



HOME LOANS

# A FRESH START WITH ASSISTED SALES

see money differently

**NEDBANK**

# NEDBANK HOME LOANS HELPS YOU SELL YOUR HOUSE

The time for you to make a fresh start is now. When it becomes difficult for you to make your home loan payments, ask Nedbank-assisted Sales to help you sell your home.

## How does Nedbank-assisted Sales work?

- We ask you to sign a sole client mandate with us.
- We allocate your property to a reputable estate agency to help you get a good price.
- The property will be in the market for 90 days.
- You may accept an offer to purchase (OTP) at any price above the stated reserve price.



## How do you benefit?

- No distressed valuation of the property (physical valuation to be conducted by Nedbank).
- A 50% shortfall forgiveness after sale\*.
- Opportunity to have property sold in less than 90 days.
- Marketing at full market valuation with no sign of distress.
- No adverse credit bureau listing.
- No legal action.
- Reputable estate agency and attorney to manage the marketing and conveyancing process.
- Relationship agent assigned by Nedbank to provide you with regular feedback throughout the marketing process.
- Sole client mandate with a better focus and client experience (no multilisting).
- Avoiding a potential foreclosure process where sale prices are often disappointing and shortfall amounts substantial.
- Acknowledgement of debt (AOD) on shortfall after the 50% forgiveness payable within five to 10 years, interest-free\*.

\* Terms and conditions apply.

## How does the buyer benefit?

- 50% discount on transfer fees.
- 100% bond to qualifying buyer(s).

	Example 1 Best-case scenario	Example 2 Break-even scenario	Example 3 Worst-case scenario
Outstanding balance	R400 000,00	R400 000,00	R400 000,00
Estimated market value	R500 000,00	R500 000,00	R500 000,00
Reserve price	R400 000,00	R400 000,00	R400 000,00
OTP	R500 000,00	R445 500,00	R400 000,00

### Costs

Estate agent's commission	R45 000,00	R32 500,00	R25 000,00
Cancellation cost	R3 000,00	R3 000,00	R3 000,00
Rates and taxes	R10 000,00	R10 000,00	R10 000,00
Subtotal of costs	R58 000,00	R45 500,00	R38 000,00
Shortfall amount	-	-	-R38 000,00
Credit	R42 000,00	-	-
Bank forgives (50%)	-	-	-R19 000,00
Acknowledgement of debt amount	-	-	-R19 000,00
Repayment over five years:	-	-	-R316,67
Repayment over 10 years:	-	-	-R158,33

## Why is Nedbank-assisted Sales the best solution for you?

If you do not take the right action now, your financial situation could get even worse. We then may not have any option but to obtain a judgment against you if your financial situation does not improve, which would mean that you incur additional legal costs and that your property will be sold through a sheriff auction. Nedbank-assisted Sales currently achieves above 90% price to valuation, which is on average 30% better than a sale in execution. Experience suggests that forced asset disposal of your property through a sheriff auction could dramatically decrease the price realised for your property. This means you are likely to be left with a very large shortfall and there would be no shortfall forgiveness. Nedbank-assisted Sales could help you avoid this outcome.

## Where to from here?

If this sounds like the answer you've been waiting for, give us a call. We're ready to help. Contact us on **0860 553 573** or send an email to [NASEnquiries@nedbank.co.za](mailto:NASEnquiries@nedbank.co.za).

For more information on other payment solutions visit [nedbank.co.za/HomeLoansHelp](http://nedbank.co.za/HomeLoansHelp).

