

https://dspace.org/

Borrower education and non-payment behaviour in low income homeowners: A case study of Protea Glen, Johannesburg in South Africa.

Moss, Vuyisani.

2013-08-23
http://hdl.handle.net/10539/13067

Downloaded from a DSpace repository. https://dspace.org/

ABSTRACT

Borrower Education and Non-payment Behaviour in Low income Homeowners in South Africa: A Case Study of Protea Glen, Johannesburg.

This investigation was largely motivated by the high level of evictions and repossessions for non-payment of mortgages in the Protea Glen area in Johannesburg, Gauteng, as reported by the Human Rights Commission Inquiry in 2007/8. In investigating this non-payment behaviour the researcher employed quantitative tools and qualitative methods. The research approach was to measure and draw sample size from the units of population, conduct interviews and capture and analyse data through the use of SPSS as a suitable statistical instrument. Furthermore, the aim was to employ a suitable model for measuring the relationship between dependent and independent variables and also to highlight the limitations of the study.

The study revealed several interesting empirical findings that largely invalidated the founding hypotheses, despite existing theoretical frameworks - underpinned by various scholars - that sought to corroborate these same hypotheses.

The research findings have however supported the premise that households reporting poor relationships with lenders were susceptible to non-payment behaviour. The rest of the secondary hypotheses were rejected by the empirical findings, viz. that there was no correlation between the level of formal education and non-payment behaviour; the link between propensity to default and the age of homeowners were also invalidated.

From these findings, it can be demonstrated that there is a critical need for mitigating measures to remedy the identified shortcomings in this sector. There appears to be a need for strategic interventions and shifts in borrower education guiding principles towards achieving the desired outcome. Such interventions and shifts should advocate and advance the education and empowerment of the borrowers while encouraging lender accountability.