

Proudly Introducing the Seniors' Finance Home Equity  
Lifetime Provider (SF HELP)

A Reason to  Smile...

## SF HELP is Your Key to Unlocking Capital...

Imagine being able to unlock some of the value that you have built up in your own home - in cash, immediately, or by regular instalments, and with no regular repayments at all...

Imagine being able to do so without having to sell your precious home and without having to move - continue living as you always have, or even possibly improve things...

Thankfully, this door is no longer closed to you. You can start unlocking your capital now!

The Seniors' Finance Home Equity Lifetime Provider (SF HELP), which is brought to you by Seniors' Finance, opens the door to a tax-free cash lump sum or regular instalments, provided that you and your partner (either by marriage or civil partnership) are aged 65 or older, and provided that your home is mortgage free.

The cash payment/s that you will receive depend on your age and the value of your home. The cash payment/s will be yours to use for whatever purpose you desire. And, possibly the greatest advantage is that you will have access to this capital, without the need for any monthly repayments, while you remain in the home that you love.

### Keeping those close to you informed...

Of course, you will want to discuss this product with some of your family members and those individuals close to you, especially if they are interested in or have an interest in your property. You might also want to discuss this matter with independent professionals

and advisers that you trust, such as your lawyer or a financial adviser. We encourage and recommend that you do so. This is an emotional and an important subject.

### Giving you the tools to decide...

The balance of this brochure is designed to help you make your decision with confidence, but also to give you the knowledge to discuss SF HELP with those individuals and advisers whom you feel need to know about your decision.

## A Closer Look at SF HELP

**SF HELP is unlike any conventional mortgage product. It is a loan based on the value of your home and your age - but does not need to be repaid on a monthly basis...**

SF HELP allows you to take equity out of the value of your home which you have worked so hard to build up, and to use a portion of this capital now. The loan is intended to last for the remainder of your life, and will only need to be repaid when a repayment event occurs.

This loan is available to people who own and live in a home worth at least R500,000 that is mortgage free or largely mortgage free, and who meet the minimum age and other lending criteria.

As with all loans, there is an interest component. Interest accrues at a variable interest rate that is linked to the prime rate, and is compounded daily and added to the loan balance at the end of each month until the repayment of the loan. The loan reaches the end of its term when a repayment event occurs.



More information about the calculation of the interest that is applied to the loan is included in the documents forming part of the presentation pack which you must read, such as the SF HELP Fact Sheet.

## The amount that can be borrowed...

The loan amount is calculated as a percentage of the value of your home, based on the age of the younger of you and your partner (either by marriage or civil partnership), if applicable. The SF HELP Fact Sheet provides an easy-to-use reference table showing the amounts that can be borrowed at different ages.

The minimum loan amount is R50,000.

The maximum loan that we will extend is R1,000,000 (unless a higher amount is agreed to in writing between Seniors' Finance and yourself).

The loan can be paid by Seniors' Finance either in the form of a lump sum or in five equal annual instalments, provided that a repayment event has not occurred in the interim.

## You repay nothing...

As already stated, a unique advantage of SF HELP is that no monthly repayments are required until a repayment event has occurred.

The repayment events are as follows:

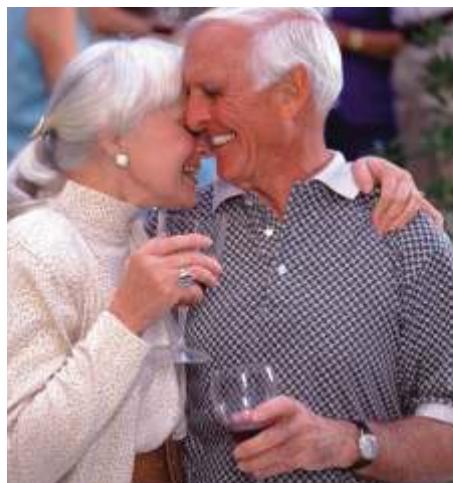
- The termination of the loan agreement by you, at any time and for whatever reason;
- The settlement of the loan agreement by you at any time and for whatever reason;

- In the case of an individual application - on the death of you, or, in the case of a joint application - on the death of you or your partner (either by marriage or civil partnership) although the surviving partner could then ask us to "transfer" the loan to his/her name by way of substitution of debtor, which would entail a new SF HELP application;
- The sale of your home;
- You moving out of the house on a permanent basis for whatever reason;
- Your sequestration;
- Where a legal entity owns the home and is standing as surety for your obligations under the Loan Agreement, upon the liquidation of such legal entity;
- You commit a default under the Loan Agreement and fail to remedy such default within the time period specified by Seniors' Finance.

