

JUMBO PROPERTIES & RENT2BUY, SETSMOL AND MY BUDGET FITNESS

Jumbo Properties realized that the strict implementation of the National Credit Act as applied by Banks, based on affordability, good credit record and availability of a deposit prevents many potential buyers to enter the market.

In the first six months of 2010 more bond applications are declined (54%) compared to 2009 when 50 % of bond applications were declined and as mentioned in Sake 24 on 23 June 2010, (Die Burger) on average, the home loan application of the black consumer is most likely to be declined in the current financial market

To counter act these problems to acquire a home, Jumbo Properties approached Meyer de Waal who developed the **rent to buy** product and Solly Molefe of the Setsmol Group, who developed **home owners education**.

Rent2buy is appointed by oobalink and Bond Choice to assist with their declined bonds and Setsmol is appointed by ASBA and FNB to conduct Home Owner Borrower's Education for newly approved home loans.

Setsmol and Rent2buy realised that Home Owners Education must start, not after a bond was approved for a client, but much earlier as a six to twelve month advance Budget Fitness Training will enhance the success rate of a home loan application.

No applicant is thus declined the opportunity to submit a proposal to purchase a home, however if his affordability and or credit record prevents him to purchase immediately, he can enroll in the My Budget Fitness Programme of r2b and Setsmol and improve his credit rating and affordability and achieve such goal 9 – 24 months later when his "budget is fit again".

Setsmol and rent2buy strive that each bond application submitted for a client with a financially fit budget, is approved.

How does rent2buy work ?

The Developer sells the property to a buyer who cannot obtain a bond but may be able to qualify for a bond in the near future once he is able to meet the above mentioned requirements;

With "My Budget Fitness" the client receives education, mentorship and training to build up and maintain a good credit record and improve his affordability during the such process. The time limit for such will depend on the credit record of each individual client. This process enables the client to exercise a option to buy a home once he obtains a bond approval.

During the r2b Option Period, the buyer rents the property and assumes the responsibilities of a property owner. He will during the Option Period pay rent equal to the future bond repayment, and pay the rates and taxes and be responsible for maintenance.

De Waal says that even clients with a negative credit record can be assisted with rent2buy as through the My Budget Fitness training, mentorship and education, the negative credit record of the customer can be rectified.

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