

Rent2buy Finance is a solution – plan B – for a home buyer who is almost ready for a home loan to buy his or her property.

Rent2buy will buy the property on behalf of the home buyer, keep it for 24 months with a price “freeze” (a nominal amount is added to the purchase price) and just before the expiry of the 24-month R2B term, the purchaser can decide to either:

- convert the rental into an Instalment sale, (and pay off the purchase price & take transfer +/- 15 years later)
- or apply for a home loan and take transfer. (as soon as possible after the home loan is approved)
- or – sell the property and retain the profit.

Terms and conditions apply.

### PILOT PROJECT

The R2B Finance pilot project was launched late in 2017 and is available in Cape Town Metropole, Bloemfontein and Gauteng - in the price range of R400 000 – R1,8 million.

### WHO CAN BE A R2B FINANCE CLIENT?

#### CREDIT SCORE

The first “check” is the credit score of the applicant/s.

We advise all R2B applicants **before** they spend money to pay for a full R2B Finance application process to **first do a free credit check** on the **free online platform** <https://r2b.mybondfitness.co.za> If your credit score is low or bad and/or you know that you have in the recent past slipped up to make your payments on time, or have a history of late payments, non-payments, arrears, debt review status or other negative notices on your credit score, first disclose it to your R2B Finance consultant for advice if you want to proceed with the full R2B Finance application. The same applies if you are buying with a partner.

Rent2buy Finance is not a solution to “side-step” a bad credit history and get fast tracked into home ownership.

Our vision is to assist in a **responsible manner** and to provide a **sustainable home ownership solution**.

If your credit score is low or bad, speak to your R2B Finance consultant for assistance with debt & credit score and affordability improvement. A full **Budget Fitness** support service is available.



## DEPOSIT REQUIRED

A 5,5% to a 7 % deposit [if buying from a private seller] or 3-5 % deposit available [if buying from a property developer] or a 20% for a foreign buyer, is required. *T's & C's apply.*

*Rent2buy will advise on the deposit required – once we have done your affordability analysis.*

*Sometimes a home loan is approved, but the Bank may demand a large deposit [example 20, or 15 or 10% deposit, then Rent2buy Finance may be the solution]*

## YOUR OWN AFFORDABILITY

The first focus of R2B Finance is to provide a responsible and sustainable solution for home buyers who are almost ready to buy, but declined for a “minor” reason by a financial institution.

With “responsible” and “sustainable” comes our duty to do a full analysis on the income and expenses and debt exposure of the Rent2buy application.

If we are of opinion that debt and household expenses are putting too much pressure on the repayment of a R2B Finance purchase price, it is our duty to advise the R2B client to first investigate to works towards reducing debt or household spending to free up more disposable cash to qualify for a R2B Finance transaction.

**NET INCOME** – For Rent2buy Finance – you need to earn at least R16 000 NETT [“take-home pay”] to potentially qualify for the entry level of R400 000 Rent2buy Finance purchase price.

If your credit score is low or bad, speak to your R2B Finance consultant for assistance with debt & credit score and affordability improvement. A full My Budget Fitness support service is available.

## AREA & PRICE RANGE

See above

## HOW TO GET STARTED

If you are ready to start, contact Juanita. The email address for Juanita is [admin@budgetfitness.co.za](mailto:admin@budgetfitness.co.za)

Make sure you have checked your own credit score before. For a free credit check on the free online platform- go to <https://r2b.mybondfitness.co.za>



## WHAT WILL HAPPEN THEN?

R2B will then assist to explain the R2B Finance process further if required. We will also check if a free credit score was done and discuss the outcome.

Complete the Rent2buy Finance Rental application form. Get together the list of supporting documents [ID, proof of income, consent for a TPN credit profile and bank statements etc] – The list is provided at the end of this document.

Also send proof of payment of the application fee to R2B.

## FEE

A fee of R750 (individual) and R850 for a couple is payable.

