

# Frequently Asked Questions

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QWhat are the requirements to qualify for a loan?AA signed contract for a minimum of 100 subsidy houses QHow does Nurcha classify contractors as emerging or established and what is the difference when managing the contractor?AContractors are managed according to their experience and level of need. A contractor with three years of experience and audited financial statements, will be managed directly by Nurcha. A contractor with little or no project management experience, and who requires a high level of support, will be managed through one of the Nurcha intermediaries. (Please refer to the brochure for full details) QWhat are the requirements to apply for a loan?AAll documentation as specified in the brochure. QHow long does an application for a loan take?AOnce the application has been received (complete with all the documentation as specified in the brochure), the turnaround time is approximately 14 days. QWhat is the interest rate on a loan?AThe interest rate is charged at Prime + 0.2%. The interest is calculated on the daily loan balance and is capitalised (added to the loan) monthly. QAre there any other charges over and above the interest?ANurcha charges a Loan Administration Fee of R40.00 per milestone, per house. The intermediary also charges a Service Fee which is negotiated between the contractor and the intermediary at the application stage. This Service Fee is calculated based on the level of services provided by the intermediary to the contractor on the project. QDoes Nurcha provide performance guarantees?ANo.QWhat defines an infrastructure or community facilities project?AInfrastructure projects typically include roads, drainage, water reticulation, sewerage etc. Community facility projects include clinics, schools, libraries etc. QIs there a difference between managing a subsidy housing project and an infrastructure project?AYes

A subsidy housing project involves building a repeated number of the same structure according to a fixed subsidy that is typically funded against three milestones.

An infrastructure or community facility project typically involves one relatively complex structure that requires more expertise from the contractor and is funded against verified certificates submitted for completed work. QDoes Nurcha provide performance guarantees on infrastructure or community facility projects?ANo, Nurcha does not, but our intermediary, Tusk Construction Support Services, does on certain projects. QWhy does the intermediary charge a fee over and above the interest charges?AThe intermediary charges additional fees for professional services rendered, including activities such as administration, legal, financial management, material purchases, submitting certificates for payment etc. The intermediary negotiates a fee with the contractor depending on the level of construction support needed. Usually this fee is easily offset by the discounted materials that the intermediary is able to secure for the contractor. QWhat is the value of houses that Nurcha provides funding for?AA minimum of R80 000 and a maximum of R350 000 with a limited number of houses up to the value of R500 000 in mixed housing developments. This value is based on the cost of the basic structure without any extras. QHow much experience should a developer have to qualify for a loan?AThree years experience in the Affordable Housing market QWhat documentation is required to apply for a loan?AAll documentation as specified in the brochure. QDoes Nurcha finance the purchase of property?ANot for the purchase of the property alone. In some instances the cost of land may be included in the cash flow of the project, subject to:

- Individual assessment of each case
- The contribution of the property to the peak cash flow by the developer should not be less than 10 %.
- The land is purchased within 12 months of the loan application
- The land is well located with respect to the affordable housing market. QHow much security is required?APlease refer to the brochure.