	16068	MANGAUNG
52	16079	MANGAUNG
53	16124	MANGAUNG
54	16126	MANGAUNG
55	16148	MANGAUNG
56	16149	MANGAUNG
57	16151	MANGAUNG
58	16154	MANGAUNG

Anne Xue (1A)

59	16185	MANGAUNG
60	16237	MANGAUNG
61	16239	MANGAUNG
62	16276	MANGAUNG
63	16280	MANGAUNG
64	16294	MANGAUNG
65	16297	MANGAUNG
66	16312	MANGAUNG
67	16317	MANGAUNG
68	16337	MANGAUNG
69	16339	MANGAUNG
70	16341	MANGAUNG
71	16346	MANGAUNG
72	16358	MANGAUNG
73	16369	MANGAUNG
74	16374	MANGAUNG
75	16378	MANGAUNG
76	16421	MANGAUNG
77	16424	MANGAUNG
78	16469	MANGAUNG
79	16514	MANGAUNG
80	16516	MANGAUNG
81	16582	MANGAUNG
82	16619	MANGAUNG
83	16620	MANGAUNG
84	16746	MANGAUNG
85	16762	MANGAUNG
86	16816	MANGAUNG
87	16825	MANGAUNG
88	18665	MANGAUNG
89	18748	MANGAUNG
90	18754	MANGAUNG
91	18776	MANGAUNG
92	18785	MANGAUNG
93	18839	MANGAUNG
94	18950	MANGAUNG
95	19094	MANGAUNG
96	19097	MANGAUNG
97	19120	MANGAUNG
98	19171	MANGAUNG
99	19183	MANGAUNG
100	19396	MANGAUNG
101	19429	MANGAUNG
102	19464	MANGAUNG
103	19465	MANGAUNG
104	19466	MANGAUNG
105	19476	MANGAUNG
106	19478	MANGAUNG
107	19520	MANGAUNG
108	19523	MANGAUNG
109	19534	MANGAUNG
110	19535	MANGAUNG
111	19542	MANGAUNG
112	31009	MANGAUNG
113	43835	MANGAUNG

"ANNEXURE B"



human settlements
Department of Human Settlements
FREE STATE PROVINCE

Enquiries: Adv MJN Phaladi
Our Ref: Assessment
Cell No: 0827732566
Email: jupiter@fshs.gov.za/
elize@fshs.gov.za

Mr Selvan Govender
HLANO Housing Solutions
Mayibuye Place
355 Kent Avenue
RANDBURG
2125

Tel: 011-5046364
Fax: 011-5046165
Email: selvango@hlano.co.za

Dear Sir

CONFIRMATION OF INDIVIDUAL SUBSIDY ASSISTANCE TO APPROVED BENEFICIARIES

The above matter refers.

The Department hereby confirms that occupants of Hlano houses, whose houses have been repossessed or who are interested in buying the house, may apply for the individual subsidy assistance.

The Department further confirms that upon approval of the application, payment will be made to Hlano on receipt of a title deed registered in the beneficiary's name.

However, payment of these subsidies is dependent on the available budget per district for a specific year.

Yours faithfully


ADV MJN PHALADI
DIRECTOR: LEGAL SERVICES

6th May 2014

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2014-05-10

ADV Phaladi
Free State Province
Human Settlements Department

Dear Madam

INDIVIDUAL SUBSIDY ASSISTANCE TO APPROVED BENEFICIARIES

The above matter as well as your letter dated 6th May 2014 refers.

I am pleased to advise that we accept your proposal to assist ALL owners/occupants, irrespective of the ROU, via the Individual Subsidy Programme.

I confirm the following salient points of our agreement:-

- Hlano will stop the sale of further PIPs that is leading to mass evictions.
- Hlano will stop the legal action on bonded properties to convert them to PIPs.
- Serious attempts will be made to complete this project in the next 4 to 5 years.
- Bonded properties – Hlano will accept the settlement balance or the subsidy quantum applicable at the time, acknowledging that this will be increased from time to time, whichever is lower in full settlement.
- PIPs – Hlano will accept the subsidy quantum applicable at the time as a discounted purchase price for ALL PIPs and will pay the transfer fees, irrespective of market value.
- The Department will assist in approaching the relevant Municipality to secure a rates clearance certificate to facilitate the transfer of PIPs.
- Hlano acknowledges that it will be required to provide proof of transfer or bond cancellation when making a claim.

