

Should you Rent or Buy? (Part Two)

In the West, the title to the property provides the bank a guarantee in the event of a default and additionally an insurance policy that guarantees payment in the event of the borrowers death. In Thailand it is an unfortunate fact that the efficiency of the court system is such that it could take up to 10 years to recoup a defaulters bad debts.

Banks are in the money business and don't particularly want to be real estate agents, its no wonder then that they are, to say the least, 'reluctant' to provide mortgages.

Even when properties are seized, the resulting auctions haven't been totally successful in enabling the bank to recoup the loans.

METHOD 1

It is possible to deposit the value of the property in the bank in your Thai wife/girlfriend's. If she has a good employment record and her regular salary (which needs to be sufficient to repay the loan) is paid directly into her bank account she might be able to get a mortgage. Of course the property then has to be in her name rather

than yours.

If you are working in Thailand and have a work permit (is there any other way of working here?) then your salary may also be taken into account. Again you will need to provide proof of your income, such as salary slips, bank statements showing funds being paid in directly from your employer. But to expect a bank to offer a mortgage to an expatriate boyfriend, being applied for by a local lass or lad, whose employment history comprises of one or two years working in a go-go bar and whose bank balance averages 500 baht a month, is to be honest, just a little bit naïve.

No matter where you are, obtaining a mortgage depends largely (exclusively?) on the borrowers ability to repay the loan. The lender will evaluate the application on a number of factors including, the stability of employment income and past credit record.

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Last month we presented an opinion that the only reasonably secure way of

protecting your interests if you're thinking of buying a residential property is by forming a company and making yourself sole authorised signatory of that company.

Inevitably, some readers will disagree, and some will even be writing vehement letters of protest to the Editor protesting that they've been married to their Thai lady for X number of months/years with no problems whatsoever, and that they would never do the dirty on them regarding the property in which they've been living so happily, and which is registered in her name.

Well, it wasn't so long ago that if a Thai lady married a farang, Thai law prevented her from continuing to own either the land or house in her own name. That rather unfair law was amended so that a Thai wife can once again legally own and more importantly register property in her own name.

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