



Home Loans

EASE THE BURDEN OF TAKING CARE OF A LOVED ONE'S ESTATE

see money differently

NEDBANK

LOSING A LOVED ONE

Amid the emotional turmoil of suffering the loss of a family member, spouse or close friend, a number of practical tasks have to be carried out. However, the majority of us have no idea what these tasks entail.

At Nedbank, we understand that you may not know where to start and you may be feeling lost. That's why we have created this guide to help you through the process and, hopefully, answer all your questions. Let's start by taking a closer look at the term 'estate'.

DEFINING 'ESTATE'

Reporting the death of a person is also referred to as 'reporting the estate'. In this particular context 'estate' refers to the deceased's assets and liabilities. If there are any funds left after all creditors have been paid – in other words, after all liabilities have been taken care of – it will be given to the beneficiaries or heirs named in the will of the deceased.

STEPS IN WINDING UP AN ESTATE

The steps below may seem daunting to you. However, remember that any reputable undertaker will be able to assist and guide you through the process.



Step 1: Obtaining a death certificate

If your loved one passed away in a hospital, the medical practitioner will complete a BI-1663 form (notification of death) to certify the person as deceased. When this form is completed, the hospital will give a copy to the next of kin.



If your loved one did not pass away in a hospital, the mortician will complete the form and hand it to the next of kin.

The BI-1663 form, with the deceased's original valid identity card/document, must now be taken to the nearest office of the Department of Home Affairs.

The Department of Home Affairs will then issue the death certificate.

Please note

- Everything else in the process depends on having the death certificate. It is therefore important to get this as soon as possible.
- It is important that the funeral home or the Department of Home Affairs stamps 'Deceased' on the identity card/document of the deceased.

Please note

- By law, the death of a person must be reported within 14 days of the date of death to the Master of the High Court.



Step 2: Reporting the death to the Master of the High Court

To report the death of a person, the original or a certified copy of the death certificate and the stamped valid identity card/document of the deceased are required (which you can obtain by following step 1).

The following documents, where applicable to the specific situation, will also be required:

- an original or certified copy of the marriage certificate;
- a declaration of marriage by the surviving spouse indicating the type of marriage;
- the original will and any annexures that may apply;
- a completed next-of-kin affidavit if there is no will in place;
- a completed inventory form;
- a list of the deceased's creditors; and/or
- a declaration to confirm that the estate has not been reported at another Master's office.

These documents must be taken to the Master of the High Court's office in the area where the deceased lived.

To find your nearest Master's office or for any other questions you may have you can contact the Master's Customer Care Department using any of the following channels:

- Call 012 315 1207 or 012 315 1880
- Fax 086 5444 893
- Email chiefmaster@justice.gov.za
- Visit www.justice.gov.za

Who/what is the 'Master'?

- The Master of the High Court is a branch of the national department of Justice and Constitutional Development.
- The Master's office is there, among other things, to serve the public in respect of deceased estates.
- The Master's office has five main divisions, which all strive to protect the financial interests of people whose assets or interests are, for various reasons, being managed by others.
- Visit www.justice.gov.za for more information.



Step 3: Appointing an executor

For estates valued at more than R250 000

- If an executor is not specified in the will of the deceased, the Master will appoint one on the deceased's behalf. The family may also nominate an executor if there is no will.
- The Master will issue a letter of executorship to the executor.



For estates valued at less than R250 000

- The Master will appoint a Master's representative.
- The Master will issue a letter of authority to the Master's representative.

Who/what is an executor?

- An 'executor' is a legal term referring to a person named by the maker of a will to carry out the instructions of the will.
- An executor is therefore entrusted with the responsibility of making sure that a deceased's last wishes are adhered to with regard to the distribution of his/her property and possessions.
- An executor of an estate is also responsible for making sure that any debts and creditors that the deceased had are paid off; any remaining money or property can then be distributed according to the deceased's will.



HOW THE DEATH OF A SPOUSE/PARTNER WILL AFFECT YOUR HOME LOAN

The executor will make contact with Nedbank as one of the creditors to the estate of your loved one. If you were married in community of property, you will be held jointly and severally liable for the outstanding balance on the bond account as the property forms part of your joint estate.

