

# Bond applicants should pre-qualify with a reputable bond originator

 By [Mike van Alphen](#)

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In response to many requests from estate agents, Rawson Finance, the bond origination division of the Rawson Property Group, has begun issuing a "Rawson Buyers Qualification Certificate". This is an informed assessment of the bond amount that the applicant will receive from most banks.



This certificate has the great advantage of being professionally compiled and, therefore, gives an accurate indication of the maximum size of the bond for which the applicant will qualify. It also results in the bond application period being significantly shortened because all the necessary documentation will have already been gathered by the bond originator.

In addition, the certificate will give great reassurance to the seller because he then knows that the potential buyer who he is dealing with is, in fact, in a position to raise the necessary finance.

The very high bond application rejection rate by South African banks (currently estimated to be between 45 and 50%) is largely due to applicants not taking the trouble to pre-qualify for bonds before they start home hunting.

## Naive and ignorant

Despite a great deal of ongoing publicity on this subject, it is surprising how naive and ignorant some bond applicants can be. Occasionally we come across some who do not even realise that the bank will insist on their putting down a deposit and that there will be transfer costs involved. In general, however, many will overestimate the amount that they are likely to be able to borrow from the bank.

When a potential home buyer comes to see a qualified bond originator (such as Rawson Finance) he will be taken through a process in which his total income and total expenditure will be calculated, thereby giving an accurate figure of his disposable income. It is this figure that the bank will use to determine the size of the bond that it will allow the borrower.

## One free check per annum

A reputable bond originator will also assist the applicant in obtaining an up-to-date credit check. In South Africa, every person is entitled to one free check per annum and the credit bureau cast a very wide net, drawing their data from the vast majority of loan and hire purchase organisations, retail stores and banks.

To set about home hunting without first talking to a bond originator is simply illogical and likely to lead to a waste of time.

The success of the bond originator is there for all to see. At the Rawson Property Group, our bond acceptance rate is now approximately 65% - some 15% above the national average. Furthermore, the number of bonds achieved by Rawson Finance each month is growing. As far as I know, this is the fastest growth rate in the country today and it shows the huge benefit of establishing a relationship with a good bond originator.

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