

# March 2011 - CONSOLIDATED BANK POLICY

Date last  
updated:  
17/05/2011



AND








**The % LTV offering is dependent on the successful confirmation of a favourable client risk profile. Should a client profile not meet the Bank's minimum risk criteria, the Bank will reserve the right to decline or issue a lower % LTV.**

**Transaction client:** Client with active (more than 6 months) transaction account. Where earnings are paid into and transactions take place.

	ABSA Transactions	Homebase	STD Transaction clients	NON STD clients	NED Transaction clients (NED & ABSA)	NON NED clients (FNB & STD)	Salaried
<b>New Loans</b>	70% <b>E Home Loans up to 100% for very good clients</b>	Below R1.5 mil <b>100% (IC1)</b> Up to R 2.7 mil up to <b>90%</b> Over R2.7mil <b>85%</b> All <u>non scored</u> applications only <b>85%</b> - <b>Refer to general notes</b>	Below R1.5 mil <b>100%</b> Up to R2.5 mil <b>90%</b> Over R 2.5 mil <b>80%</b>	Below R2.5 mil <b>90%</b> Over R 2.5 mil <b>80%</b>	Up to R1.5 mil up to <b>100%</b> <b>(NED ONLY)</b> Up to R3 mil <b>90%</b> Over R3 mil <b>80%</b>  Initiation fee may not be included if LTV exceed 95% LTV.	Up to R3 mil <b>60%</b> Over R 3 mil <b>60%</b>	Below R2 mil <b>100%</b> Up to R3 mil <b>95%</b> Over R3 mil <b>90%</b>
<b>Self Employed</b>	Up to R2.7m <b>85%</b>  Over R2.7m <b>75%</b>	Up to R 2.7 mil <b>85%</b> Over R2.7mil <b>75%</b>			<b>NON Nedbank Self Employed - Max 60% Refer to general notes</b>		<b>Self Employed</b> Below R2 mil <b>95%</b> Up to R3 mil <b>90%</b> Over R3 mil <b>85%</b>
<b>Building Loans</b>	65%	Up to R2.7mil <b>80%</b> Over R2.7mil <b>70%</b>	Building packages – As per new loans.		Up to R3mil (NED) <b>100%</b> Over R3 mil <b>85%</b>	FNB & STD <b>60%</b>	Up to 85% for both salaried and self employed
<b>Vacant Land</b>	60% for ABSA		Up to R1mil Over R1mil	<b>75%</b> <b>65%</b>	Only by exception. Requests and motivations to be presented to Nedbank Regional sales Management.		<b>60%</b> ( Max loan term 10 yrs) No further loans
<b>Further Advances</b>	Below R1.5mil <b>90%</b> Up to R2.7mil <b>85%</b> Over R2.7mil <b>80%</b>	<b>No Product</b>	Up to R2.5mil Over R2.5mil	<b>90%</b> <b>80%</b>	NO PRODUCT AVAILABLE (Effective 01 October 2010)		Below R2mil <b>100%</b> Up to R3mil <b>90%</b> Over R3mil <b>80%</b>
<b>Loan Term</b>	30 years		30 years		30 years		20years

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Affordable Housing	70% E Home Loans up to 100% for very good clients Single/joint income R15,498	Normal ABSA rules.	Single/Joint Income max R 15 733.00 Up to 100% loan 1st time home owner in Affordable segment 104% (Risk band dependant)	No product available	NOTE: Submit to FNBH Single/Joint max R 16 000.00 Up to 100% - Effective 01/03/2011												
	 AND 																
Collateral	<ul style="list-style-type: none"><li>➤ Cession of ABSA fixed deposit 100%</li><li>➤ Fixed deposits – other Institutions – Excluding shares 90%</li><li>➤ Life assurance Policy – Surrender value 100%</li><li>➤ Approved Group scheme (CHRIS), company or Government Guarantee</li><li>➤ Pension Supported housing loan 100%</li><li>➤ Covering bonds over unbounded properties or ABSA bonded properties – max 80%LTV – Residential properties only.</li></ul>	<ul style="list-style-type: none"><li>➤ State &amp; Telkom Guarantee</li></ul> <p>Guarantee can be used to obtain a 100% loan outside the Affordable segment. Provided that the Guarantee does not exceed 125% Formula: Purchase Price / Guarantee % If % exceeds 110%: Full G 110% – 125% only 50% use More than 125% none will be used.</p>	<ul style="list-style-type: none"><li>➤ Fixed deposit held at Nedbank in the name of the applicant. A session will be placed on the fixed deposit. Once enough capital is paid and risk reduced client can request for session to be lifted.</li></ul>	<ul style="list-style-type: none"><li>➤ State Guarantee – FNBHF only</li></ul>													
General Notes	<p>SA Applicant plus NON Res joint application:</p> <table><tr><td><u>ABSA Client:</u></td><td><u>NON ABSA Client:</u></td></tr><tr><td><u>Ordinary Loan:</u></td><td>60% for all applications</td></tr><tr><td>&lt; R1.5mil</td><td>70%</td></tr><tr><td>&gt; R1.5mil</td><td>67%</td></tr><tr><td>&gt; R2.7mil</td><td>65%</td></tr><tr><td>Building Loan:</td><td>65%</td></tr></table> <p><u>A non scored application refers:</u> All applications in the registered name of a legal entity (Trust, CC and PTY) or application with more than two applicants.</p>	<u>ABSA Client:</u>	<u>NON ABSA Client:</u>	<u>Ordinary Loan:</u>	60% for all applications	< R1.5mil	70%	> R1.5mil	67%	> R2.7mil	65%	Building Loan:	65%	<ul style="list-style-type: none"><li>▪ NON Res 50%</li><li>▪ NON Res contract worker 90%</li><li>▪ Immigrant 90%</li><li>▪ Refugee 90%</li><li>▪ Diplomats 90%</li><li>▪ Affected persons – legal entity with a NON res as a member 50%</li><li>▪ SA Applicant plus NON Res joint application 75%</li><li>▪ Sa Citizens working abroad 70%</li><li>▪ Investors 80%</li></ul>	<p>Building loans: Min m2 R4 500/m2 for a single house R5 500/m2 for a double house</p> <p>No application below R 100 000 will be processed.</p> <p><u>NON Nedbank self employed:</u> will only be considered if client is willing to move primary business relationship to Nedbank . Registration of the home loan will only take place once such a move has occurred. Client need to sign letter.</p> <p>Non Residents &amp; Foreign National need to be approved before submission by the Nedbank Exchange control. Only 50% LTV Refugees – excluded from Nedbank HL risk policy</p>	<ol style="list-style-type: none"><li>1.Foreign national/SA Citizens +non res 50% - remaining term on contract not less than 4 years.</li><li>2.Only 50% of other Nett income (Commission, Rental) will be considered. Rental income will only be used if rented property is bonded to FNB.</li><li>3.FNBHF Maximum 2 applicants and no legal entities.No lending to Trading Entities.</li><li>4.Refugees falls outside our lending- is unacceptable applicants</li></ol>	
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