We look forward to your co-operation in resolving this issue and providing unencumbered housing to the poorest of the poor in our communities.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'M. Mokoena'.

Annexure "B"



human settlements
Department of Human Settlements
FREE STATE PROVINCE

Ref/Verw/Tshupo: HUMAN SETTLEMENTS
Enquiries/Navrae/Dipathisiso: KB Mathe
Telephone/Mohala: 0843846204
Email: tshepot@fshs.gov.za

ADV. J PHALADI
HOD: HUMAN SETTLEMENTS
MANGAUNG METROPOLITAN MUNICIPALITY

**CONFIRMATION OF THE INDIVIDUAL HOUSING SUBSIDIES FOR
BENEFICIARIES OF HLANO PROPERTIES IN MANGAUNG METRO
MUNICIPALITY**

1. The above-mentioned subject refers and your email dated 5th October 2018.
2. Pursuant to our meeting with Hlano Housing Solution on the 7th of September 2018, we hereby confirm the resolutions of our meeting:
 - 2.1 The Department of Human Settlements will assist qualifying beneficiaries of Hlano Properties with Individual Housing Subsidies in order for Hlano to transfer ownership of each property to the approved beneficiary.
 - 2.2 The maximum purchase price for each property must not exceed R160 000.00.
 - 2.3 The original title deeds of each property must be submitted to the Department together with the claim for payment of the purchase price.
 - 2.4 Hlano Housing solution will suspend all the evictions in the Free State Province particularly in the Mangaung Metropolitan Municipality, and allow the Department to assist qualifying beneficiaries with Housing Subsidies.
3. We hope the above is in order.

Regards,

Mr. T Motaung
Director: Legal Services
Date: 08/10/2018

Annexure "C"



who will pay the Municipality in order to get a Clearance Certificate to transfer the property?

The Proposal

After much deliberation and motivation to my BOD, we have decided as part of our social responsibility programme, to accept the subsidy quantum as a highly discounted purchase price as well as pay the conveyancing and legal fees of approximately R6000 per property. We thus seek the Municipality to join us in this tripartite agreement to provide unencumbered housing to the Poorest of the Poor in our community. To summarise the deal, each party will contribute as follows:

1. Provincial Human Settlements Department: - Over a 3 year period will make available the subsidy quantum and pay this over to Hlano in full consideration of the purchase price once the property is transferred to the occupant.
2. Hlano: - Will cancel all sales that will lead to evictions and displacement of 315 families, will accept the subsidy quantum as a highly discounted purchase price and pay all legal and conveyancing fees to transfer the property to the new owner.
3. Mangaung Municipality: - Will write off all necessary amounts in order to issue a Clearance Certificate.

Conclusion

The Provincial Human Settlements Department has set aside a budget to deal with these 315 properties and is already in the process of verifying applicants.

Hlano cannot afford to subsidise this deal any further than it already has. The Municipality is likely to gain 315 paying accounts once unencumbered ownership is passed to the occupants and will be in a better economic position than the current one. This deal is only possible with the assistance of the Municipality. An urgent response is awaited.

Yours Faithfully

A handwritten signature in dark ink, appearing to read 'Selvan Govender', written over a faint circular stamp.

Selvan Govender

Chief Operating Officer



2016-02-12
 The Municipal Manager
 Mangaung Municipality
 Free State

Attention: Mr Mofokeng

Dear Sir

WRITEOFF OF RATES, TAXES AND OTHER AMOUNTS OWING

Further to the meeting held at your offices between officials of your Human Settlements Department, Provincial Human Settlements Department and Hlano, I would like to formalize our request and offer some background as discussed at the meeting. There were positive indications at the meeting that our request will be favourably considered.

Introduction and Background

Khayaletu Home Loans was a fully owned government entity that was sold by public tender to Hlano in and around the year 2000 in its entirety. The asset base consisted of Secured Home Loans as well as Properties in Possession (PIPs). Although the portfolio of properties in Free State is approximately 3500, our request in this letter only relates to 315 PIPs.

