

REPLACEMENT OF BENEFICIARY POLICY FOR 2025/2026 FY



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1. PURPOSE

The policy on missing and deceased beneficiaries outlines the process that must be followed in cases where beneficiaries have gone astray and cannot come and sign their happy letters and took occupation of their houses.

2. DEFINITIONS

“Family member” means a relative of the deceased tenants or a relative of the deceased tenant’s spouse or paternal, if such relative is part of the original family housed or born on the property and has been living with the deceased tenant for an unbroken period of two (2) years immediately prior to the death of the tenant.

“Housing Subsidy System” means the National database managed by the National Department of Human Settlements which contains the names and numbers of the persons who have been uploaded from the National Housing Database.

3. POLICY ON MISSING BENEFICIARIES

This policy can be applied in the following two (2) scenarios:

3.1 SCENARIOS

Scenario 1

When a beneficiary has concluded a Sale Agreement with the Municipality, but the transfer has not taken place. This beneficiary has been approved and entered on the Housing Subsidy Scheme but now is missing.

POLICY PROCESS

The Municipality working with the Department of Human Settlement must try to locate the beneficiary or his/her family by placing a notice in the local newspaper requesting the beneficiary to take occupation of the property within the period of 90 days. Moreover, in the process of beneficiary replacement, there should be issuance of Legal Notice, for beneficiary to be fully replaced.

Should the beneficiary not respond within the given period then, he/she is in breach of contract since he/she has not taken transfer of the property. The sale can therefore be cancelled, and the property be reallocated.

3.2 SCENARIO 2

When a subsidy has been approved and the beneficiary has taken transfer of the property but the Municipality cannot find him/her to sign the happy letter.

POLICY PROPOSALS

In this case the Municipality working with the Department of Human Settlement must try to locate the beneficiary or his/her family at the last given address allowing the beneficiary a period of Ninety (90) days to respond.

The Municipality working with the Department of Human Settlement must also place a notice in the local newspapers requesting the beneficiary to take occupation of the property within the period of ninety (90) days.

Should the beneficiary not respond within the given period; the Municipality working with the Department of Human Settlement can furnish a confirmation indicating that all reasonable and necessary steps have been taken to locate the beneficiary.

The confirmation should also declare that a notice was placed in the local newspapers and a copy of notice should be made available.

There remains the possibility that the beneficiary cannot be traced whilst the property has been transferred into that beneficiary's name. Such situation implies that an empty house will be exposed to vandalism.

Once the Municipality working with the Department of Human Settlement have followed the necessary procedures, the completed house will be handed over to another potential beneficiary.

Another option, the house can be rented out to another potential beneficiary and the Municipality will be liable for maintenance of the property whilst the Municipality working with the Department of Human Settlement are following due legal processes for de-registration or expropriation.

4. PROCEDURE ON DECEASED BENEFICIARIES

The procedure on deceased beneficiaries will apply:

4.1 SCENARIO 1

If a sale agreement has been concluded with a beneficiary but the beneficiary's subsidy application for a subsidy has not been approved by the National Department of Human Settlements.

POLICY PROPOSAL

The sale should be cancelled and site be reallocated.

4.2 SCENARIO 2

If a sale agreement has been concluded and the deceased beneficiary's subsidy application has been approved.

The Municipality working with the Department of Human Settlement must find out the deceased beneficiary dependants. If the deceased beneficiary's spouse or other dependant is over the age of 18 years, then the beneficiary should be replaced and the process continued thereafter.

5. WITHDRAWING BENEFICIARY NAMES FROM THE SYSTEM

The persons whose names appear on the approved list and have been unfounded after a series of steps have been taken should be reported to the Department of Human Settlements for withdrawal.

6. REPLACEMENT OF BENEFICIARIES BY THE BENEFICIARY ALLOCATION COMMITTEE

National guidelines on allocation of beneficiaries should remain as the regulatory framework in alignment with Municipal beneficiary replacement policy. The Municipal Beneficiary Allocation Committee shall source the potential beneficiaries for replacements from the National Housing Needs Register as required by the guidelines