

**NATIONAL HOUSING FINANCE CORPORATION (NHFC) JOINT VENTURE
WITH PAN AFRICAN CAPITAL HOLDINGS LTD (PACH)**

NHFC in its endeavour to provide more adequately for the housing demand is launching an Income Linked Home Financing instrument (ILHF) with a private sector partner. The instrument aims to deliver affordable quality houses through arrangements with property developers prepared to build houses for the low to middle income groups (those earning between R1 500 and R15 000 per month in household income).

The financial product being developed will be targeted at those who have consistent income with average or inflation linked increases on an annual basis. Initially it will be offered to those in the employ of the State eg. Nurses, teachers, policemen etc with the availability of a payroll deduction through Persal. The prospective homeowner will enter into an agreement to pay a set proportion of income over the term of the loan and will therefore not be subjected to fluctuations in interest rates.

It is expected that the first loans will be issued through this offering during the current financial year.

The NHFC Board recommended this investment to the Minister of Housing, who gave her approval in November 2007. The private partner in this joint venture is Pan African Capital Holdings Ltd (Pach).