Due to a culture of nonpayment by our customers, Hlano is under tremendous financial pressure and has decided to sell all its PIPs. Most of these properties are in Mangaung which represents fair value and demand. We have various offers on the table for bulk purchases as well as a high end user demand.

The Dilemma

Whilst we are a commercial organization, we have thus far dealt with our portfolio across the country in a socially responsible way and will only displace families as a last resort and only in instances where Provincial and Municipal structures are uncooperative and/or unwilling to partner us to provide unencumbered housing to the Poorest of the Poor.

The Free State Human Settlements Department have requested that we DO NOT sell these properties on the open market as it will cause mass evictions and will become a political time bomb. They have agreed to pay a subsidy to the occupant and requested that we sell the property to the existing occupant at the prevailing subsidy quantum. These properties currently sell between R150 000 and R300 000, depending on condition. Should we accept to sell these properties at such a massive discount, there are two further obstacles we need to overcome in order to facilitate this transaction ie. (1) Who will pay the conveyancing and other legal fees and (2)

Annexure "C"

APPLICATIONS APPROVED ON HSS

#	Status	Erf no.	Area	Attorney	Rates balance	Duplicated matter
1	Verified and passed Searches	117	BOTSHABELO-S	KWJ Attorneys	R 4 433,54	NO
2	Verified and passed Searches	196	BOTSHABELO-S	KWJ Attorneys	R 37 365,24	NO
3	Verified and passed Searches	208	BOTSHABELO-N	KWJ Attorneys	R 6 826,81	NO
4	Verified and passed Searches	345	BOTSHABELO-J	KWJ Attorneys	R 48 082,66	NO
5	Verified and passed Searches	552	BOTSHABELO-C	KWJ Attorneys	R 4 887,15	NO
6	Verified and passed Searches	553	BOTSHABELO-L	KWJ Attorneys	R 3 552,92	NO
7	Verified and passed Searches	575	BOTSHABELO-S	KWJ Attorneys	R 3 604,27	NO
8	Verified and passed Searches	849	BOTSHABELO-B	KWJ Attorneys	R 4 969,92	NO
9	Verified and passed Searches	856	BOTSHABELO-G	KWJ Attorneys	R 18 345,37	NO
10	Verified and passed Searches	919	BOTSHABELO-S	KWJ Attorneys	R 10 640,56	NO
11	Verified and passed Searches	1064	BOTSHABELO-S	KWJ Attorneys	R 8 892,31	NO
12	Approved	1078	BOTSHABELO-U	KWJ Attorneys	R 1 377,49	NO
13	Verified and passed Searches	1108	BOTSHABELO-U	KWJ Attorneys	R 14 589,71	NO
14	Verified and passed Searches	1123	BOTSHABELO-S	KWJ Attorneys	R 8 680,39	NO
15	Verified and passed Searches	1155	BOTSHABELO-U	KWJ Attorneys	R 6 078,92	NO
16	Verified and passed Searches	1156	BOTSHABELO-U	KWJ Attorneys	R 1 300,75	NO
17	Verified and passed Searches	1323	BOTSHABELO-S	KWJ Attorneys	R 622,14	NO
18	Verified and passed Searches	1323	BOTSHABELO-U	KWJ Attorneys	R 6 834,74	NO
19	Verified and passed Searches	1342	BOTSHABELO-S	KWJ Attorneys	R 10 118,55	NO
20	Verified and passed Searches	1348	BOTSHABELO-S	KWJ Attorneys	R 5 539,78	NO
21	Verified and passed Searches	1365	BOTSHABELO-S	KWJ Attorneys	R 29 126,28	NO
22	Verified and passed Searches	1370	BOTSHABELO-S	KWJ Attorneys	R 27 447,47	NO
23	Verified and passed Searches	1404	BOTSHABELO-W	KWJ Attorneys	R 2 753,03	NO
24	Verified and passed Searches	1549	BOTSHABELO-U	KWJ Attorneys	R 4 133,61	NO
25	Verified and passed Searches	1640	BOTSHABELO-C	KWJ Attorneys	R 6 121,92	NO
26	Verified and passed Searches	1743	BOTSHABELO-W	KWJ Attorneys	R 833,19	NO
27	Verified and passed Searches	2144	BOTSHABELO-L	KWJ Attorneys	R 3 765,06	NO
28	Verified and passed Searches	2229	BOTSHABELO-N	KWJ Attorneys	R 12 623,51	NO
29	Verified and passed Searches	2419	BOTSHABELO-K	KWJ Attorneys	R 669,25	NO
30	Verified and passed Searches	2522	BOTSHABELO-W	KWJ Attorneys	R 638,49	NO
31	Verified and passed Searches	2677	BOTSHABELO-W	KWJ Attorneys	R 10 551,16	NO
32	Verified and passed Searches	2796	BOTSHABELO-W	KWJ Attorneys	R 12 767,07	NO
33	Verified and passed Searches	3028	BOTSHABELO-T	KWJ Attorneys	R 11 477,72	NO
34	Approved	15490	BLOEMFONTEIN	KWJ Attorneys	R 46 672,66	NO
35	Verified and passed Searches	15543	BLOEMFONTEIN	KWJ Attorneys	R 27 260,43	NO
36	Verified and passed Searches	15551	BLOEMFONTEIN	KWJ Attorneys	R 20 019,63	NO
37	Approved	15556	BLOEMFONTEIN	KWJ Attorneys	R 20 906,14	NO

