

Disclaimer

This precedent is given to Members in good faith and subject to a disclaimer concerning any possible damages or loss suffered by members or their clients.

SALE OF LAND ON INSTALMENTS

(Date)

Mr A. Purchaser
(Address)

Dear Sir

OFFER LETTER AND QUOTATION: COST OF CREDIT
(in terms of Section 92 of the National Credit Act, 2005 ("the NCA"))

Comment [SF1]: NCA section 92(2);
NCA Regulations 29 and 31

We hereby offer to sell to you the undermentioned property upon the following terms and conditions:

| QUOTATION / COST OF CREDIT | |
|---|--|
| Name of Credit Provider / Seller: | (“the Seller”) |
| Contact Details of the Seller: | Tel: Fax: Email: |
| National Credit Registration Number and Status (if applicable): | (Registered Credit Provider) |
| Name of Purchaser: | Identity No. Marital Status - |
| Contact Details of Purchaser: | Tel: Fax: Email: |
| Name and Identity Number of Purchaser's Spouse (if married in community of property): | Identity No. |
| Type of Agreement: | Instalment Sale Agreement (“the Contract”) |
| Description of Immovable Property | (“the Property”) |
| A - PURCHASE PRICE: | R (Rand) |
| B - VAT | R (Rand); or |
| B - TRANSFER DUTY: | R (Rand) |

| | |
|--|--|
| C - ADDITIONAL CHARGES: | |
| 1. Initiation Fee (Purchaser can elect to make payment separately): | Nil |
| 2. Transfer Fees: (this is the estimated fee for the recording of the Contract against the title deeds of the Property and the conveyancing fee for the transfer of the Property into the Purchaser's name. The transfer fees are calculated on the Purchase Price in accordance with the conveyancing fee guidelines recommended by the Law Society of South Africa ("the LSSA"), and include Deeds Office fees, postages, disbursements and VAT). | |
| TOTAL ADDITIONAL CHARGES: | R |
| PRINCIPAL DEBT (A + C1) | R |
| D - SERVICE FEE: | Nil |
| E - ESTIMATED ANNUAL RATES: | R |
| F - INSURANCE: | |
| INTEREST (to be charged on purchase price only): | |
| 1. Applicable annual interest rate: | Prime Rate charged by _____ Bank Limited |
| 2. Prime Rate: | Variable (Currently _____ % per annum) |
| 3. Initial Annual Interest Rate: | _____ % |
| G - RAND VALUE OF INTEREST FOR THE DURATION OF THIS AGREEMENT: | R (estimate) |
| TOTAL COST OF CREDIT (C1 + D + F + G): | R (estimate) |
| TOTAL AMOUNT PAYABLE TO SELLER (A + C1 + D + F + G): | R (estimate) |
| INSTALMENTS: | |
| 1. Amount of each instalment: | R |
| 2. Number of Instalments to be paid: | |
| 3. Frequency of Instalments: | |
| 4. Duration of Agreement: | _____ months |
| 5. Residual / Final Instalment: | Full outstanding balance |
| 6. Date of First and Final Instalments: | The first instalment shall be paid on _____. The final instalment shall be payable on expiry of the term of the agreement. |
| 7. Method of Payment: | Debit Order |
| TOTAL OF ALL INSTALMENTS: | R |
| TOTAL AMOUNT PAYABLE TO THIRD PARTIES (B + C2 + E) | R (estimate) |
| SECURITY TO BE PROVIDED: | |
| 1. Suretyship/s: | |
| 2. Other: | |
| THIS QUOTATION IS VALID FOR FIVE DAYS FROM DATE OF RECEIPT HEREOF BY THE PURCHASER | |

Comment [SF2]: NCA section 103

STATEMENT OF MARKETING OPTIONS

In terms of Section 74(6) of the NCA, the Seller is obliged to provide you with a statement of marketing options. In each case, please circle your preference in the appropriate column and initial in the space provided.

| | | | | |
|---|--|-----|----|---------------|
| 1 | I would like to be included in telemarketing campaigns conducted by or on behalf of the Seller (the Seller currently does not conduct telemarketing campaigns) | Yes | No | _____ Initial |
| 2 | I want to be included in customer or marketing lists that may be sold by the Seller | Yes | No | _____ Initial |

| | | | | |
|---|---|-----|----|------------------|
| | (the Seller does not sell client lists and treats all client information as confidential) | | | |
| 3 | I want to receive the Seller's marketing communication via email or SMS | Yes | No | _____ Initial |
| 4 | I confirm that my contact details in the Quotation have been correctly reflected | Yes | No | _____ Initial |

TERMS AND CONDITIONS OF OFFER

1. PURCHASE PRICE

The Purchase Price of the Property is R () Rand) inclusive of Value Added Tax (if applicable).