In the absence of a repayment event, no repayments whatsoever are required, not even of interest.

This wonderful benefit means that you retain the security and comfort of remaining in your own home, but at the same time you are able to access and use some of the value created in your own home.

The ultimate sale of your home (and our Loan Repayment Guarantee) will take care of the loan, as well as the interest accrued thereon and any other fees or charges. Any balance remaining after the total amount outstanding has been repaid is yours to dispose of, as you wish. For example, you could spend the balance, or you could leave it to the beneficiaries of your estate.



## SF HELP Loan Repayment Guarantee

Opinions always vary on the question of where property prices are heading. Some foresee a continued rise, while others believe that prices will hold steady, not losing value, but also not appreciating further. Some people are of the view that property values are due to fall.

What is certain is that no-one can be certain about future property prices, which is why we have created the SF HELP Loan Repayment Guarantee.

Our Loan Repayment Guarantee is designed to alleviate any concerns about an unexpected downturn in property prices, and how this may affect your ability to fully repay the loan if the value of your home falls. The Loan Repayment Guarantee means that you, or your estate, will never have to repay more than the net sale proceeds of your home - even if the total loan amount, including accrued interest, fees and charges, exceeds the net sale proceeds of your home.

SF HELP and the SF HELP Loan Repayment Guarantee are the key to unlocking the value of your home, while at the same time giving you absolute peace of mind.

## SF HELP - Questions & Answers

As the pioneers of this product in South Africa, we are aware that SF HELP as a financial concept is probably new to you and your loved ones. The section below provides answers to some of the questions that you may be asking.

These answers are, however, not exhaustive - although they certainly cover the most fundamental

aspects of SF HELP. Further facts, information, terms and conditions are included in the "All You Need to Know" brochure, which forms part of the presentation pack.

Should you, your family or advisers have any additional questions, comments or queries concerning any aspect of SF HELP, please contact us, and we will gladly assist. Our call centre number is 0860 SENIOR (0860 736 467). Alternatively, you can visit our website at [www.seniorsfinance.co.za](http://www.seniorsfinance.co.za), or you can send us an e-mail at [enquiry@seniorsfinance.co.za](mailto:enquiry@seniorsfinance.co.za).

### Question 1: If I take up this offer, do I continue to own my home?

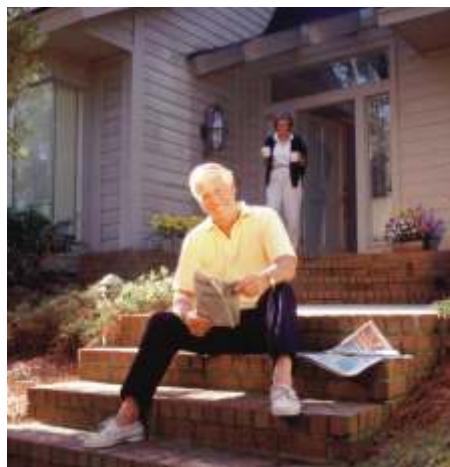
Yes, you retain full ownership of your home and may continue to live there for as long as you wish, provided that a repayment event does not occur that gives rise to you needing to sell your home in order to repay your loan.

### Question 2: Are any monthly loan repayments required?

No. This loan is a lifetime loan. Repayment of the loan will only be required when a repayment event occurs. You can however, at any time, make an earlier repayment of any amount owed if you wish, although full repayment of all amounts outstanding is only necessary on the occurrence of a repayment event.

### Question 3: Can I move if I wish?

Yes, of course. You will be required to settle your SF HELP loan in its entirety on moving, however, you can apply for a new SF HELP loan in the context of your new



home, and ask us to settle your previous SF HELP loan with the proceeds of your new SF HELP loan. Your application for a new SF HELP loan would, of course, have to meet all of our lending criteria at the time. If you are thinking about a move, please contact us so that we can assist you with your options.

