



# LENDCOR PRESENTATION

RURAL HOUSING CONFERENCE

6 – 7 SEPTEMBER 2007

# DELIVERY OF HOUSING IN SOUTH AFRICA

High Level

Background:

- Our understanding is the forum is assembled for the common purpose of housing delivery.
- What is needed is a fresh approach, which encompasses more than just a roof but an opportunity to create employment.

## Establish the Goals:

- The delivery of housing.
- The creation of sustainable employment.
- Up-liftment of the community.

# Government and private enterprise joining forces can achieve this

- Allow private enterprises infrastructure to facilitate the beneficiary's applications.
- The resources that private enterprise has will ensure that only the persons who qualify in terms of the subsidies rules are submitted to the government office.

- On approval the money will be transferred to a trust account whose board of trustees will be members of government and private enterprise.
- A certificate will then be issued to the beneficiaries for the sum of the subsidy.
- The beneficiary can then purchase building material from the local suppliers.



# The creation of sustainable employment :

- Using the private enterprise infrastructure in a community will result in that community benefiting by the governments delivery of materials for housing.
- From the supplier in the town or village to the person who will now affect the delivery, the delivery will be made by a person in the community who owns a truck.

- The truck owner will need persons from the community to load and offload goods. The local builders and their assistant's will be living and working in the community.
- This delivery of housing material to the community and the development of the housing is all community based and will by its very nature go on indefinitely.
- The beneficiary will determine how fast they want to affect their own housing.

## Up-liftment of the community:

- By the process of engaging with the local private enterprise infrastructure the money that has been made available for the delivery of housing will stay in the community and be spent within the community.
- This money will cross all retail boundaries, food, clothing, fuel, and vehicle repairs, school fees that by its very nature will uplift the community and create employment.



# Benefits To Government:

- Each community would see the delivery being affected by government.
- The community would see employment opportunities being created.
- The government would not be called upon at a future date to repair these dwellings as they might be called upon with RDP houses.
- That all the shack dwellers will convert those shacks to proper block dwellings.
- The process will ensure that the money is properly accounted for in the delivery of materials for housing.

## Benefits to the community:

- Families are not moved from their social environment.
- The families will stay close to the schools and clinics etc.
- Persons in the community will be employed.
- Up-liftment of the community.

# Lendcor Can Help



Lendcor is a National Company whose task is to create awareness that funding is available for:

- 1) Building A Fence.
- 2) Connecting water and electricity.
- 3) Improving your house.
- 4) Extending your home.
- 5) Building a new house.
- 6) Extend your home for your own business.
- 7) Buy a rain water storage tank.
- 8) Buy solar panels for electricity.

## Lendcor can provide:

- Processing infrastructure
- A very large hardware supplier distribution throughout the country.
- Multiple payment processing.
- IT processing suited to this market
- Consulting support to the department to roll this out.

# Processing:

- Using community radio stations, advertise throughout the country.
- Using the same advertising medium channel the beneficiaries to their local registered building material supplier at which Lendcor has a representative.
- They will complete the documents and fax it to the Lendcor office.




- Lendcor will check that all the documents required have been completed and make enquiries on the bureau with regard to the applicant's employment status.
- Once satisfied that the applicant has complied with all the rules the application will be submitted to the municipal office for that region.
- On approval the beneficiary will be given a certificate authorizing the subsidy amount.
- The municipality will pay the subsidy money into the trust account.



## Disbursement of the money:

- The certificate issued will allow for 15% of the total subsidy to be paid for the delivery of the materials and the builder.
- The original certificate must be produced to the supplier together with the person's original ID book. (No photocopies will be entertained). A quote must then be completed and submitted to Lendcor together with a copy of the ID and the certificate. Details of the delivery costs must be submitted with the ID number and banking details of the person who will affect the delivery.



- Lendcor will issue an approval number for the value of the quote and delivery on the certificate
  - This will be faxed to the merchant. The beneficiary will sign the certificate authorizing payment.
  - On delivery the merchant will fax proof of delivery and the signed certificate.
  - Lendcor will deposit directly into the account of the merchant the value authorized and also pay the person who made the delivery.
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- There could be money still available for the beneficiary to pay the builder who would be required to follow the process of his quote, authorized by Lendcor, builders ID and banking details.
- On completion the beneficiary goes to the merchant, Lendcor will fax the certificate to the store for the beneficiary to sign authorizing the payment.
- The beneficiary is always aware of the balance available, no money will be paid until goods or services have been provided.

## Audit Process:

- There will be full disclosure of source documents for an auditor to verify all the processes.
- All the merchants will be registered merchants with Lendcor who have strict rules governing the registration of merchants. The merchant base is available for audit.

# Financial Accounting:

- The trust account will be reconciled monthly to each beneficiaries balance available and submitted to the department on a disc for audit purposes.



## Costs:

- Lendcor would require R500 per application to be taken from the sum approved.
- All interest accrued from the trust account would be for the benefit of Lendcor.

# PROJECT MOBILISE:

- MOBILISE GOVERNMENT
- MOBILISE PRIVATE ENTERPRISE
- MOBILISE HARDWARE SUPPLIERS IN EACH VILLAGE AND TOWN
- MOBILISE THE SALES PERSON IN THE STORE
- MOBILISE THE TRUCK OWNER IN EACH VILLAGE AND TOWN
- MOBILISE THE TRUCK ASSISTANT
- MOBILISE THE BUILDER IN EACH VILLAGE AND TOWN
- MOBILISE THE BUILDERS ASSISTANT
- MOBILISE THE PEOPLE IN EACH VILLAGE AND TOWN















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We can make a difference to the  
people of South Africa