2. INTEREST

Interest on the balance of the Purchase Price owing from time to time shall be levied at the variable prime interest rate recorded in the Offer Letter (currently % per annum) and shall be calculated monthly in advance.

3. DURATION OF CONTRACT

The Contract shall endure for a period of approximately () months from the last date of signature thereof.

4. INSTALMENTS

The capital and interest shall be payable in monthly instalments. The outstanding capital and interest shall be payable upon the expiry of the term of the undermentioned Contract.

5. RECORDAL

The sale of the Property is subject to:

- (a) the Purchaser signing a Sale Agreement ("the Contract") with the Seller to record the terms and conditions of the sale; and
- (b) The Contract being recorded against the title deeds of the Property in terms of Section 20 of the Alienation of Land Act of 1981 ("the ALA").

6. SPECIAL CONDITIONS

- (a) The Purchaser shall not be entitled to fix the interest rate applicable to this transaction.
- (b) Should the Purchaser fail to pay any amount due in terms of the Contract, the Seller will have the right, without prejudice to the Seller's further or alternative rights and remedies, to charge penalty interest, in addition to any other interest payable in terms of the Contract, on all amounts owing from the date those amounts become due and payable until the date of payment thereof (both dates inclusive), calculated at the highest interest rate applicable under this agreement.

7. COSTS

Subject to the NCA, any legal costs incurred by the Seller should the Seller be obliged to institute legal proceedings against the Purchaser will be for the Purchaser's account. Such costs will be calculated on the attorney and own client scale and shall include collection commission.

8. VARIATION OF INTEREST, CREDIT FEES OR CHARGES

- (a) The rate of interest shall be subject to change should any law or ruling with which the Seller has to comply, result in an increase or decrease in cost to the Seller in complying with its obligations under the Contract.
- (b) Notwithstanding anything to the contrary contained in the Offer Letter, should there be a change in any law, regulation, ruling, directive, policy and/or guideline or any similar event with which the Seller is compelled to comply and such compliance results in an increase to the Seller in the cost of complying with its obligations under the Contract, the Seller reserves the right to recover such increased costs from the Purchaser.

9. ADDITIONAL INFORMATION

- (a) The nominated Conveyancers are required by legislation, in particular the Financial Intelligence Centre Act, 2001, and the Prevention of Organised Crime Act, 1998, to establish the true identity of the parties to the transaction. The Conveyancers will require the documents listed below prior to the title deeds being endorsed to record the Contract:
 - (i) A certified copy of the Purchaser's identity document and of the identity document of the spouse if they are married in community of property;
 - (ii) Proof of the Purchaser's address, either by a utility bill, bank statement, Telkom account (not older than 3 months) or a recent SARS return;
 - (iii) The Income Tax number of the Purchaser;
 - (iv) The Purchaser's contact details.
- (b) The Conveyancers will be entitled to carry out certain checks to confirm identity. If the Conveyancers are not able to obtain confirmation of the Purchaser's address from these checks, the Conveyancers may request additional documentation from the Purchaser.
- (c) The Purchaser confirms that the Seller may transmit to registered credit bureaux information concerning :
 - (i) this purchase and sale and the Purchaser's indebtedness to the Seller;
 - (ii) any non-compliance by the Purchaser with the terms of this Contract.
- (d) The Purchaser acknowledges that a credit bureau will provide the Seller a credit profile and possibly a credit score on the creditworthiness of the Purchaser. The Purchaser has the right to contact the credit bureau to have the credit records disclosed and to correct any inaccurate information.

10. ACCEPTANCE OF THIS PROPOSAL

The Seller's offer to sell the Property to the Purchaser is based, *inter alia*, on the information furnished to the Seller in response to a bona fide enquiry by the Purchaser regarding the Property. After acceptance of the offer the Seller reserves the right to withdraw this offer by written notice to the Purchaser should any fact or circumstance become known or arise which in the Seller's opinion would have caused the Seller not to offer the Purchaser the Property had it been known or had it arisen before the date of the Offer Letter.

This offer expires 5 (five) days after receipt by the Purchaser of the Offer Letter and Quotation and is conditional upon the Purchaser's acceptance of all the terms and conditions contained in the Offer Letter and Quotation. Should the Purchaser decide to accept the Seller's offer the Purchaser must sign the duplicate of the Offer Letter and Quotation, initial each page and return it to the Seller together with the signed Contract.

Should the Purchaser have any queries, please contact _____ on _____.

Yours faithfully

Duly Authorised

ENDORSEMENT

The Purchaser agrees to the terms and conditions of the Purchase and Sale as set out in the foregoing Offer Letter and Quotation dated _____.

IDENTITY NO.:

DATE

WITNESS

DATE