#### **Question 4: Do I need to get my house valued?**

On receipt of your application for SF HELP, we will arrange for an inspection of your home. This inspection will be used to assess the value of your home. You will be contacted in advance to ensure that it is conducted at a suitable time. We will then decide, at our sole and absolute discretion, whether your home represents adequate value and security for the loan that you would like to apply for. Ongoing valuations could also be required during the term of the loan, these will also be at our expense.

#### **Question 5: What if property prices fall between now and the eventual sale of your home, possibly to the extent that the proceeds of the sale are insufficient to repay the loan?**

An unexpected fall in property prices does not need to be a concern! One of the most comforting features of SF HELP is its Loan Repayment Guarantee. This ensures that the loan repayment required to be made by you to us is limited to the net sale proceeds of your home - provided that you adhere to and comply with the terms and conditions of the loan. The total that is repayable can never exceed the net sale proceeds of your home.

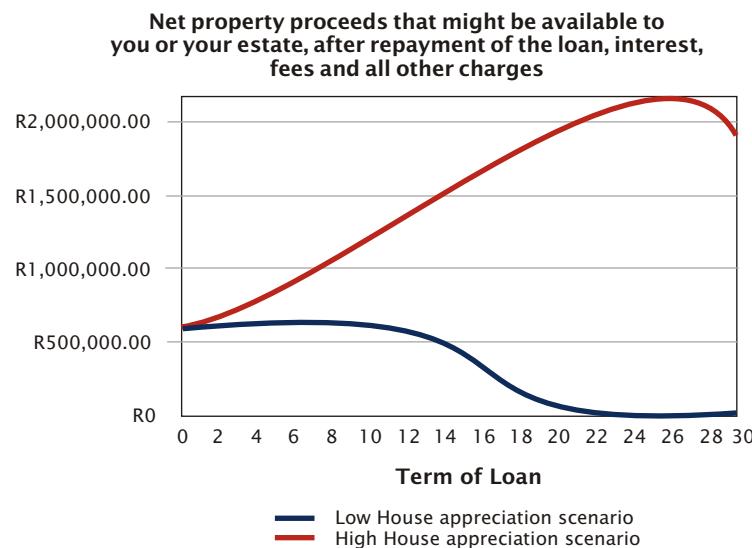
The Loan Repayment Guarantee removes all risk associated with the possibility of declining property prices. We will assume this risk - quite simply, it's not your problem...

#### **Question 6: Will there be any residual value in your home after repayment of the loan?**

This will depend on the amount borrowed, the future growth in the value of your home that serves as security for SF HELP and property prices at the time that repayment of the loan is required.

As a broad estimate of possible scenarios, the graph and information provided below should give you some useful data. The calculations are based on a typical initial loan and a range of property growth estimates. These calculations are for illustrative purposes only, and are not binding on Seniors' Finance.

Initial property value of the home is R700,000; a borrower aged 70 and an initial loan of R90,000.



The example assumes a sample interest rate of 13.5% per annum over the life of the loan, although this should not be seen to be an indication of the interest rate that would apply to you, or any other associated outcomes, if you were to apply for SF HELP. The example includes all fees and charges. Actual fees, charges and interest rates may vary from these assumptions.

Our website (please visit [www.seniorsfinance.co.za](http://www.seniorsfinance.co.za)) has an interactive calculator that allows you to run your own calculations using a wide range of assumptions. Your financial adviser must demonstrate these outcomes to you. Alternatively, a member of the Seniors' Finance team can easily provide you with a range of illustrative outcomes.

### **Question 7: Who may apply?**

Any natural person who is the registered owner of the property may apply for SF HELP. This is typically the person whose name appears on the title deed of the property, unless you are married or joined in community of property, in which case both you and your partner (either by marriage or civil partnership) are deemed to be joint owners.

If a natural person wishes to apply for SF HELP but he or she is not the registered owner of the property as a result of the property being held in a company, close corporation or trust, then he or she may only apply for SF HELP if the legal entity (i.e. the company, close corporation or trust) agrees to stand as surety for the obligations of the natural person under the Loan Agreement, and a continuing covering mortgage bond is registered over the property in favour of Seniors' Finance.

