



High line process parameters

The process for money lending at Ho Hema Loans is structured to ensure responsible and efficient service for clients. Below is a typical flow outlining the key steps:

1. Initial Inquiry: The client, typically an employee, expresses interest in obtaining a short-term or advance loan. This will be done through the WhatsApp platform with an automated bot prompting the applicant to supply input data in terms of expenses and amount required. At this stage the system must advise already on the applicants qualified amount, not allowing applicants to request advance more than that amount
2. Affordability Assessment: Ho Hema Loans conducts a full affordability assessment, as required by the National Credit Act 34 of 2005, for all applications—regardless of approval outcome. Adjustable parameters will be set up within the Ho Hema software, and again all input will be done through WhatsApp.
3. Employer Engagement: Ho Hema works with the employer to establish advance credit guidelines tailored to their business and staff needs. These perimeters will be set up per customer within the Ho Hema software.
4. Application Submission: The client submits a loan application following the procedures agreed upon between Ho Hema and the employer via WhatsApp.
5. Loan Processing: The Ho Hema software validates employment with time and attendance software and withdraws important information such as ID, pay slip, and employment date from payroll system. The source reference will be the ID number.
6. Approval: Upon successful assessment, an agreement must be forwarded to employee for approval. This agreement must contain an AOD and will be legitimized through an OTP sent to the applicant. the approved loan amount is disbursed to the client, typically as an advance on wages already earned in the current wage cycle.
7. Disbursement of Funds: Once an advance has been approved the Ho Hema software will create upload into bank, and prompt Administrator for release. If immediate payment is required, the system will escalate release within time perimeters.
8. Repayment: The hosting software will create a deduction schedule with reference to the AOD amount and reference that will be sent to the payroll system at cut off. date. The option for both manual schedule reports as well as automated system integration will be necessary.

This process ensures that both the client and the employer are fully informed and that all lending practices remain compliant with regulatory requirements.



Ho Hema Product

Advance: An advance payment to a customer has no interest and only has a transactional fee. There is no interest accumulated. **Validation is done on shifts accumulated for the month**

Short Term Loan: This is a loan where payment terms do not exceed three months. Monthly interest is raised, and **validation is made against affordability, and leave accumulated**

It is important to note that Short term loans are regulated by NCR and therefor needs to be reported on under a separate basket. Advance payments are purely access to funds already earned where a short-term loan is based on surety determined by the value of the applicants leave as well as funds earned.

PRODUCT	FEES INCLUDED	VALIDATION
Advance Payment	Transactional Fee, flat rate i.e. R 60 per transaction	Value of shifts accumulated, based on days worked, capped at set parameter
Short Term Loan	Initiation Fee (percentage adjustable) but capped within NCR Admin. Fee value adjustable but capped within NCR Interest 5% in first loan within calendar year, an 3% thereafter	Validation against Shifts worked for the month as well as leave accumulated. Capped amount of 25% of shifts and full value of leave

Ho Hema Software

The Ho Hema software will integrate with the time and attendance system, for validation of shifts, as well as payroll system, for validation of employment (and associated information such as ID nr., employment date, leave accumulated etc.). It will also “house” the input data details such as affordability and ID and Bank Account details as s well as FAQ, processes and tutorial video’s.

The set up of the parameters to each client will be tailor-made. Perimeters will include.

- Short-term loans transactional fees
 - a) Initiation fee
 - b) Admin. Fee
 - c) Term
 - d) Interest is dictated to by regulation
- Advance
 - a) Transactional Fee



Engagement Platform

The engagement platform will be WhatsApp Business. This will be the only medium which will facilitate communication with the applicant. It will however integrate with the Ho Hema software and facilitate input into Ho Hema software. Response will be automated through a bot and discrepancies in input escalated to Administrator.

Detailed Process

Phase 1: Pre Set Up

Establishing Parameters

Ho Hema Loans will present to a prospective customer.

- Product Basket and Fees
- Integration
- System security
- Product advantages

During this we will establish the following parameters.

- Product offering
- Quantum Parameters
 - a) Value
 - b) Employee profile (years, grade)
 - c) Integration feasibility

Phase 2: Set up

Hosting Software set up with:

- Client Logo and names in generic docs such as welcome docs and processes and FAQ
- Loan Parameters and Calculator
- Set up WhatsApp bot with welcome note and references to customer specific docs

Phase 3: Integration

- a) Set UP integration with time and attendance and payroll system. Download employee details
- ID nr.
- Employee no.
- Date engages



- Leave accrued
 - Rate of pay
 - Phone Number
- b) Integration into payroll for deduction schedule
- c) Integration into bank



Process Steps

Step 1 Introduction

All employees with details downloaded as per set parameters receives a WhatsApp with introduction communication from Ho Hema. Below example with two dropdowns:

DROPDOWN

- a) I AM INTERESTED TO KNOW MORE
- b) I WOULD LIKE TO APPLY

Hi Mr Sindane
Ho Hema has been mandated to offer (either advances and or short term loans) to (customer name) employees. If you are interested please reapon by enterring your Id no. If you would like to know more please tabe on the I would like to know more button

