

JAIMIE COOK

The Biking Broker

www.thebikingbroker.com.au

Your Construction Loan Application – What Happens Next?

Receipt of Information

Jaimie Cook, The Biking Broker will:

- Collate and complete your loan application
- Send the application form to you for your verification and signatures
- Submit the deal to the bank/lender of your choice for an approval

Conditional Approval

- Once we have received notification from the bank/lender that your loan application has been approved (turnaround time periods for the approval differs from lender to lender) we will advise you by phone. This approval is usually conditional upon, but not limited to, the following:
- Valuation of the security property based on land value and construction plans to arrive at a “on completion” value
- Approval by the bank’s mortgage insurer
- Employment checks

Unconditional Approval

Once the valuation has been returned, and all conditions as set out in the conditional approval letter have been met, the bank/lender will notify us that unconditional approval has been obtained. We will in turn notify you of this by phone. When this stage has been reached, the bank/lender and their solicitors will prepare letters of offer and mortgage documents.

First Time Buyers

If:

- You are a permanent resident of Australia; and
- You are purchasing a property for owner occupied purposes; and
- It is the first property purchased in Australia either by yourself and/or your spouse/de facto;

You may be entitled to the Government’s First Home Owner’s Grant (FHOG).

Most banks/lenders will process the FHOG application form on your behalf. In such instances, The Biking Broker can provide you with an application form for the grant, which would need to be completed and returned together with all requested supporting documentation as set out in the application form itself.

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First Time Buyers continued

The Biking Broker will submit the form to the bank/lender for process. They normally require receiving the fully completed and signed application form approximately 2 weeks prior to settlement in order to ensure that the funds are available at settlement. Alternatively, you can make application directly to the Office of State Revenue who will process the application and pay the funds into your nominated bank account after settlement has taken place.

Be aware: FHOG funds are generally not made available until the first loan drawdown has occurred, usually at completion of the first stage of the building contract (eg "at slab"). An exception is if you are buying a new house and land package from a builder or developer, in which case the FHOG is paid at settlement.

Letters of Offer / Loan Documents

The bank/lender will send to you the letters of offer that outline the features of the loan products selected. It is here that you will be asked to select the following:

- Frequency of loan repayments (monthly or fortnightly)
- Nominate a bank account for direct debit of repayments

You will need to sign the documents and return them to the bank/lender. The Biking Broker will be available to go through the documents with you if required and witness signatures if required.

IT IS ADVISEABLE TO TAKE THESE DOCUMENTS TO YOUR SOLICITOR FOR PERUSAL BEFORE SIGNING.

Mortgage Documents

The bank/lender will instruct their solicitors to draw up the Mortgage documents. These documents will usually be sent to your solicitor and will have to be signed by all borrowers on the loan with your solicitor, and then returned to the bank's solicitors.

Settlement

Settlement can take place once:

- Letters of offer are signed and returned to the bank/lender
- Mortgage documents are signed with your solicitor
- Mortgage documents are returned to the bank's/lender's solicitor

The settlement date is usually 30 days after the date of exchange of contracts, unless a different date is negotiated between the vendor and purchaser.

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Settlement continued

At settlement, the cheques are handed over to the relevant parties. Your solicitor should provide you with a settlement statement prior to settlement date detailing the cheque amounts and payee of each one.

Ongoing Service

After your loan settles there will be times when you need assistance to maintain your loan.

Listed below is a summary of what we can help you with, what you can do to help yourself, and what the financial institution/bank we place you with can do for you.

What The Biking Broker can help you with....

- House and contents insurance for your new home
- Income and mortgage protection insurance, protect your greatest asset, **YOU**.
- Changing the loan you have from one type to another i.e. fixed to variable, home loan to line of credit
- Home Loan Tune-up - Regular check of your loan facility to ensure it is meeting your needs and is still the best for you
- Refinancing your loan to another provider to gain financial benefit
- Loan Top Ups - increasing your existing borrowing i.e. renovations, personal borrowing, debt consolidation etc
- New purchases (housing or investment)
- Commercial borrowings
- Car Finance and Equipment Finance

What you can do to help yourself....

- We will help get you registered for Internet Banking and Phone Banking. This will enable you to view account balances, account transactions, check on payment dates, pay bills, change payment frequency and amounts, redraw funds from redraw/offset facilities, stop cheques, order new cheque books, report lost cards and order replacement cards, link new accounts to existing cards and change addresses.

Want more information?

Ring Jaimie on **0431 524 643** or go to www.thebikingbroker.com.au

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