

Do you need a
State Guarantee
for a Home Loan?

Q&A

*"Every child is
a national asset"*



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

What is a State Guarantee for a Home Loan?

A State Guarantee for a home loan is an assurance from your employer (State) to cover a maximum of 20% of a home loan for which you qualify.

How will a State Guarantee for a Home Loan assist you?

The guarantee will help you to secure a home loan which will enable you to purchase and own property for you and your family to reside on.

Who may apply for a State Guarantee for a Home Loan?

- Any ***permanently employed Public Educator*** or ***Public Service Official*** may apply for a State Guarantee for a Home Loan.
- You must be at least 21 years of age and you must have a minimum of one year satisfactory pensionable service.

What are the conditions?

- Only one property per family is allowed under this scheme.
- The property must be occupied full-time and permanently by the official, his/her spouse/dependent children and/or other dependents.

Where do you obtain the State Guarantee form from?

- The State Guarantee for Home Loan form –Z572 may be obtained from the “Human Resources Management Guidelines for Schools” which is available at your school or your human resource section.

How do you apply for a State Guarantee for a Home Loan?

Step 1: *Complete State Guarantee for Home Loan form*

- Complete sections A, B and C of the State Guarantee for Home Loan Form – Z572 form, attach the supporting documentation and sign the form. Section E must be completed and signed by the Principal.

Step 2: *Submit application form*

- You are required to sign the declaration and initial each page of the completed Z864 form in the presence of a Commissioner of Oaths who will certify the form.

Step 3: *Receive outcome of the application*

- If your application is approved by your district or provincial office, you will receive a letter of intent indicating approval of the maximum guarantee amount and the maximum monthly housing allowance that you qualify for.

- If your application is rejected by your district or provincial office you will receive the Z572 form indicating the reason for the rejection.

If your application has been approved, you continue to Step 4.

Step 4: *Finalisation of a Home Loan*

- Once you receive your letter of intent for your State guarantee, you must approach any registered financial institution.
- Submit the letter of intent to your financial institution and finalise the home loan application.
- Inform your employer when the loan is granted by the financial institution.
- The employer issues a Z573 form.
- Ensure that sections D, E, and G are completed by the financial institution.
- Submit this Z573 form to the district office for completion and signing.

How to apply for a State Guarantee for a Home Loan



Contact Details

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