



FUCHS ROUX
PROKUREURS | ATTORNEYS

“DON'T EXPECT THE USUAL...”

OUR 28 STEPS

TO BOND REGISTRATION

☎ 012 342 7911 / 0860 123 153
☎ 012 342 8766 ☎ info@firlaw.co.za
www.fuchsroux.co.za

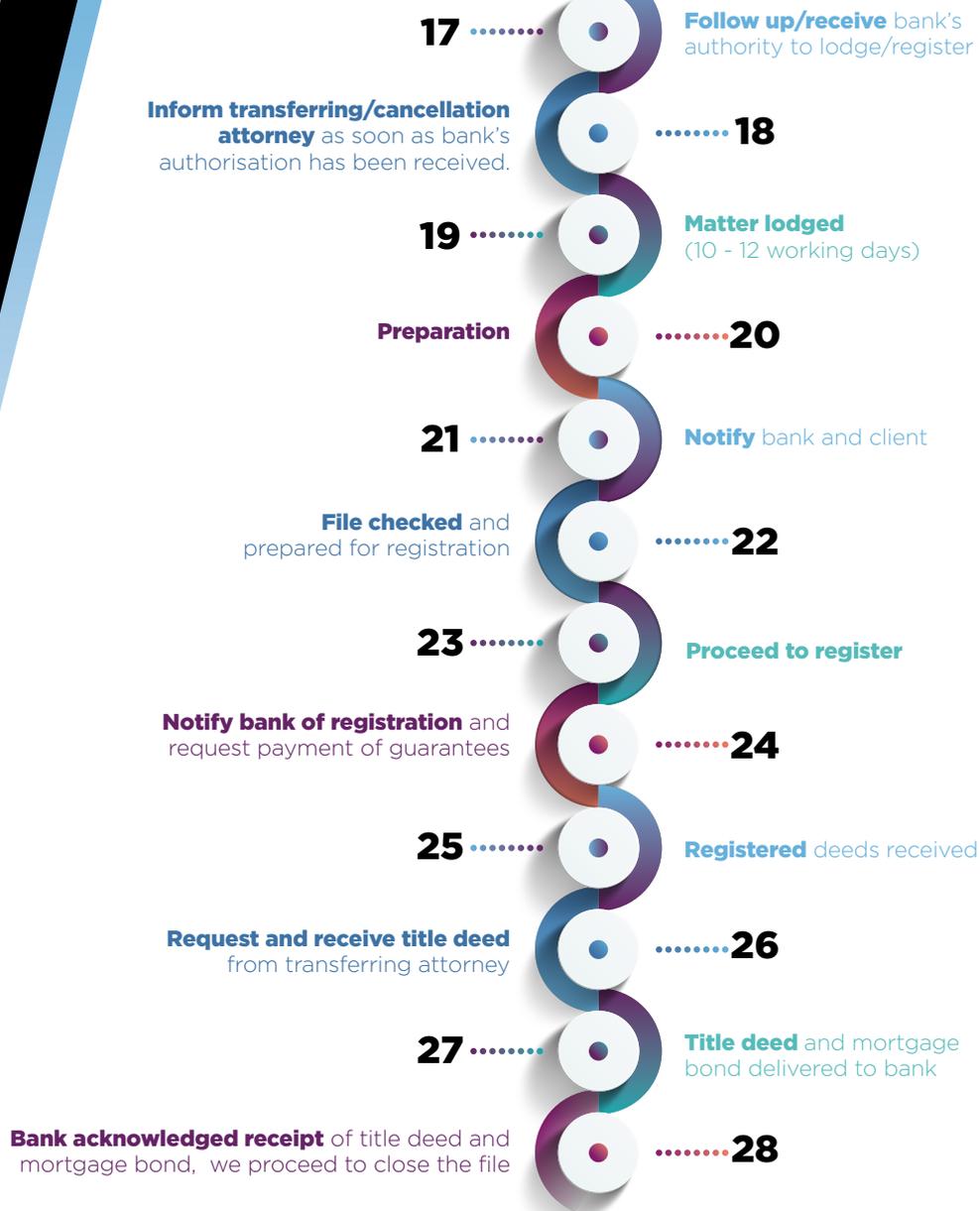
The following breakdown is our version of the bond registration process.

Please keep in mind that each case is unique and some registrations may be completed in a few less steps while others may have a few more. But rest assured that your registration is in safe and more importantly - dedicated hands.

WHAT IS THE DIFFERENCE BETWEEN BOND & TRANSFER FEES?

In a nutshell, over and above the actual cost of the property, a buyer needs to set aside money for bond origination costs, transfer fees and transfer duties. The bond repayment is made to the bank every month for the agreed upon period, transfer duty is a tax based on the value of the property and is paid to SARS, while the transfer fees cover the costs for transferring the property into the buyer's name (the conveyancing fees) and the bond costs for registering a bond.

- 1 **Bond instruction received** from bank via electronic system
- 2 **File opened**, deed search done on property and person to verify bond information against deeds office records
- 3 **Contact client** to confirm receipt of instruction and verify bond and personal details
- 4 **Contact transferring/cancellation attorney** informing them of the bond instruction received
- 5 **Formal letter** sent to transferring/cancellation attorneys informing them of any special bond conditions, as well as amount available for guarantees.
- 6 **The transferring/cancellation attorney** to provide bond attorney with their draft deed and guarantee requirements
- 7 **Request home owners cover**, either by means of a sectional title insurance certificate, client's own policy or having it included in the bond grant
- 8 **All property insurance & life cover documents must be received** by bond attorneys before documents can be drafted as the bond documents are signed electronically at the attorney's office
- 9 **Draft bond documents** and arrange an appointment with client for signature
- 10 **Once the bond documents are signed**, issue requested guarantees to transferring/cancellation attorney
- 11 **Obtain any outstanding documentation** (for example: COC) from the transferring attorney
- 12 **Ensure that all the necessary** insurance policies (HOC or/and life cover) are in place
- 13 **Compile and prepare** bond documents for bank to approve and authorise registration
- 14 **Send documents to bank** either by hand delivery or electronic system
- 15 **Receive payment** of bond registration costs
- 16 **Attend to payment** of initiation fee should same be applicable



USEFUL TO KNOW

Before applying for mortgage finance, it is advisable to predetermine what amount you can afford to pay towards monthly bond installments

Secondly you should determine what amount you should be able to qualify for.

These calculations can be done by making use of various bond calculators available on the internet. This will also be helpful in determining what purchase price you can afford when searching for a new property.

This can also be determined by obtaining what is called "pre-approval" from your bank.

Once you apply to a financial institution for finance, there will be some documents they will require from you so make sure you have these documents ready and available.

Once the application has been lodged with the financial institutions they will do credit checks and calculate your affordability.

As soon as the Bank has approved your application and you as client have accepted the bank's quotation, they will instruct an attorney on their panel (referred to as a bond attorney) to assist you as client with the bond registration.

It is important to note that bonds serve different purposes namely some bonds are there to finance building projects, called building loans, in other instances bonds are moved from one financial institution to another and these are called switch bonds. The most common use or reason for applying for mortgage finance is to finance the purchase of a property and these are in most cases called regular or normal bonds.