



REPUBLIC OF BOTSWANA

COMPOSITE APPLICATION FORM FOR RESIDENTIAL PROPERTY ADVANCE AND GUARANTEE THEREOF IN TERMS OF THE MOTOR VEHICLE AND RESIDENTIAL PROPERTY ADVANCE GUARANTEE SCHEME

PART 1

APPLICATION FOR RESIDENTIAL PROPERTY ADVANCE

TO: (Name of the Bank)

.....

- 1. I (Applicant's full name)(Prof/Dr/Mr/Mrs/Miss)*
 living at (Plot No./Ward/Village).....Postal Address.....
 Previous Physical Address for the past 2 years.....
 Tele No: Home.....Work.....Cell No.1.....Cell No.2.....Email..... (Married/single)*
 Home Village.....
 Name of Chief/Headman..... Ward/Street name.....
 employed as.....Ministry/Department*
 Salary Advice Slip Number (from your salary slip) Passport Number.....

NEXT OF KIN

REFEREES (Relatives, not staying together)

Referee 1:

Full Name..... Relationship..... Date of Birth.....
 Physical Address (Plot No., Street/Ward name) Cell No.....

Referee 2:

Full Name..... Relationship..... Date of Birth.....
 Physical Address (Plot No., Street/Ward name) Cell No.....

Hereby apply for an Advance to purchase / construct / modify / top-up a residential property details of which are given below:-*

*Delete whichever is not applicable

- a) Plot No.....
 Town/Village*.....
 Location/Ward*.....
 Name of Land board.....*
- b) Estimated cost/purchase price of Property P.....
- c) Market value of Property P.....
- d) Particulars of the present owner of the Property (in the case of existing property only) Prof/Mr/Mrs/Miss)*
 Full Name.....
 Physical Address.....
 Tele No: Home.....Work.....Cell No.1.....Cell No.2.....Email..... (Married/single)
- e) Loan amount of Advance applied for P.....
- f) Less deposit P.....
- g) Actual loan advanced by Bank P.....(e-f)
- h) Disbursements;
- (i) Seller of the Property.....
 Physical Address.....Postal Address.....

(ii) Estimated construction Period.....commencing within one (1) month following first disbursement

- 2. I agree that this application on acceptance shall form the basis of the loan agreement between myself and the Bank.
- 3. I agree to repay the amounts falling due in respect of the sum advanced to me by.....monthly instalments. I understand that the number of instalments may be more or less than this number depending on any variation of the rate of interest chargeable and I understand further that payment of instalments will be effected by monthly deductions from my salary commencing on a date after notification by the Bank to the Accountant-General and that the Accountant-General will remit the instalments to the Bank.
- 4. I make this application in the knowledge that it constitutes an offer to contract with the Bank, legally binding upon me, and that in the event of your acceptance hereof this Offer shall form an agreement legally binding upon me in its entirety.

.....
Date

.....
Signature of Applicant

PART II

APPLICATION FOR GUARANTEE OF RESIDENTIAL PROPERTY ADVANCE

TO: Permanent Secretary
Ministry of Finance and Economic Development
Gaborone

for and on behalf of the Government of Botswana (herein after called "the Government".)

- 1. I, the applicant named in Part I hereof, hereby apply to the Government of Botswana to guarantee repayment of the advance for purchase/construction/modification of a residential property applied for under Part I hereof byBank (hereinafter called "the Bank") to myself in terms of its existing security agreement with the Bank.
- 2. (a) I agree to hold the residential property covered in terms of the Government Residential Property Insurance Scheme throughout the period of outstanding advance.
(b) I agree to pay the monthly premiums under the Government Residential Property Insurance Scheme by monthly deductions from my salary and I agree that the Accountant-General will remit such premiums directly to the Insurer. I further note and agree that I will pay any other premium as the Government shall agree with the Insurer, and that no prior reference need be made to me before deducting such altered amount from my salary.
- 3. I agree that preference will be given to Government to hold such first mortgage on the property in the event that the first mortgage is held by the other financier by virtue of their large contribution towards the loan(s) for the purchase of the property then Government will have the first settlement to the second mortgage bond.
- 4. I undertake that in the event that I cease to be employed by Government I shall forthwith pay to the Government the full balance outstanding in respect of the advance.
- 5. I agree to indemnify the Government in respect of any liability it might incur by reason of any breach by me of my obligations under my agreement with the Bank for the advance and I further agree that any salary, gratuities, pension and other moneys due to me from the Government or from any other source and any movable or fixed property may be applied by the Government in diminution or extinction of any liability that the Government may incur to the Bank or to any other person arising from the Guarantee during the period of outstanding advance or from any breach by me of my said agreement with the Bank.
- 6. I make this application in the knowledge that it constitutes an offer to contract with the Government, legally binding upon me, and that in the event of the Government's acceptance hereof this offer shall form an agreement legally binding upon me in its entirety. **-seek guidance of Legal Office regarding the meaning of this clause**