09:05 ✓✓

- a) I AM INTERESTED TO KNOW MORE

DROP DOWN

- WHO IS HO HEMA LOANS
 - WHAT DO WE OFFER
 - OUR RATES
 - HOW DOES IT WORK
 - I WOULD LIKE TO APPLY
- b) I WOULD LIKE TO APPLY

Step 2 Application

- c) I WOULD LIKE TO APPLY

DROPDOWN

- a) SHORT TERM LOAN
- b) ADVANCE PAYMENT

1. SHORT TERM LOAN

1. Enter ID No
 2. Please upload picture of ID
- System **Validates** active employees against ID nr
Pulls all relevant information from **payroll**
- Employee no
 - Phone number



- Remuneration for three months
 - ID no
 - Leave accumulated
 - Bank account no
- Pulls all relevant information from **T&A** system
- Shifts accumulated

Note

(Calculates shifts accumulated against rate to determine wage due)

3. ID validation successful
- WhatsApp

Welcome Mr Sindane and thank you for your interest. We will quickly complete your application. Please fill in the following details:
What is your company number?

09:25 ✓✓

DROPDOWN

a) Applicant enters company number (Next level validation against employee number)

b) I DO NOT KNOW MY EMPLOYEE NUMBER

System validated against phone number

1. Thank you what is your salary before deductions? 09:29 ✓✓
2. Thank you, please enter your expenses

DROP Down BELOW

Expense	Amount
Property Rental	0.00
Utilities (Water / Electricity)	0
Groceries	0.00
Transport / Fuel	0.00
Communication / Cellphone Airtime / Data / Wifi	0.00
School Fees	0
Childcare / Creche	0
Medical Aid	0
Medication	0
Debt Repayments - Not listed on Credit Bureau	0
Insurance - Funeral / Car / Household	0
Entertainment	0.00
Clothing / Footwear	0.00
Savings / Stokvel Contributions	0
Household Maintenance	0



Note

In the back ground system confirms downloaded remuneration and does calculation based on expenses

DISCRETIONARY INCOME = Total take-home Income - Total NCA : Living expenses - Total Credit Bureau : Monthly Expenses - Total Bank Statement : Monthly Expenses

Total take-home Income - Total NCA:	5544.00	
(Less) : Living Expenses - Total NCA Declared:	0.00	
(Less) : Monthly Expenses - Total Credit Bureau:	0	
(Less) : Monthly Expenses - Total Other:	0.00	
TOTAL: NCA - Min Expense Norms for living expenses calculation:	1124.00	<input type="checkbox"/> Use Customer Declaration
Total Expenses:	0.00	
(Equals) : DISCRETIONARY INCOME:	4420.00	

Credit Amount

4420.00

Step 3: Quote

Thank you Mr Sindane. Based on the information received you qualify for a loan amount of up to (x amount based on paremeters and affordability)How much do you need?

09:50 ✓

DROPDOWN

- A. (BOX NOT ALLOWING APLICANT TO ENTER MORE THAN Max AMMOUNT REFERRED TO

System calculated repayment amount and send quote
Quote has detailed breakdown of all fees and term

New Customer Agreement

Exit Wizard

Credit Profile Affordability Agreement Installment Complete

Term	Installment Due	Deferred Amount	Admin	Interest	VAT	Payment	Balance
1	02/10/2025	8850.00	56.13	14.55	0.00	2445.30	6471.38
2	02/11/2025	6471.38	60.00	346.50	0.00	2449.30	4428.59
3	02/12/2025	4428.59	60.00	226.72	0.00	2449.30	2268.01
4	02/01/2026	2268.01	60.00	121.29	0.00	2449.30	0.00
		2268.13	711.05	6.00		9797.18	

Previous Next

B. I AM NO LONGER INTERESTED

DROPDOWN

1. I AGREE PLEASE SEND CONTRACT
2. I AM NO LONGER INTERESTED

Thank you please confirm bank account details 10:26 ✓✓

DROPDOWN

- Account Holder
- Bank (Dropdown)
- Account Number

System verifies this against payroll, must be same

Step 4: Contract

System send contract

DROPDOWN

1. AGREE WITH TERMS AND CONDITIONS PLEASE SEND OTP
2. I AM NO LONGER INTERESTED

Thank you, please choose a reason 10:18 ✓✓

I DO NOT AGREE WITH TERMS
I NO LONGER NEED THE MONEY

AGREE WITH TERMS AND CONDITIONS PLEASE SEND OTP

System Send OTP

Please enter OTP within two minutes 10:34 ✓✓

Applicant enters OTP



Step 5: Deduction Schedule

System adds all employee deductions to schedule

- Per employee number
- Name and surname
- ID number
- Deductible amount
- Term
- Unique ref. Number

Step 6: Payment of Funds

System generates Payment amount

Generates schedule

Upload schedule into bank

Release payment in batch