



# Buy Your Own Home

A – Z Guide – All the tools and tips – to buy your home





## The Big Question

### Why Do You Not Own Your Own Home?

- The lack of money
- Not sure how it all works
- Not ready yet
- A negative credit score
- A bank will not approve my home loan application
- The National Credit Act and the strict criteria

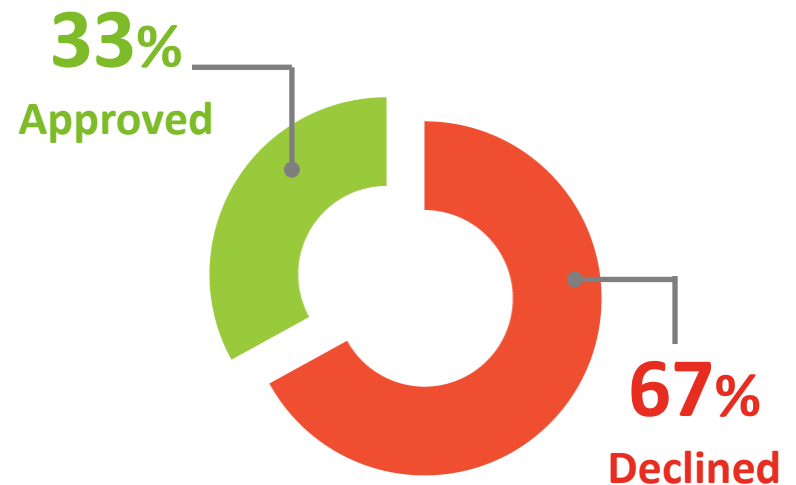
You may be put off by negative statistics to get a bond

### An Analysis Of The Volume Of Home Loans:

#### Approved vs Declined

Out of 1 000 applications submitted:

**50%** of applications are **not even considered** as they are too trapped in debt



### Facts And Stats

**52%** of all new loan applications are **received from first-time buyers**



First-time buyers have **little knowledge or education** on how to go about buying their first home and to applying for finance



Further hurdles are over-indebtedness, **account conduct** and **affordability**



# How To Get A Home Loan?

Your **'profile'** determines if you qualify for a home loan or not. There are three main important factors to consider:



## Income & Affordability



## Credit Behaviour



## Security Provided

### Convince the bank that you can repay the loan:

- Do you have a steady and sustainable income?
    - Pay-slips to support your application.
    - If you work for yourself – you may need to provide more supporting documents e.g. management accounts, income and audited financial statements.
  - Where does your income come from?
    - Is it your own income or do you have a second buyer whose income will be added?
    - Do you rely mainly on 'other types' of income – like commissions, overtime, investment income, rental or pension money?
  - How much can you afford to pay back each month?  
For every R100 000 that you want to borrow – you need to show ± R3 000 per month income.
  - What are your credit, household and lifestyle commitments?
- 
- What are your spending and repayment patterns?
  - Are there any late or non-payments?
  - What are the balances outstanding on current accounts?
  - What deductions are showing on your salary advice – insurance policies or emolument orders and garnishee orders?
  - Are there any notices on your credit report?
- 
- What type of property are you buying – sectional title, a free standing house or a vacant piece of land?
  - Do you have a deposit to 'put down' and reduce the risk for the bank?
  - The size, zoning and type of property you are buying.
  - The 'loan to value' of the property – called the LTV.



## How The Course Will Be Implemented

### The Workshops Consists Of:

- 3 Workshops
  - Credit profile & how to improve your credit score and negotiation power
  - Income vs Affordability
  - Purchase Power

On completion - you will receive the E-Learning course:

- 6 x Module E-learning course
  - You will receive education material 4 times per month
  - Each month will focus on different topics
  - You will complete regular quizzes and tasks on topics to assess your progress
- Webinars
- Tool to manage your budget on your mobile phone
- Budget and Affordability Calculator
- Upgrade if you require a personal trainer

### The E-Course Will Cover:

- Improve your credit rating and credit profile
- How to create and manage your own budget
- Know what you can afford
- Your rights and duties as a homeowner
- How to identify the best estate agent and property to buy
- The legal document and terms and conditions involved to submit an offer to purchase
- Performing a due diligence on the property you want to buy
- How to apply for finance and approach a bank for a loan
- The transfer and registration process – the role
- Moving into your property; your rights and obligations





# The Course Outline:

## Your Credit Profile & Score

- The importance of a credit report
  - Get your credit report
- Understand and analyse your credit report
- Identify and repair mistakes
- Improve your credit rating

## Your Affordability

- What is affordability & calculate what you can afford
- Identify your most expensive debt & consider responsible debt consolidation
- Know the criteria banks use to grant home loans
- Keep budget fit through our social media platforms and link-ups

## Legalities

- Estimating property value
- The role of an estate agent
- Legal documents explained
- Terms and conditions explained
- The role of a Conveyancing Attorney
- The protection of money paid into an attorney's 'Trust Account'
- How ownership is passed from seller to buyer
- The transfer process
- The Financial Intelligence Centre Act
- FICA requirements required from a buyer

Step 1  
Workshop  
&  
E Learn



Step 2  
Workshop &  
E Learn



Step 3  
Workshop  
&  
E-Learn



Step 4  
E-Learn



Step 5  
E-Learn



Step 6  
E Learn



The 6-Step  
Process

## Your Budget

- Importance & how to create a budget
- Identify your expenses
- Manage and track your budget; Income vs expenses
- Analyse your spending
- Adjust your budget to find savings
- View your overall spending for each month

## Maintenance & Responsibilities Of A Homeowner

- Using reputable service providers
- Improve the value of your home
- Understanding your rights, duties and obligations as a homeowner
- Rates and taxes
- Maintenance
- Pre-purchase inspection reports
- Identify defaults before you buy
- Negotiate a "better price"
- Protection against latent and patent defects and the 'voetstoots' clause

## Financing & Concluding The Purchase Transaction

- Signing the Offer to Purchase
- Applying for finance
- The transfer & bond registration process
- Handover process & occupation
- Mortgage originators
- Banks & lending institutions





# Home Owners Education - Role-player and Contributors

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Finance Linked Individual Subsidy Plan Information and Assistance Service



*"An initiative of the  
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Be responsible  
Learn to manage your own finances  
Make informed financial decisions.  
Be confident in your negotiation skills,  
Change past behavioral patterns and  
reduce the burden of debt.

## Take The First Step To Owning Your Own Home:



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