The funds are payable into the Trust Account of Attorneys Meyer de Waal INC, Standard Bank 07 218 0587, Paarl Branch. Provide proof to Juanita.

## RENTAL INCOME CERTIFICATE

### PART 1

Rent2buy, working with Rentmaster, will analyze the TPN credit profile, income, expenses and affordability of the applicant and issue R2B with a monthly rental amount that Rentmaster is prepared to underwrite.

## WE CONVERT THE RENTAL AMOUNT

### PART 2

R2B will convert the rental amount into a purchase price amount and issue the Purchaser with a formal R2B Finance quotation, providing the purchase price the R2B client can buy for, the deposit required, interest rate applicable, monthly rental, R2B Option fee, and end purchase price applicable after the 2-year R2B term.

## PURCHASE PRICE CERTIFICATE

Armed with the official R2B Finance Purchase Price Certificate, the R2B buyer is now as good as a cash buyer – as long as he/she buys a property in the approved pilot project areas and approved price range. We will assist with the entire process.

## FIND YOUR OWN PROPERTY

Armed with your R2B Finance Affordability Certificate – valid for 2 months from date of issue – you can now find any property – NB – as long as it is within your R2B Finance Affordability Certificate price range and you have the deposit to put down, at the same time we prepare the purchase agreement to secure the property for you. The property must be in Cape Town Metro, Bloemfontein or Gauteng.



### **RENT2BUY WILL BUY THE PROPERTY**

The R2B Finance company will buy the property on behalf of the R2B client and keep the purchase price “frozen” for 24 months. A nominal purchase price increase will be applicable to cover direct expenses – as will be disclosed in the R2B Finance quote.

Rent2buy will also enter into a 24-month Rent2buy agreement with the buyer.

### **TO PROTECT YOU AS FUTURE OWNER:**

The purchase agreement will be a cash purchase and subject to acceptable valuation of the property, to protect you as future owner of the property. We will also request the approved building plans. If a sectional title property, R2B will also request up to date and satisfactory financials of the body corporate.

### **PERSONAL MY BUDGET FITNESS TRAINER**

Rent2buy will provide a Personal My Budget Fitness trainer to assist the buyer to get ready for home ownership during the 24 Month R2B term. Participation is compulsory to assist with improvement of a credit score and affordability.

### **22 MONTHS LATER –BEFORE THE EXPIRY OF THE 24 MONTH R2B TERM**

R2B will assist the client to submit the application for either an instalment sale or a home loan. The application will then be supported by a 22-month payment history and credit profile and affordably track record and supporting document.

## **DOCUMENTS REQUIRED – SEE NEXT PAGE**



## DOCUMENTS REQUIRED

<u>Employed individual and South African Citizen</u>	<u>Self- employed individual</u>
<ol style="list-style-type: none"> <li>1. Completed application form</li> <li>2. Copy of ID</li> <li>3. Latest 3 month's salary slips</li> <li>4. Latest 3 month's Bank statements</li> <li>5. Latest IRP5 form</li> <li>6. Proof of payment of R 750 individual &amp; Couple - R850</li> </ol>	<p>Completed application form</p> <p>Copy of ID</p> <p>Letter from Accountant or Bookkeeper confirming Gross and Nett income</p> <p>Company Financial information</p> <p>Independently verified/ audited financial statements</p> <p>Months bank Statement OR</p> <p>Management Accounts:</p> <p>Months Bank statements OR</p> <p>If no Financial Statements of Management reports are available</p> <p>1 Year Bank statements</p> <p>Latest 3 Months Personal Bank Statements</p> <p>Latest IRP5 form</p> <p>Proof of payment of R 750 / R850</p>
<p><u>Employed and Foreigner</u></p> <ol style="list-style-type: none"> <li>1. Latest IRP5 form</li> <li>2. Proof of payment of R 750 / R850</li> <li>3. Completed application form</li> <li>4. Copy of Passport</li> <li>5. Valid Residency or Work permit</li> <li>6. Latest 3 months' salary slips and bank statement</li> </ol>	