



FNB Pension Backed Loans

what you need to know
FAQs



What is an FNB Pension Backed Loan?

An FNB Pension Backed Loan is an alternative property financing solution. It is issued by FNB and secured against your pension fund value, if the intended use is in line with the governance as set out by the Pension Funds Act.

Who can apply for an FNB Pension Backed Loan?

You may apply for the loan if you are a contributing member of your pension fund and if there is an agreement in place between FNB, your fund, the fund administrator and your employer.

What can an FNB Pension Backed Loan be used for?

You can use it for home improvements such as renovations, maintenance, alternative energy and energy saving solutions, settling a home loan, or paying off a part thereof and/or paying costs associated with registering a new home loan.

Will my pension fund value reduce when I apply for an FNB Pension Backed Loan?

No, your pension fund will remain the same and grow as you make contributions. The only difference is that a portion of your funds will be used as security until your loan is paid up or you exit your fund prior to the loan being paid up.

What is the qualifying criteria to apply for an FNB Pension Backed Loan?

You will need to be 18 years or older; be a contributing member of the fund and there needs to be an agreement in place between FNB, the pension fund, the fund administrator and your employer; be employed for a minimum period of 12 months and we will need to look at your affordability in line with the National Credit Act and the FNB Credit Policy.

What is the maximum term?

The maximum loan term is 20 years or the retirement age, based on whichever comes first.

How can I apply for an FNB Pension Backed Loan?

You can apply using one of these three options:
SMS the word **'Home'** to 30752 at no cost to you, email us on pensionlendingdoc@fnb.co.za or contact our call centre on 087 730 1144/55 for an application form.

How long will it take to receive feedback on my application?

Around 5 to 10 business days from application date.

Would I be able to apply for a fixed interest rate?

No, the interest rate cannot be fixed. This is a variable rate linked to the bank's prime lending rate and is subject to change.

Can I pay off an existing home loan or pay off a lump sum towards the home loan?

Yes, you can use the funds in your FNB Pension Backed Loan to pay a lump sum towards settlement of a home loan, in line with the guidelines as set out by the Pension Funds Act and National Credit Act.

Will I be able to use the funds to cover a property deposit and/or transfer costs?

Yes.

Do I need insurance cover when taking out an FNB Pension Backed Loan?

Depending on your pension fund's requirements, it may not be mandatory to have insurance. The bank does recommend an FNB Customer Protection Policy which covers you in the event of death, disability, unemployment or the inability to earn an income. In the event of temporary disability or inability to earn income, your monthly repayments will be paid for up to 12 months, and in the event of death or permanent disability, the outstanding balance will be paid in full.

Would I be able to cede my own life policy instead of taking up the Consumer Protection Plan with FNB?

Yes your own life policy can be ceded to FNB voluntarily, however, if cover is mandatory based on the pension fund's requirements, then you would need to service the policy debit order separately from your pension backed loan account.

What fees are applicable to an FNB Pension Backed Loan?

An initiation fee and monthly service fee will be charged at the value agreed with your fund.

Can I pay back my FNB Pension Backed Loan early and is there an early settlement fee?

Yes, you will need to request a settlement amount which will include the accrued interest until the date of settlement. There is no early settlement fee. You can contact FNB for a settlement on 087 736 3610 or email us on housingclaims@fnb.co.za

If I have a complaint or query, who can I contact?

You can contact our team on 087 730 1144/55 or email us at pensionlendingdoc@fnb.co.za

How are repayments collected?

Payments are deducted from your salary and paid over to FNB who will allocate it to your FNB Pension Backed Loan account.

Where can I find my statements?

Statements can be accessed on FNB Online Banking or the FNB App if you have an existing profile. Alternatively, you can visit your nearest FNB Branch or make use of our Automated Deposit Terminal.

Can the loan be used for a property outside of South Africa?

No, The Pension Funds Act does not make provision for properties outside the borders of South Africa.

My home loan is not with FNB, can I still have an FNB Pension Backed Loan?

Yes, it is important to note that your home loan could be with any financial institution and not necessarily with FNB. The fund must sign an agreement with FNB to offer participating members' access to an FNB Pension Backed Loan, secured by your pension fund.

What happens if I pass on or become permanently disabled?

If your insurance policy is in place and up to date, the bank shall claim the outstanding amount from your insurer, in the event of death or permanent disability. If there is no insurance in place, your pension fund will be required to settle the outstanding amount.

How does FNB assist homeowners who want to install alternative energy solutions?

FNB has partnered with trusted renewable energy suppliers to provide customers with residential solar systems at discounted rates of up to 20%.

An **'Energy Solutions'** category has been created on the eBucks Shop where we have curated a few solar hybrid packages (Entry, Small, Medium and High). A combination of cash, eBucks and finance can be utilised to fund these solutions.

Customers also have the option of selecting/choosing their own solar energy solution suppliers. When searching for suppliers it is advisable that you check for any evidence of training, qualifications and experience in Solar PV. Examples of this include but are not limited to:

- SAPVIA PV Green Card, P4 Certificate from AREP, a reference list of completed projects
- Evidence of the Department of Labour registration of the electrician who is responsible for signing off the Certificates of Compliance for the installer

Will I be able to apply for a second loan or top up my existing FNB Pension Backed Loan?

You are only allowed to have one FNB Pension Backed Loan at a time. Should you require additional funds, you would need to apply for an FNB Top-Up Loan. The application will need to be scored based on your affordability in line with the National Credit Act and the FNB Credit Policy.

Once the FNB Top-Up portion has been approved, we will need to settle and pay off your existing loan and the proceeds will be paid over to you. Once the existing account is paid off and closed a new account will be opened which will include the FNB Top-Up portion.

If I have an existing pension backed loan with another service provider that has an arrangement with my company, can I have an additional pension backed loan with FNB?

When applying for an FNB Pension Backed Loan, the outstanding balance of your existing loan with the other service provider will be taken into account during the application process. Once the loan is paid out, you would need to settle your loan with the existing service provider first.

What happens if I exit or terminate the fund?

The outstanding balance will need to be paid to FNB before your exit or terminate the fund.

The following options are available in the event of your membership termination to settle your loan in full:

- Use cash
- Use the funds held by your pension fund. Should you move to a new pension fund and they have an agreement in place with us, together with your new employer, you do have the option to transfer the loan to the new fund

The bank suggests that you seek financial consultation prior to deciding so your choices are fully understood.

What alternative energy and energy saving solutions can I finance with an FNB Pension Backed Loan?

You can finance the following alternative energy and energy saving solutions*:

- Solar UPS Systems
- Domestic Solar Geyser
- A hybrid system comprising of:
 - Solar panels
 - Lithium batteries
 - Inverter

* Tip: Ensure the installer has evidence of qualifications and experience, e.g. South African Photovoltaic Industry Association PV green card, a P4 certificate from Association for Renewable Energy Practitioners and a reference list. Plus, get evidence from the department of labor registration, obtain a Certificate of Compliance post installation and update your Home Owner Cover to include the solar improvement. We also recommend that your quote includes the hardware and your installation costs.





Contact us

SMS 'Home' to 30752

Email pensionlendingdoc@fnb.co.za

Call 087 730 1144/55

Terms and conditions apply.