### **Question 8: What happens to your surviving partner (either by marriage or civil partnership) on your death? Can your surviving partner (either by marriage or civil partnership) continue to live in the home?**

In the event of your death, your estate will need to be wound up. The process of winding up an estate includes the settlement of all debts that you have incurred, which would include any monies you owe to us as a result of a SF HELP loan made by us. Thereafter, the remaining assets in your estate will be distributed to the beneficiaries of your estate.

The first question that your surviving partner (either by marriage or civil partnership) would need to answer would be, does he or she want to continue to live in the home? This assumes that he or she has inherited your home in terms of your will.

If the answer is no, then clearly we will need to be repaid. The executor of your estate will then repay the SF HELP loan, either out of other assets in your estate, or the executor will sell your home in order to repay the loan. After settling the loan, any remaining balance following the sale of your home (if required) would be paid to your estate.

If the answer is yes, the decision that the executor of your estate (no doubt in consultation with your partner) would need to make would be, can your estate repay the SF HELP loan without needing to sell your home?

If the answer is yes, and the SF HELP loan can be repaid without selling your home, then the executor of your estate would repay us using the other assets in your estate, in which case the SF HELP loan would be



discharged. Your surviving partner (either by marriage or civil partnership) would then be able to continue living in your home.

If the answer is no, and the executor is not in a position to repay the SF HELP loan without selling your home, then the executor of your estate will need to approach us and ask us to effect a "substitution of debtor". This process will require your surviving partner (either by marriage or civil partnership) to submit a new application for SF HELP, and of course assumes that your surviving partner will become entitled to a 100% interest in your home as a result of inheriting your home. If he or she does, and if the application for the new SF HELP loan (which is exactly the same process as applying for a new SF HELP loan) is submitted to Seniors' Finance, we will then terminate your loan account and create a new loan account in respect of your surviving partner. Effectively your surviving partner will take over all of your responsibilities under the SF HELP loan.

It is important to understand that the subsequent application made by your surviving partner (either by marriage or civil partnership) will be a new application, although we can guarantee that your surviving partner's application will be approved, provided that he/she has inherited a 100% interest in the home, and provided that his/her circumstances have not changed in any material way since your original application, which detailed your partner's particulars, and that your surviving partner meets our lending criteria at the time.

### Question 9: Where to from here?

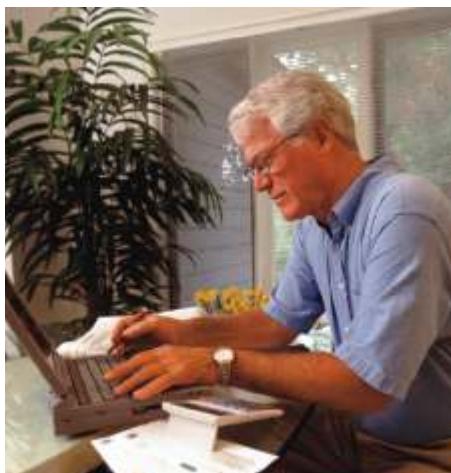
We would suggest that you read through all of the documents contained in the presentation pack, which provide detailed information about SF HELP, before proceeding with your application. You should use our call centre to get a complete explanation of SF HELP, or to answer any questions that you might have. We also recommend that you discuss SF HELP with your family, those individuals close to you and your advisers prior to making a decision to apply for a loan.

If you then wish to proceed with an application for SF HELP, kindly complete the enclosed Application Form with the assistance of your accredited financial adviser, or contact Seniors' Finance directly. Your financial adviser should prove his/her accreditation by showing you the ID Card issued by Seniors' Finance.

Through SF HELP, Seniors' Finance seeks to reinvent the way in which people both approach and think about their retirement.

Ultimately, SF HELP provides you with a practical means of unlocking the equity that you have worked so hard to build up in your home - without having to move from the place that you call home.

SF HELP is available to all South African homeowners aged 65 or over (subject to our lending criteria), and is designed to be the key that opens the door to your previously locked-away capital - giving you access to capital for whatever you need, want or desire - be it pleasure, pride or relief.





**Seniors' Finance (Pty) Ltd**

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