

## FIRST TIME BUYERS

Well done! The decision to buy a home has proven to be one of the best made for millions of happy home owners. It's a fact that property is a good investment, especially when you compare it to paying rent. It is important, however to enter the property market with a good understanding of how a property purchase works, what your costs will be and a respect that this is probably one of the largest financial commitments you will ever make.

### Best advice

Your Bond Gallery consultant will give you the best advice on all aspects of your home purchase, and most importantly on financing it, particularly when the banks differ in their approach to lending. We will help you understand the different interest rates, fees and charges, and terms and conditions available. We will explain to you the features of the different loans and why they are more suited to your individual requirements.

### Important Pointers

- Know what you can afford and the costs
- Consolidate your finances
- Significant savings are possible by consolidating all your finances. As home loan rates are significantly lower than those for personal loans, overdrafts and credit cards, but significantly higher than savings and current account rates, it makes sense to consolidate everything into your home loan account.

### Minimise your Mortgage

By effectively structuring your finances, you can significantly reduce your total home loan debt. Arranging part of your salary to be credited directly to the loan and making additional repayments on an ad hoc basis (like when you get a bonus) will have very beneficial results. By sticking to a workable monthly budget and avoiding unnecessary debt, you can repay your loan much more quickly and save vast amounts of interest. To find out how much interest you can save and how many years you can take off your loan, contact us today.

### Example

You can settle your home loan in 5 years:

- Pay off an extra 1.2% of the original capital debt each month (R1 200 per R100 000)
- Adjust for interest rate changes when they occur
- Don't access funds already paid off

Whilst this may mean some sacrifices, you will save a fortune in interest.

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### **To qualify:**

- Have a clean credit record
- Your monthly bond repayments cannot exceed 30% of your gross monthly income. Also refer the National Credit Act stipulations.
- Permanent employment

**Find out more about owning your own home, contact us on 011 954 6501.**