

# Selling Your Bonded Property?



## Notify Your Bank Immediately

The banks are charging penalty interest if they are not given 3 months' notice of intention to cancel a bond. The penalty is calculated on a pro-rata basis. For each month where the notice period falls short, the penalty fee is equal to one month's bond repayment. Therefore it is beneficial to notify your bank of your intent to sell as soon as you decide to do so.

The notification will be valid for the following periods of time for each bank:

- **ABSA - 180 days**
- **Standard Bank - 90 days**
- **Nedbank - 12 months**
- **FNB - 6 months**

The notice period does not expire as soon as a cancellation instruction has been issued to the conveyancer.

## How do I notify my bank of my intent to cancel my bond?

When cancelling your bond, you will need to give your bank the following information:

- **Full names and ID's of Bondholders;**
- **Bond account number; and**
- **Legal Description of property - Erf number / Sectional title name and unit number.**

You can contact your bank via the following channels:



At any ABSA Branch; or Call 0860 023 646; or Fax a letter to 0860 109 303.



At any FNB Branch; or Call 087 730 11 44; or E-mail: [homeloans@fnb.co.za](mailto:homeloans@fnb.co.za)



At any Nedbank Branch; or Call 0860 555 111



At any SBSA branch; or Call 0860 123 001; or E-mail: [homeservemailbox@standardbank.co.za](mailto:homeservemailbox@standardbank.co.za)

## When do the bond cancellation penalties not apply?

There are some circumstances where the 90-day notice period may be waived by the bank, which include:

- If a new property is purchased and another bond is taken out with the same financial institution;
- Sequestration (when the estate of a person is sequestered because the person is insolvent); or
- Deceased estates.

## I have notified my bank - what happens now?

Your bank will instruct a Bond Cancellation (“BC”) attorney to attend to the cancellation, giving the attorney the exact cancellation figure, which includes:

- The month-end balance prior to cancellation figures being issued.
- 90 Days interest (if applicable)
- The homeowner’s insurance premiums that would have been debited to the bond account in the next 6 months (this is done to ensure that the property is insured until transfer takes place, and only if applicable);
- The credit life assurance premiums that would have been debited to the bond account in the next 6 months (this is done to ensure your life remains assured until transfer takes place, and only if applicable); and
- All the legal costs, interest and/or early settlement charges.

**Thinking of selling your  
bonded property?  
Contact us for a free home  
loan prequalification for  
your next property.**

