

PROCESS OF BUYING A HOME

INFORMATION BROUGHT TO YOU BY **CENTRECAPITAL**

Centre Capital can assist you in the loan process to ensure that everything runs smoothly taking that headache away from you.

1. PRE APPROVAL

This is an important step to do first as pre approval gives you a good idea of your budget before you go shopping.

In this step you submit information such as payslips, tax returns, bank and credit card statements, assets and liabilities and ID to the bank. The lender will review this information and then advise how much they would be willing to lend you on an appropriate property.

2. FINDING A PROEPRTY TO PURCHASE

Now that you have your budget, you are ready to look at properties and the fun begins.

3. MAKE AN OFFER

Once you have found a property you are interested in buying you can make an offer and receive a copy of the contract of sale. When you make the offer you will usually have to pay a small deposit of the sale price of the property as a gesture of good faith. **The property is not held for you until you sign the contract so you should have your solicitor or conveyancer review the contract as soon as possible.** This is another reason why having your finance pre-approved is very important so as to not delay the process.

Standard contracts have a 5 day cooling off period.



4. FORMAL APPROVAL

Now that you have found the property, the bank needs to value the property to ensure that it is adequate security for the loan. This is also the time that pest and building inspections are carried out. Once all of these reports have come back in and you have been granted formal approval from the lender you are ready to exchange contracts.

5. EXCHANGING CONTRACTS.

Your solicitor or conveyancer will organise this for you. Two copies of the contract will be prepared and the original is forwarded to the seller for signing and the copy is sent to the buyer's solicitor/conveyancer for approval and then signature by the buyer.

If you are awaiting final approval from your lender then you should seek advice on including a "subject to finance" clause in the contract. This will enable you an out should for some reason your finance not proceed as expected.

At this point the contracts are exchanged.

6. DEPOSIT

When you exchange contracts you will be required to pay the 10% deposit. This transaction is usually carried out between your conveyancer and the real estate agent who holds the deposit in trust until settlement. There is usually a 5 day cooling off period after exchanging contracts when you can change your mind and cancel the contract. You will get your 10% deposit back but not the initial small deposit made when you made your offer.



7. PRIOR TO SETTLEMENT

Settlement takes between 4 and 8 weeks after exchanging contracts. In this time, documents will be prepared by your conveyancer/solicitor and enquiries will be made. Things such as survey of the land, if required, rates will be investigated, transfer documentation taken to the Office of State Revenue and Stamp Duty Paid (unless exempt as a qualifying first home buyer). You will receive mortgage documents stipulating the terms and conditions of

the loan. Make sure you read this thoroughly and seek advice if you are unsure of anything. Just before settlement a settlement statement is sent to the seller to complete. It will detail outstanding balance to be paid and how the cheques are to be drawn. You will then do a final inspection of the property to ensure no damage has occurred and that any agreed upon fixtures are still in place.

8. SETTLEMENT

This is the completion of the transaction. You usually meet at the sellers bank with a representative from your bank. Your bank will hand over the cheque for the borrowed amount and your solicitor/conveyancer authorises the seller to collect the deposit from the real estate agent. The signed transfer and title deed will be given to your lender and they will hold them until the mortgage is completed or refinanced.

Now it's all yours and it's up to you to insure the property (this can be done as soon as contracts are exchanged or sometimes is required by your bank prior to settlement) and move in.

