

Housing Advance Scheme





The main aim of superannuation is to ensure people save for a financially secure lifestyle in retirement. Because of this, there are restrictions on withdrawing money from your super account.

However, if building a home of your own is your dream, then being a Nambawan Super member may just be the way to make it your reality.

The Papua New Guinea super laws recognise the need for appropriate housing in our society. They provide a way for people to access their personal contribution to their super savings before retirement – the Housing Advance.

Eligibility

There are two essential criteria you must meet to apply for a Housing Advance.

5-years of membership

If you have been contributing to an authorised super fund, such as Nambawan Super for at least 5 years, you may be eligible to apply for an advance of up to the total amount of employee super contributions you have made.

While the housing advance does not include any interest component or amount from your employer's contributions, it does include the voluntary contributions you have made.

Principal residence

The housing advance can only be used to finance your principal residence. This is defined as the house that you live in and go to work from. The only exception to this rule is if you are within 5 years of reaching retirement age, and are securing a house to live in after you retire.

If you are purchasing an existing home and the Housing Advance will not be enough to buy the house outright, you can put the Advance towards the equity component you are likely to need to obtain a loan from a bank or other financial institution.



Build, buy or improve

If you meet the eligibility requirements and are granted a Housing Advance, you can use it to purchase an existing house, construct a new house or undertake renovations, extensions or improvements. If you are planning to build or renovate, the maximum amount of the Advance you can use for the labour cost is K600.

Renovations & extensions

If you are planning to use the Housing Advance to renovate, extend or improve your principal residence, your application will need to include:

- Evidence that you own the property. For example, a copy of title to residential lease, state lease, copy of lease, transfer or NHC confirmation letter.
- A photograph of the house.

Purchase or construction

For the purposes of the Housing Advance you can purchase a house on State Land, or you can construct a house on State or Customary Land.

Customary land

If you plan to build on customary land, your Housing Advance application will need to include:

- A Clan Land Usage Agreement, written approval from the clan elders, confirming the land has been made available for you to use.
- A firm and valid quotation from a hardware supplier approved by Nambawan Super, itemising the materials to be used in the construction.
- A Statutory Declaration affirming the cost of labour you will incur on the construction.
- A plan of the building.

State land

If you are planning to build on state land you already own your application will need to include:

- A firm and valid quotation from a hardware supplier approved by Nambawan Super, itemising the materials to be used in the construction.
- A Statutory Declaration affirming the cost of labour you will incur on the construction.
- A plan of the building.

If you are buying an existing house, house and land package or land it must be on state land, your Housing Advance application will need to include:

- Evidence that the Vendor has clear title over the property; and,
- A copy of the bank loan approval (if the Housing Advance will not be enough to cover the purchase price of the house).



Receiving and Repaying a Housing Advance

There are strict guidelines around receiving and repaying a Housing Advance to ensure members are legitimately using funds for housing purposes.

How your Housing Advance funds are applied

- If you are buying the property, your Housing Advance will be paid directly to the vendor.
- If you are building, renovating or extending, your Housing Advance will be paid directly to the approved suppliers specified in your application.
- Where you require equity to qualify for a bank loan, a cheque will be raised to the bank providing the loan.

Repayment requirements

Remembering that the primary aim of superannuation is retirement saving, you are required to repay your Housing Advance.

- The repayment is made as an extra 2% contribution, on top of your normal 6% employee super contribution. The extra 2% will be used to offset the amount advanced to you.
- Before Nambawan Super can release the cheque for the Advance, you must provide a pay slip to confirm that the repayment arrangements have been established and the first repayment has been deducted from your pay.
- If you exit Nambawan Super, any balance outstanding from your Housing Advance will be deducted from your final benefits.
- If you sell the residence, you must repay any outstanding Housing Advance balance in full.
- Members can make additional lump sum repayments directly to Nambawan Super to pay their outstanding balance more quickly.



The approval process

Housing Advance approvals are not automatically granted. The Trustee of Nambawan Super must make sure they meet the guidelines set down in the legislation. Each application is screened carefully before a decision can be made.

Completing your Housing Advance Application form

Forms are available from Nambawan Super head office, all Branches around PNG and can be downloaded from the Nambawan Super website:

www.nambawansuper.com.pg

In addition to the information required on the application form, you will need to supply the following documents:

- A certified copy of photo ID that also shows your signature (for example, drivers licence or work ID card).
- A copy of a pay slip that confirms the first Housing Advance payment has been deducted from your pay.
- A letter of identification from your employer.
- The Statutory Declaration that forms part of the application form.

As long as all the necessary information and supporting documents are provided, we aim to process Housing Advance applications within 2 weeks of receiving them at our head office.

Eligibility checklist

Before you fill in your application for a Housing Advance, make sure you can tick off each of these eligibility requirements.

- I have been contributing to an authorised superannuation fund for at least 5 years.
- I am applying for an advance of my personal super contributions only.
- If I have had a Housing Advance previously it has been repaid in full.
- If granted, my Housing Advance will be for the purpose of building, buying or renovating/ extending/improving my principal residence.
- I acknowledge I will be required to pay back the Housing Advance by contributing an extra 2% of my pay, over and above the 6% compulsory employee super contributions. If I leave the Fund before the Housing Advance is fully repaid, I understand the outstanding balance will be deducted from my super benefits. If I sell the residence I will have to repay any outstanding balance.
- I understand that the Housing Advance will be paid directly to the vendor (purchasing a house) or approved suppliers (constructing a house), specified in my application and directly to the financial institution in the case where the Advance will be used as equity for a loan.



National Member Service Network



1. Alotau – Ground Floor, Chascorp Building	12. Kundiawa – Post PNG
2. Arawa – Post PNG	13. Lae* – Ground Floor, Nambawan Super Haus
3. Buka – Ground Floor, Go-Well Building	14. Madang – Post PNG
4. Daru – Tobest Security Services	15. Manus – Post PNG
5. Goroka – Lvl 1, Henganofi Development Corp Building	16. Mendi – Post PNG
6. Mt. Hagen* – Ground Floor, Gapina Building	17. Popondetta – Ground Floor, Opic Building
7. Kavieng – Durima Haus	18. Port Moresby* – Lvl 1, AOPI Center
8. Kerema – Post PNG	19. Vanimo – Post PNG
9. Kimbe – Lvl 1, KBSA Building	20. Wabag – Post PNG
10. Kiunga – Post Office	21. Wewak – Post PNG
11. Kokopo* – Lvl 1, Sing Wo & Sons Building	* Regional Office

For more information visit your nearest Member Service Centre, or:

 nambawansuper.com.pg

 Free call 180 1599

 Download app

Disclaimer: This information is for general purposes and should not be taken as professional advice. Members are encouraged to seek independent legal and financial advice regarding their unique circumstances. Nambawan Super is not liable for any loss caused - whether due to negligence or otherwise - arising from the use of, or reliance on the information provided.

