



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

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**

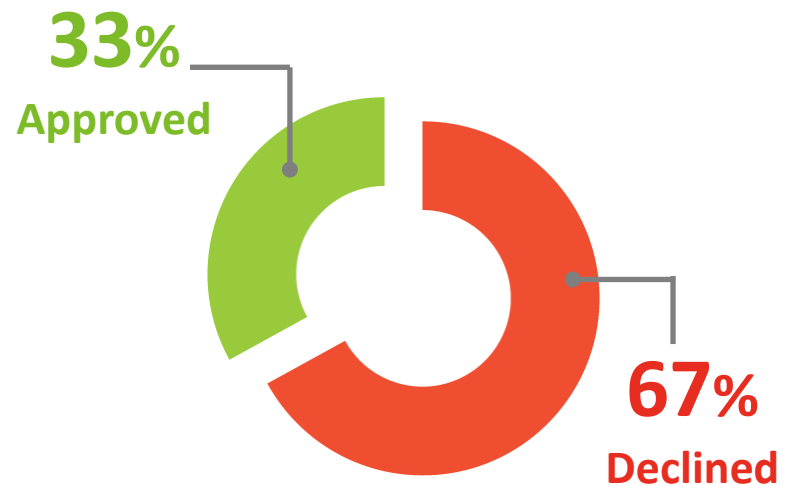
You may be put off by negative statistics to get a bond

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





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 \pm 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?
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- 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
- 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



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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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