38	Verified and passed Searches	15605	BLOEMFONTEIN	KWJ Attorneys	R 17 610,71	NO
39	Verified and passed Searches	15615	BLOEMFONTEIN	KWJ Attorneys	R 13 328,24	NO
40	Verified and passed Searches	15642	BLOEMFONTEIN	KWJ Attorneys	R 47 866,66	NO
41	Verified and passed Searches	15643	BLOEMFONTEIN	KWJ Attorneys	R 36 548,33	NO
42	Verified and passed Searches	15714	BLOEMFONTEIN	KWJ Attorneys	R 13 197,10	NO
43	Verified and passed Searches	15723	BLOEMFONTEIN	KWJ Attorneys	R 65 753,14	NO
44	Verified and passed Searches	15725	BLOEMFONTEIN	KWJ Attorneys	R 62 641,92	NO
45	Verified and passed Searches	15726	BLOEMFONTEIN	KWJ Attorneys	R 41 756,02	NO
46	Declined - Applicant Deceased	15732	BLOEMFONTEIN	KWJ Attorneys	R 27 529,05	NO
47	Verified and passed Searches	15736	BLOEMFONTEIN	KWJ Attorneys	R 53 312,89	NO
48	Approved	15737	BLOEMFONTEIN	KWJ Attorneys	R 0,00	NO
49	Approved	15742	BLOEMFONTEIN	KWJ Attorneys	R 55 837,51	NO
50	Verified and passed Searches	15771	BLOEMFONTEIN	KWJ Attorneys	R 36 544,03	NO
51	Verified and passed Searches	15889	BLOEMFONTEIN	KWJ Attorneys	R 66 564,57	NO
52	Verified and passed Searches	15904	BLOEMFONTEIN	KWJ Attorneys	R 124 338,01	NO
53	Verified and passed Searches	15921	BLOEMFONTEIN	KWJ Attorneys	R 124 338,01	NO
54	Verified and passed Searches	15961	BLOEMFONTEIN	KWJ Attorneys	R 36 690,17	NO
55	Verified and passed Searches	15984	BLOEMFONTEIN	KWJ Attorneys	R 2 597,28	NO
56	Approved	16014	BLOEMFONTEIN	KWJ Attorneys	R 5 123,86	NO
57	Verified and passed Searches	16016	BLOEMFONTEIN	KWJ Attorneys	R 20 281,35	NO
58	Verified and passed Searches	16058	BLOEMFONTEIN	KWJ Attorneys	R 48 406,79	NO
59	Verified and passed Searches	16068	BLOEMFONTEIN	KWJ Attorneys	R 87 585,52	NO
60	Verified and passed Searches	16148	BLOEMFONTEIN	KWJ Attorneys	R 12 295,03	NO
61	Verified and passed Searches	16151	BLOEMFONTEIN	KWJ Attorneys	R 21 848,03	NO
62	Verified and passed Searches	16154	BLOEMFONTEIN	KWJ Attorneys	R 13 065,08	NO
63	Verified and passed Searches	16239	BLOEMFONTEIN	KWJ Attorneys	R 20 791,89	NO
64	Verified and passed Searches	16280	BLOEMFONTEIN	KWJ Attorneys	R 53 974,95	NO
65	Verified and passed Searches	16339	BLOEMFONTEIN	KWJ Attorneys	R 16 671,18	NO
66	Verified and passed Searches	16369	BLOEMFONTEIN	KWJ Attorneys	R 22 596,52	NO
67	Verified and passed Searches	16421	BLOEMFONTEIN	KWJ Attorneys	R 15 063,91	NO
68	Approved	16424	BLOEMFONTEIN	KWJ Attorneys	R 44 955,87	NO
69	Verified and passed Searches	16762	BLOEMFONTEIN	KWJ Attorneys	R 21 897,92	NO
70	Verified and passed Searches	18839	BLOEMFONTEIN	KWJ Attorneys	R 33 699,51	NO
71	Verified and passed Searches	19171	BLOEMFONTEIN	KWJ Attorneys	R 22 573,27	NO
72	Verified and passed Searches	19464	BLOEMFONTEIN	KWJ Attorneys	R 39 571,26	NO
73	Verified and passed Searches	19465	BLOEMFONTEIN	KWJ Attorneys	R 48 559,21	NO
74	Verified and passed Searches	19534	BLOEMFONTEIN	KWJ Attorneys	R 26 994,49	NO
75	Verified and passed Searches	19535	BLOEMFONTEIN	KWJ Attorneys	R 62 852,60	NO
76	Verified and passed Searches	43835	BLOEMFONTEIN	KWJ Attorneys	R 27 569,39	NO
77	Verified and passed Searches	16346	BLOEMFONTEIN	NOT INSTRUCTED	R 40 432,45	NO