.....
Date

.....
Signature of Applicant

PART III
RECOMMENDATION OF HEAD OF DEPARTMENT

1. I certify that
Prof/Dr/Mr/Mrs/Miss*.....of

Salary Advice Slip Number.....in the Ministry of.....
is eligible for a Residential Property Advance.
2. I certify that the terms of service of the above named Officer are Permanent and Pensionable/Contract*, and that:-
(a) The Officer has been confirmed in his/her* appointment.
(b) The date of first appointment of the Officer is.....
(c) The expected date of retirement is.....
(d) The commencement and duration of his/her* Contract is
- From.....20..... to.....20.....
3. I certify that the Officer qualifies for a loan to purchase a residential property.
4. I certify that payment of the monthly instalments and insurance will not cause to the best of my knowledge, any financial embarrassment to the Officer.
5. I recommend that the application in respect of Prof/Dr/Mr/Mrs/Miss*
.....be approved in full up to a limit of P.....

•Delete whichever is not applicable

.....
Date

.....
Permanent Secretary

.....
Print Full Names

.....
Designation

PART IV

Comments by Ministry of Finance and Economic Development:

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Loan approved subject to registration Bond in favour of Botswana Government

.....
Date

.....
for/Permanent Secretary

- DISTRIBUTION OF THIS FORM (one copy each to)**
The Ministry of Finance and Economic Development
The Bank (whichever)
The Officer file at the Department
The Applicant

**RESIDENTIAL PROPERTY ADVANCE GUARANTEE SCHEME
(ADDITIONAL INFORMATION RELATING TO LOAN APPLICATIONS MADE UNDER THE SCHEME)**

1. Applicants for an advance to purchase/construct/modify a residential property in either rural areas or situated on SHHA plots must be accompanied by a Common Law Lease Agreement that has been entered into between the applicant or seller and the Land Board/Council of a given area/district. The Land on which the property is to be erected must be surveyed by a qualified Land Surveyor whose report should incorporate sketches and diagrams showing the lot number and should be approved by the Director of Surveys and Lands. As a precondition for the award of an insurance cover, existing proprietries will also have to be surveyed in order to establish their exact location. The costs of surveying the land/property are to be borne by the applicant.
2. Loan applications for the construction/modification of a residential property in urban areas may only be considered on production of building plans approved by the town councils, whereas in the case of rural areas, the Ministry of Finance and Development Planning may, in consultation with the Government Chief Architect, approve plans drawn up by any approved competent authority in this field.
3. When the application has been approved and construction work has commenced, financing institutions will make loan disbursements to an approved contractor/ builder/ supplier of building material at various stages of construction or after delivery as the case may be. Such disbursements will only be effected after the Ministry of Finance and Development Planning has given instruction in writing to the Financing Institution concerned. All claims must be routed through the Ministry for vetting and onward transmission to the Banks for payment. Drawdowns should, where practicable, be restricted to four (4). To safeguard the interests of the parties concerned, Government may require the applicant to hire a qualified private building inspector to supervise construction.
4. It is important to note that all residential properties financed under this Scheme are covered against all the normal buildings insurance risks such as fire, storm, flood etc from the time construction starts until the time the loan shall have been fully repaid. Monthly premiums shall be recovered from the Officer's salary. Other details could be obtained from the certificate of insurance which should accompany every application.
5. Upon completion of the house the contractor/builder must issue the owner with a certificate of completion who must in turn confirm his/her acceptance of work to the Ministry of Finance and Development Planning.
6. Government guarantee of the loan under this Scheme is on the understanding that the applicant undertakes to complete all the necessary formalities connected with the registration of the mortgage bond at his/her own expense and that such bond shall be held by Government until the loan is fully recovered.