## Glossary

Bank terms	Acronym	Definitions
<b>Nedbank-assisted Sales</b>	NAS	A programme offered by Nedbank Home Loans to Nedbank bondholders in financial distress, aimed to assist with the sale of their residential property.
<b>Sale in execution</b>	SIE	Sheriff's auction.
<b>Offer to purchase</b>	OTP	Agreement-of-sale document signed by the seller and the buyer to initiate a sales transaction of a property.
<b>Acknowledgement of debt</b>	AOD	This is a legal agreement between the bondholder and the bank in which the bondholder undertakes to repay the shortfall amount.
<b>Shortfall amount</b>	-	This is the balance of the bond after the property is sold and which the bondholder is liable to pay.
<b>Sole client mandate</b>	-	This is a legal agreement signed between the bondholder and the bank, allowing only the bank, in accordance with the terms and conditions, to market the property for 100 days.
<b>Forgiveness</b>	-	A discount that the bank gives to a willing seller on the shortfall amount (Nedbank-assisted Sales contributes a standard 50% discount to clients).
<b>Physical valuation</b>	-	A valuation (assessment) of a property is conducted by a qualified bank valuer to determine the going market value of a property. This assessment is concluded by means of an external and internal inspection of the property.
<b>Distressed valuation</b>	-	A distressed valuation usually comes about in tough market conditions when the sale of a particular property or service has slowed down dramatically.
<b>Financial distress</b>	-	A condition where a bondholder cannot meet or has difficulty paying off the financial obligations to his/her creditors.

## Frequently asked questions

### **At whom is the Nedbank-assisted Sales programme targeted?**

The programme is offered to Nedbank bondholders who are experiencing financial difficulty and are interested in selling their property. (Note that this is only available to bondholders who are not currently bound by any estate agent mandate.)

**Do I have control over the selling price?** You have some control over the selling price. The asking price (or market value) is established by a professional valuer who visits your property and performs a valuation. The reserve price is then set as a percentage of the asking price. You confirm acceptance of both the asking and reserve price when you sign the client mandate.

**Do I have to accept an offer if it is above the reserve price?** Yes. By signing the mandate you agree that any offer at or above the reserve price will automatically be accepted. If you refuse to sign the OTP, Nedbank can use the power of attorney granted in the mandate to authorise the sale at that price.

**Can I accept an offer below the reserve price?** To accept an offer below the reserve price you must contact Nedbank to agree to terms for the shortfall on the loan.

**Can I accept an offer that is dependent on the buyer's selling his/her property?** No. An OTP subject to the buyer's selling his/her property will not be allowed in Nedbank-assisted Sales.

**What happens if there is a shortfall after I sell my property?** Nedbank is willing to forgive a percentage of the shortfall after the sale. The shortfall is calculated by adding all costs (rates and taxes, bond cancellation costs and estate agent's commission) to the outstanding balance on the loan, and then subtracting the selling price. You will need to sign an AOD for this amount once an offer has been accepted.

**What is an AOD?** This is a legal agreement between the bondholder and the bank in which the bondholder undertakes to repay the shortfall on agreed terms (time, interest, monthly instalment, etc). Nedbank can institute legal action against you should you default on your monthly instalments in terms of the AOD.

**Help is at hand.** When it becomes difficult for you to make your home loan payments, it's good to know that your bank is here to help you through it.

**How long do I have to settle the shortfall?** The bank will evaluate your financial situation and establish the terms and monthly repayments based on this assessment.

**What is the interest rate charged on the shortfall?** No interest is charged on the shortfall as long as you keep to the terms of the AOD. However, should you default on your repayments, the full shortfall becomes due and payable, and interest will be charged at the prevailing prime interest rate.

**What happens if I can't afford to pay my instalments during the time the sole client mandate is active?** You must pay as much as you can afford for the period of the sole client mandate. Any monthly shortfall is added to your arrears, so the final shortfall will be greater.

**Is the buyer guaranteed a loan from Nedbank?** Nedbank will apply standard assessment criteria when the buyer applies for a loan.

**Am I obliged to maintain the property and garden until transfer takes place?** Yes. The OTP that you sign will explain your obligations as well as the penalties incurred should you fail to meet them.

**Does the buyer have to use Nedbank or can the buyer apply for a bond through his/her own bank?** Buyers should approach Nedbank first as Nedbank has negotiated special rates with transferring attorneys on the transfer costs. Nedbank also offers 100% bonds if the buyer complies with the assessment and affordability criteria.

**Can Nedbank staffmembers make an offer on the property?** To protect the interests of both Nedbank and the seller no Nedbank Home Loans staffmember may purchase a property that is part of this programme.

**To find out about Nedbank's  
new product offers talk to  
one of our Nedbank consultants  
for more information.**

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Nedbank 135 Rivonia Road Campus  
Third Floor Block G  
135 Rivonia Road Sandown Sandton 2196  
PO Box 1144 Johannesburg 2000 South Africa

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[nedbank.co.za](http://nedbank.co.za)**