

### What is the Intuthuko Equity Fund (IEF)?

In a nutshell, IEF is a mezzanine finance product that helps new entrants to the affordable property market to access senior debt finance from TUHF and uMaStandi.

In particular, IEF assists previously disadvantaged individuals (PDIs) who have the drive to become property entrepreneurs in our areas of finance but lack the equity – or deposit – needed to access senior debt finance.

In situations like this, property entrepreneurs can apply to IEF for a contribution towards the mandatory minimum equity or deposit required for loan approval by either TUHF or uMaStandi.

While entrepreneurs still need to contribute a portion of the equity requirement, the fund helps to bridge the gap up to a maximum amount of R2.5 million.

### Frequently Asked Questions

#### Can I apply for IEF without a TUHF or uMaStandi loan?

No. Before an entrepreneur can apply for IEF, they must first get approval for a TUHF or uMaStandi loan. Based on TUHF's or uMaStandi's property and applicant feasibility check, a decision as to whether or not the applicant qualifies for IEF, and for what percentage of the equity needed, they qualify.

#### Will IEF cover the full 20% of the equity?

No. The applicant will still need to make a contribution towards the equity and/or deposit requirement in earnest, unencumbered cash.

#### Can I use my current property as equity for my 20% contribution?

Yes, provided that the property is located within an area that we finance. You can access the areas that TUHF finances by visiting our website.

#### Can I take a loan from the bank in my personal capacity, and use that towards equity?

This is not advisable because:

1. It affects your credit score.
2. It affects your ability to service your loan with TUHF or uMaStandi. You will have more monthly expenses because you will be paying back instalments for the personal loan as well as your loan with TUHF or uMaStandi; over and above your IEF mezzanine loan.
3. Personal loans are expensive to service.

IEF is designed to help property entrepreneurs who have the passion and acumen to run a successful rental property business, and the willingness to invest what they can, to gain entry to the property market. It's one of the ways TUHF and uMaStandi work to create inclusive growth opportunities in our market niche.



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