78	Verified and passed Searches	18	BOTSHABELO-E	NOT INSTRUCTED	R 20 657,70	NO
79	Verified and passed Searches	229	BOTSHABELO-L	NOT INSTRUCTED	R 842,91	NO
80	Verified and passed Searches	668	BOTSHABELO-B	NOT INSTRUCTED	R 3 113,57	NO
81	Verified and passed Searches	16237	BLOEMFONTEIN	NOT INSTRUCTED	R 23 973,69	NO
82	Verified and passed Searches	16582	BLOEMFONTEIN	NOT INSTRUCTED	R 14 384,90	NO
83	Approved	1020	BOTSHABELO-S	NOT INSTRUCTED	R 2 704,98	
84	Approved	1159	BOTSHABELO-S	NOT INSTRUCTED	R 2 669,05	

Annexure "D"

HLANO SETTLING THE MUNICIPAL ACCOUNTS

#	Erf no.	Area	BLOCK	INITIALS AND SURNAME	ID NUMBER	Rates balance
1	1586	Botshabelo	M	NP MAKGALEMELA	9809250685083	R 29,84
2	3437	Botshabelo	N	NB RANTSIE	6209080751085	R 209,53
3	1589	Botshabelo	M	TE RAMATSIE	8205165728087	R 408,31
4	3331	Botshabelo	W	LE HLAKEYANE	7101090402081	R 610,73
5	298	Botshabelo	W	NV SHELILE	9602260387083	R 614,12
6	1484	Botshabelo	u	NS TAPPUR	6309060409082	R 813,38
7	1525	Botshabelo	U	KJ MATELA	5307085658080	R 872,04
8	2953	Botshabelo	T	MM MOKONE	9311080304084	R 1 089,59
9	1231	Botshabelo	U	JM MAKARA	7604180428080	R 1 111,78
10	1627	Botshabelo	T	EN SESING	8711241269087	R 1 133,70
11	1142	Botshabelo	S	NE MTHIMKULU	7202070845081	R 1 306,50
12	2979	Botshabelo	W	NM LEBESA	8207290893083	R 1 313,47
13	1114	Botshabelo	L	PR MMELAEDI	8310120780080	R 1 436,33
14	1172	Botshabelo	U	TM MOSHOLI	9412170606089	R 1 487,88
15	1082	Botshabelo	U	SP ESAU	7505015834089	R 1 502,12
16	1886	Botshabelo	U	TF NTHEJANE	9707206038086	R 1 521,07
17	1594	Botshabelo	M	TI SAID	9001161166086	R 1 628,51
18	1493	Botshabelo	U	UM MTSEU	6906105507083	R 1 704,34
19	1475	Botshabelo	U	MP NCHIPE	5909195680084	R 1 760,00
20	181	Botshabelo	S	DE MOEKETSI	6709050233089	R 1 813,39
21	165	Botshabelo	N	NA DUMANE	6812121614087	R 1 860,09
22	1494	Botshabelo	T	NE LEBETSA	8704131217084	R 1 886,71
23	1257	Botshabelo	S	BE MOKITIMI	9310155728086	R 2 152,90
24	1085	Botshabelo	U	P FINGWANA	5904110259080	R 2 232,98