If the deceased had active life cover in his/her name, Nedbank will lodge a claim with the insurance company. The possible outcomes of this are:

- The claim is approved and the home loan account is settled in full. This means that the bond can be cancelled and the title to the property can be transferred to the heirs or nominated beneficiaries by the executor.
- The claim is approved and pays out, but there is still an outstanding balance on the account. This outstanding amount must be paid to the bank by the estate.
- The claim is declined, which means that there is still money owed to the bank, which the estate is liable to settle.

As surviving spouse or heir you may apply through Nedbank for a section 45 or 57 endorsement, also referred to as a 'substitution of debtor' application. In simpler terms that means that the 'name' on the title deed of the property is changed to that of the applicant only.

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Here's an example:

Mr and Mrs Smith had a joint bond. After Mr Smith's passing, Mrs Smith can apply for a section 45 or 57 endorsement, which is subject to credit approval and, if successful, the title deed will reflect Mrs Smith's name only and she will be responsible for the payments to the bond.



To apply for substitution of debtor endorsement (section 45 or 57) the following must be done:

- The application may proceed only if the executor gives permission.
- A normal credit application must be submitted, with all the terms and conditions that apply to a new home loan application.
- There are costs involved, but these are less than the costs for a new bond; in some cases the estate may pay for these costs.
- To qualify the bond and the municipal account must be up to date. All levies that apply must be up to date as well.
- The endorsement must be approved by the Master. Registration can therefore proceed only once the estate has been finalised.



If there is an amount owed to the bank, even if the home loan is not in arrears, the following options apply:

- Funds in the estate may be enough to settle the bond in full. If the account is in arrears, an acknowledgment of debt (AOD) can be signed to settle the bond over 12 months. The bond can then be cancelled and the title of the property transferred to the heirs or nominated beneficiaries.
- The executor may sell the property out of the estate. Nedbank, as the bondholder, must sign consent to the sale before the transfer can proceed. If the executor sells the property, a copy of the signed offer to purchase must be sent to the bank. The Master must also approve the sale of any property that forms part of the estate.

- The property may be sold through the Nedbank-assisted Sales (NAS) process, whereby the executor signs a mandate with NAS. The property will then be marketed for 90 days by reputable estate agents across the country.
- As a last resort, the bank has the authority to:
 - instruct the executor to sell the property at an auction in order to recover the money owing on the home loan;
 - have the executor removed through court proceedings and nominate an attorney to be appointed in order to attend to the finalisation of the estate; and/or
 - proceed with foreclosing on the property.

To help ensure the best possible outcome in respect of an outstanding home loan amount, we encourage you to contact the Nedbank Deceased Estates Department for assistance.



What if there is a refund due to the estate on the bond account?

The documents listed below must be submitted at the nearest Nedbank branch for onward transmission to Home Loans Deceased Estates at branch 9961.

Alternatively, the documents can be posted to: Nedbank Deceased Estates Home Loans, PO Box 1144, Johannesburg, 2000.

The documents are as follows:

- Original certified copies of
 - the death certificate;
 - the letter of executorship;
 - the deceased's valid identity card/document stamped 'Deceased' (both sides of the identity card must be copied);
 - the executor's valid identity card/document; and
 - the notification of death (BI-1663) form, the burial order or confirmation from the funeral parlour in writing.
- A bank-stamped estate late bank statement or cancelled cheque.
- A letter from the executor instructing Nedbank to transfer the funds to the estate late bank account.
- A power of attorney (POA), if applicable.
- The valid identity card/document of the next of kin holding a POA, if applicable.



Nedbank contact details

To report the death of a Nedbank client or **for any assistance** with regard to a Nedbank deceased estates home loan account please call us on **011 495 8911**.

To submit estate documents please **address** them to:

Nedbank Deceased Estates
Third Floor Nedbank Park I
6 Press Avenue
Selby Ext 15
2092
Johannesburg

To request the cancellation of a home loan call the Home Loans Cancellations Department on **011 495 8911**.

If you want to apply for a substitution of debtor endorsement (section 45 or 57), please visit your nearest **Nedbank branch**.