



Buy Your Own Home

Education For First Time Home Buyers And Owners

consumer**housing**education.co.za





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

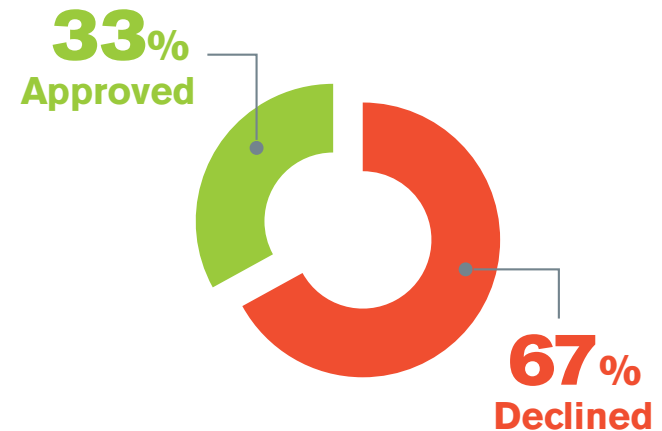
You may be put off by negative statistics to get a bond

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 apply 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

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 a lot more supporting documents e.g. management accounts, income and audited financial statements.
- Where does 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 type' 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?



Credit Behaviour

- 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?



Security Provided

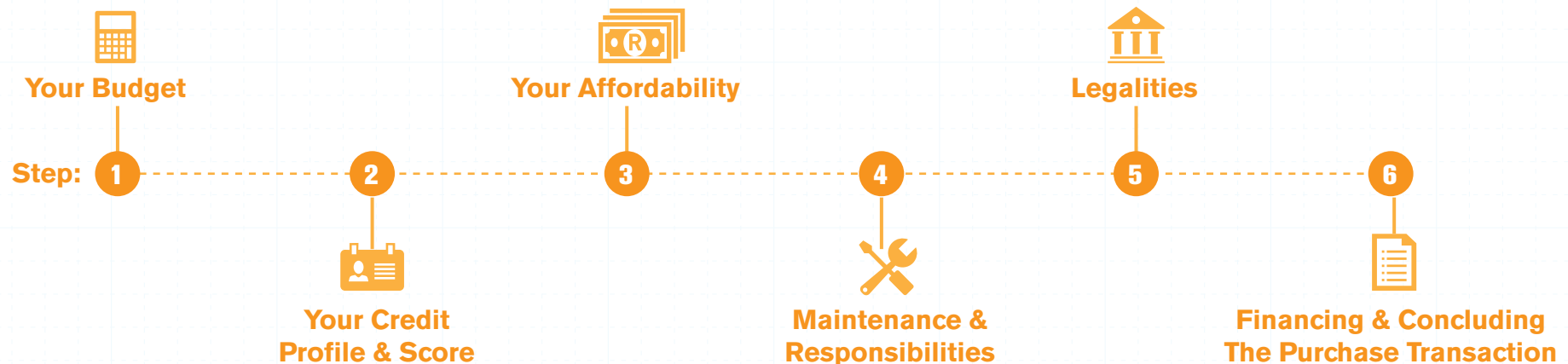
- What type of property are you buying – sectional title, a free standing house or a vacant piece of land?
- Do you have a deposit to 'put down' and reduce the risk for the bank?
- The size, zoning and type of property you are buying.
- The 'loan to value' of the property – called the LTV.



The Course Will Cover:

- How to create and manage your own budget
- Improve your credit rating and credit profile
- Know what you can afford
- Your rights and duties as a home owner
- How to identify the best estate agent and a 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 and duties of the attorney
- Moving into your property; your rights and obligations

The Course Outline:



How The Course Will Be Implemented

The First Time Buyers course consist of e-learning combined with software and an easy to use budgeting tool. Plus a personal call once a month.



The Course Consist Of:

- 6 Step e-learning course
- You will receive education material 4 times per month
- Each month will focus on a different topics
- You will complete regular quizzes and tasks on topics to assess your progress
- Follow up call once a month
- Upgrade if you require a personal trainer



Timeline Of The Course

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

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-up's

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



Step 2



Step 3



Step 4



Step 5



Step 6



The 6 Step Process

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

Maintenance & Responsibilities Of A Home Owner

- Using reputable service providers
- Improve the value of your home
- Understanding your rights, duties and obligations as a home owner
- 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
- Hand over process & occupation
- Mortgage Originators
- Banks & lending institutions



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Strategic Role-Players

- National Government
- Local Government
- Local Authorities
- City Of Cape Town
- Financial Institutions
- Property Developers
- Land Owners
- Estate Agency Affairs Board
- Law Society
- Attorneys Fidelity Fund
- Corporate Entities
- Private Entities
- Community Leaders & Forums



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THIS CITY WORKS FOR YOU



BETTER TOGETHER.

But The Most Important Stakeholder Is:

You, The Buyer!





How To Get Started

You can start the 6 step first time buyers course at any time and the course only costs R500.

R500 Payment Can Be Made To Our Attorneys:

Acc Holder: Oosthuizen & Co Meyer de Waal Inc

Acc: 072 180587

Bank: Standard Bank,

Branch: 050 2190

Please forward proof of payment with **reference number** to Juanita at admin@budgetfitness.co.za

For More Information Contact:

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Email: admin@budgetfitness.co.za

Web: www.consumerhousingeducation.co.za

Be responsible and learn to manage your own finances and make informed financial decisions. Be confident in your negotiation skills, change past behavioural patterns and reduce the burden of debt.

Take The First Step To Owning Your Own Home:



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