25	1477	Botshabelo	U	NE MONTSHO	8101310582083	R 2 314,03
26	1539	Botshabelo	U	TK NOMDISWA	9608246027081	R 2 359,70
27	16620	Mangaung		RAMANAMANE	8908130298082	R 2 410,04
28	1207	Botshabelo	S	MA MAVATA	8108290916082	R 2 418,31
29	1489	Botshabelo	U	LP NTILI	7909026065081	R 2 440,31
30	421	Botshabelo	T	E KOPI	6706251083081	R 2 529,46
31	514	Botshabelo	S	SJ MOTSEKE	8005056657084	R 2 564,62

Annexure D

32	179	Botshabelo	S	ME NYARELI	8512311103085	R 2 681,81
33	1463	Botshabelo	U	MM THABANA	5502275154185	R 2 705,70
34	1075	Botshabelo	U	TS SEKESE	9410295392080	R 2 743,39
35	1034	Botshabelo	N	MJ MOTSOARI	7903260456080	R 2 858,97
36	1246	Botshabelo	U	NS PUSHULI	6604210244086	R 2 868,98
37	3622	Botshabelo	N	NV PHOLO	9205070573080	R 2 894,49
38	1500	Botshabelo	U	LP LITABE	9501170819088	R 3 007,59
39	1264	Botshabelo	S	TS MAKHELE	8203305883086	R 3 050,83
40	740	Botshabelo	L	SB SESING	7108200797086	R 3 240,36
41	2037	Botshabelo	W	MC MAGETHA	8804040584085	R 3 300,37
42	981	Botshabelo	L	MT RAMUTSOTO	5908310599088	R 3 350,43
43	1145	Botshabelo	S	TV FILITA	9305220158087	R 3 369,20
44	1572	Botshabelo	E	MM PHANYANE	4503075369081	R 3 370,44
45	1132	Botshabelo	N	KR SETHUN TSA	5510190687080	R 3 452,43
46	1253	Botshabelo	S	TA MPINGA	8908195978081	R 3 683,17
47	1071	Botshabelo	W	BD MOILOA	6603040979085	R 3 765,96
48	1255	Botshabelo	S	ME MOSIFANE	9310130838083	R 3 793,38
49	1216	Botshabelo	U	JK BUTI	5906255583083	R 3 893,47
50	1337	Botshabelo	S	SS LEEUW	8207030456084	R 4 098,04
51	1106	Botshabelo	U	DJ RAMANAMANE	8204051214088	R 4 128,92
52	226	Botshabelo	L	NJ MOKOALELI	6201215391085	R 4 148,51
53	1280	Botshabelo	S	JP LEMPHANE	8807250841087	R 4 378,45
54	120	Botshabelo	L	MS TSOSANA	6402280324080	R 4 386,07
55	2323	Botshabelo	U	MJ MAFRIKA	9412310323082	R 4 402,78
56	1188	Botshabelo	S	NJ MASOPHA	5604215656087	R 4 636,16
57	191	Botshabelo	S	PJ MOTSEPE	6412025601080	R 4 877,50
58	2928	Botshabelo	N	NA PHAMA	6804070426084	R 4 913,22