

1. HOME OWNER ALLOWANCE (*Resolution 3/99 part IV*)

1.1. Calculation of monthly allowance

The monthly allowance, which can be paid to a person, represents the smallest of -

1.1.1. The amount of R403 (R346 in the case of a person who owns another previously subsidised home)

OR

1.1.2. The amount calculated according to the following formula:

$$A \times \frac{B}{100} = \text{said amount (rounded to the nearest higher Rand)}$$

where-

A represents the person's recognised loan amount or total of acknowledged loan amounts

B the factor **0,5744** (or **0,4940** in the case of a person who owns another previously subsidised home)

OR

1.1.3. The amount (rounded to the nearest higher Rand) calculated at the rate of **58%** (or **54%** in the case of a person who owns another previously subsidised home) of the person's compulsory monthly capital and interest redemption which is paid by stop-order to the mortgagee.

1.2. The allowance that may be paid in respect of interest on the first/main mortgage before the first instalment is calculated as follows:

$$A \times \frac{B}{30} = \text{allowance on interest}$$

where

A represents the monthly allowance that is payable in respect of the person's recognised loan amount; and

B represents the actual number of days (maximum 30) in respect of which interest was imposed.

These may change quarterly on 01 January, 01 April, 01 July and 01 October