



RMB

COLLECTIVE BUYING

Frequently asked questions

Traditional values. Innovative ideas.

RMB A division of FirstRand Bank Limited. An authorised financial services and credit provider. (NCRCP20)

COLLECTIVE BUYING

Frequently asked questions

1. What is collective buying?

Collective buying is a home loan solution that enables you to buy property with the people in your life of up to 12 applicants. This way of investing in property comes with lots of benefits that all of you in the group can enjoy. Whether you are first-time buyers who want to occupy the property or buying as an investment, this home loan solution caters to those needs.

2. What are the benefits of collective buying?

- Make the monthly repayments more affordable
- Qualify for a larger home loan amount
- Put down a bigger deposit as a collective
- Reduced maintenance and running costs, as well as shared financial risk

3. Adhoc benefits?

- Get rewarded back in eBucks capped at eB61000 (R6100)
- Up to 50% discount on the bond registration cost (only applicable to applications submitted via nav»)
- No transfer duty cost for bonds below R1million
- Access to a Will which caters for your unique circumstances at no cost which includes a safe keeping service
- Save when you purchase a home/property with one of our developer partners
- Personalised interest rate plus main banked concession 0.25%, if applicants bank with RMB Private Bank (Ts&Cs apply)

4. How many applicants can apply for collective buying?

Currently on the RMBPB App 6 applicants can apply. Should there be a need for additional applicants, up to 12 can be redirected to direct sales.

5. What are the exclusions?

- Juristic Entities
- Switch customers

6. How is the eBucks paid on the first repayment?

Get rewarded back in eBucks capped at eB61000 (R6100) where all the terms and conditions are met. The eBucks will be distributed evenly, to a maximum of 4 applicants.

COLLECTIVE BUYING

Frequently asked questions

7. How does the repayment work?

Applicants can choose to pay via one debit order, or salary deduction, or they can opt for the split bill repayment function which allows in effect multiple debit orders to make up the repayment (i.e. 5 applicants, each responsible for 20% of the total repayment amount). It is important to note however, that as with any home loan, customers remain jointly and severally liable.

8. What happens if one of the parties are unable to afford the repayments?

All applicants remain jointly and severally liable.

9. What happens if one of the parties are sequestered?

All applicants remain jointly and severally liable.

10. What happens if one of the parties passes on?

The entire loan will be handled as part of the Deceased Estate process.

11. How will the affordability be assessed for so many applicants?

Each individual is assessed on their individual circumstances; should one applicant not be in good standing it could result in the entire application being declined.

It is therefore recommended to apply with parties in good standing with no adverse records.

12. How can applicants tap into existing equity to purchase collectively?

If each applicant has a deposit, they can put down a higher deposit for the property or use their collective funds towards the bond registration costs.

13. If applicants would like to pay more than the required monthly repayment amount, can the collective then access prepaid funds?

Additional funds can be accessed by way of manual prepaid application (once-off access), which will require all applicants to sign the request. Should the collective buyers elect for electronic access to prepaid funds, they will need to apply for an RMB Flexi Option.

A Flexi Option nominates a single account where the funds can be transferred to. The collective buyers will need to decide which applicant's nominated account will be used for a Flexi Option. Monies can be deposited over and above the monthly repayment amount at any time. Customers can elect to pay via way of a single debit order from one person's account, salary stop orders, or even a split bill option which allows payments from multiple accounts on multiple dates in a month.

COLLECTIVE BUYING

Frequently asked questions

- 14. Is there specific criteria for the nominated account on an RMB Flexi Option to transact on the home loan account?**

The applicants will need to nominate a single account and agree to which account will be used to transact on the Flexi Option.

- 15. If applicants have multiple sources of income, what is the process and documents needed to fulfil the application?**

Each applicant will need to submit their source of income as per the current credit process.

- 16. If one of the applicants is a first-time home buyer, and would like the other collective buying partners to switch from other banks, how would this application be considered?**

Switch is excluded from the collective buying offering. There is already a property registered; if customers want to add more applicants when switching this would be treated as a first bond and customer would be liable for transfer cost and transfer duty.

- 17. If collective buying partners are married COP, can these applicants apply without having to provide their partners' details?**

Normal credit process will apply; if married COP, both applicants' details will need to be submitted.

COLLECTIVE BUYING

Frequently asked questions

18. Can new applicants enter into the collective buying home loan once the initial agreement has been signed?

As in the existing home loan process, any removal or additions in terms of applicants will need to follow the substitution of debtor application process.

19. How does collective buying work where applicants are applying for a building loan?

Normal building loan rules will apply as with multiple applicants.

20. Do all the applicants have to switch their main banking account to get the rate concession?

Please refer to the main banking rules qualifying criteria as published on the bank's website. If it is provided as a condition of the loan, the applicants will need to meet the criteria as published.

21. Will all the applicants have access to the home loan account on the RMBPB App?

Yes. However, customers must meet the bank's app requirements of chip and pin and access.

22. What is the approval criteria?

RMB Private Bank Home Loan credit appetite follows a risk factor approach to lending. We consider a number of factors in determining the acceptability of a customer for lending and the level to which we are able to lend, these include, but are not limited to items such as each individual customer's credit profile and other lending, nature of income, expenses, household size and resultant affordability.

These are assessed in conjunction with bureau profiles and account conduct with various creditors and banks. Further to this, factors relating to the property is also considered in line with broader economic events. A holistic picture is created based on these factors.

COLLECTIVE BUYING

Frequently asked questions

23. If one applicant defaults, what happens?

Defaulting on the home loan will keep all applicants jointly and severally liable. This means that if one party defaults, all parties still remain liable and the bank can seek payment from the remaining parties.

24. Do all the applicants have a different interest rate or same?

There is a single interest rate applied to the loan, but the rate on the home loan is determined through various aspects, including but not limited to, cost of funds and risk profile of all the customers on the application both within RMB Private Bank and the customers bureau profile. These factors assist RMB Private Bank in determining a rate applicable to each home loan application. Customers may also avail of concessions in addition to this rate which could improve their rate, such as, main banked offerings or even the RMB ecoEnergy offering.

25. What happens when one applicant dies?

A deceased estate comes into existence when a person dies leaving property or a document which is a will, or purports to be a will. Such estate must then be administered and distributed in terms of the deceased Will or failing a valid Will, in terms of the Intestate Succession Act, 81 of 1987. This procedure is followed when a customer has passed away and there is a balance outstanding on the RMB Private Bank Home Loan account. The surviving bond holders on the home loan account remain jointly and severally liable for the repayments under the home loan account until the estate has been wound up and a substitution of debtor has been done or the property has been sold.