

## **FREE ONLINE BOND INDICATOR REVOLUTIONISED THE MORTGAGE INDUSTRY**

With more than 72 000 subscribers, the [free online Bond Indicator](#) revolutionised the mortgage industry. In fact, one leading mortgage originator that uses such online tools, is of opinion that it boosted their home loan approval rate to an almost 90 % approval rate.

### **KNOW IN ADVANCE WHAT YOUR BUYING POWER IS**

“To know in advance what your property buying power is, is the most important aspect of your home buying process,” says Meyer de Waal, a conveyancing attorney in Cape Town who spearheaded the development of the online bond indicator with other stakeholders in the software and mortgage industry.

“With some 35 years of experience in the property industry, we realised we could not do it alone and roped in the best IT development team that developed the software. We added other components and expansions to the product and launched the product some four years ago. The game changer was 24 months ago when a leading mortgage originating company realised the value in an online bond calculator and combined their industry knowledge, know-how and experience and we expanded the product further.

### **THE END RESULT**

The end result is a very accurate online bond indicator that gives the homebuyer – within the space of 10 minutes or less – a true reflection of the home loan he can qualify for. A second buyer or co-purchaser can then be invited to establish and combine his or her income and buying power to improve their purchase power.

### **CREDIT SCORE CHECK**

“We also realised that a good credit score is one of the key components of the home loan approval process and that is why the online subscriber is first invited to do a free online credit check. If the credit score is low, bad or thin, we then have a Budget Fitness support team to assist the aspiring home buyer to first improve the credit score before applying for a home loan, as a home buyer with a low or bad score will most likely be declined for a home loan,” says de Waal.

### **UPLOADING OF IMPORTANT DOCUMENTS**

“Chasing paper” is a time consuming process. One cannot engage with a homebuyer if you do not have proper identification documents. To simplify the process for the stakeholder who engages with the property buyer, the buyer is able to upload the required FICA documents, identity document and proof of address on the online Bond Indicator system. These documents can then be shared with all the above-mentioned stakeholders in the property purchase “chain”, such the property sales team, home loan application, the financial institution and conveyancing attorneys.

### **PROPERTY IDENTIFICATION**

Identifying in advance the ideal property to buy is the next step in assisting the property buyer. The type of property required, area, location, security features, and more, can be added to the profile, all to facilitate an easier and smoother property purchase journey for the buyer and sales agent involved.

## **INTEGRATION WITH YOUR BANK ACCOUNT**

Most online bond indicator guides are not accurate and do not engage with real-time live data. The customer is usually asked what is their income and expenses and then a 30% rule of income average is applied to calculate affordability, says De Waal.

With the Bond Indicator, real-time and live data are analysed. The customer selects the bank account in which a salary is paid in. More than one account can be selected. Through the sophisticated algorithms designed, and with the input of the customer, a very accurate estimate of the home loan the applicant ought to qualify for is achieved and provided.

Within ten minutes or less, the property buyer then knows what his or her buying power is.

## **THE FINAL HOME LOAN APPLICATION**

The information gained is then processed at the back-end by experienced mortgage consultants who assist the homebuyer with the final home loan submission to up to nine financial institutions.

This process not only speeds up the first part of the home buying process, but also improves the speed and accuracy of the final home loan application.

## **MORE PROPERTY FINANCE SOLUTIONS AND ONLINE SOLUTIONS**

### **FLISP**

As a home loan is but only one component of raising finance to buy a property, the opportunity to apply for a FLISP subsidy through the online bond indicator process was also made available.

FLISP is the Government subsidy available for first time home buyers and is an acronym for Finance Linked Individual Subsidy Programme. As one of the key elements of a FLISP subsidy is that a home loan must already be approved, the Bond Indicator programme was designed to also accommodate an online FLISP bond application process. Says Verna Pugin, who heads the FLISP services, "One cannot process a FLISP application if a home loan is not yet approved."

A FLISP subsidy is available to all first-time property buyers, who have already received a home loan approval and earn between R3 501 to R22 000 per month. The applicant must be a South African citizen and must have a dependant. The subsidy assistance is a once-off subsidy and ranges from R27 960 and R121 626. To do your own FLISP bond calculation – go to <https://flisp.mybondfitness.co.za>. For more information on FLISP subsidies, go to <https://www.flisp.co.za/>

### **RENT2BUY FINANCE**

As not every home buyer will qualify for a home loan, or will have the extra cash available should a bank approve a home loan but not the full amount required, alternative finance in the form of Rent2buy Finance is also available. Rent2buy Finance is available in the price

ranges R400 000 to R1,8 million and currently available for properties in Gauteng, Bloemfontein and Cape Town Metropole areas.

An online Bond Indicator was also developed for the Rent2buy Finance prequalification process. In the space of 18 months, over 8 700 online Rent2buy applicants subscribed. As a good credit profile and ability to repay the Rent2buy finance instalment are the key elements to qualify for this type of finance, one is able to assist a Rent2buy Finance applicant much faster, once the online process is completed.

To do your own Rent2buy calculation – go to <https://r2b.mybondfitness.co.za>. For more information on [Rent2buy Finance click here](#)

#### **MOBILE FRIENDLY**

Most homebuyers use their mobile devices to search for properties online and the [Bond Indicator](#) can also be done through a mobile device.

To watch a video how the process works – [click here](#)

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