

Process from Contract to Settlement

You have finally found the right home and after much negotiation, you have agreed on the price. A contract will be signed but what next?

The following is a step-by-step guide of what will need to happen between signing the contract and settlement.

STEP 1

As soon as possible after both you and the vendor have signed the contract, you need to arrange building insurance on the property. In most states you become responsible for the insurance risk as soon as a contract is entered into.

Your Accredited Mortgage Consultant can assist you in arranging building insurance for your property.

STEP 2

If you have finance pre-approved, contact your Accredited Mortgage Consultant to confirm the loan details, otherwise contact them to arrange your loan. We strongly recommend having a finance pre-approval in place prior to signing a contract. A copy of the contract will then be forwarded to the lender.

STEP 3

At the expiration of the cooling off period (usually two business days) pay the deposit (usually 10% of the purchase price), unless an alternative amount is agreed upon. Payment is made to the real estate agent for deposit into their trust account. Ensure you obtain a receipt from the agent.

STEP 4

Contact a conveyancer/solicitor to act on your behalf for the transaction of ownership of the property. Your Accredited Mortgage Consultant can provide you with details for BLHL Conveyancing Services, who are our in-house conveyancers.

Alternatively, the real estate agent may suggest one. However, if you do use one recommended by an agent ensure that this conveyancer is not also acting on behalf of the vendor as this could be a conflict of interest. Once you have engaged the service of a conveyancer, please provide their details to your Accredited Mortgage Consultant.

STEP 5

Once the lender has the contract they will arrange for a valuation of the property, and if necessary, Lenders Mortgage Insurance. Full loan approval can usually be obtained within five working days. However, if access to the property for valuation is delayed, approval may take slightly longer.

STEP 6

Notify the real estate agent and conveyancer immediately when any contract conditions have been satisfied. This may include building condition inspections, pest inspections, finance approval, etc.

STEP 7

Immediately read, sign and return any documentation received from the conveyancer.

STEP 8

Shortly after your loan is fully approved, the lender will send you a formal loan agreement and mortgage documentation. We recommend you

thoroughly read the documents and ensure you understand them before signing. If you have any questions please contact us, or alternatively, seek independent legal advice. The loan agreement sets out the details of the loan as well as the terms and conditions. Once signed, promptly return them to the lender.

STEP 9

In the days prior to settlement you should arrange for things such as gas, electricity, telephone, and your mail to be redirected. Your conveyancer will advise change of ownership to the water company, local council, Land Tax Department and the strata manager (if purchasing a strata titled property). Now would also be a good time to tell family, friends and others of your new address and contact details.

STEP 10

Around five days prior to settlement you should receive a settlement statement from your conveyancer. Details on this statement will include the purchase price, deposit already paid, council rates & taxes adjustment, water rates adjustment, Government duties payable, loan amount less fees collected by the lender (some stamp duties, registration fees, application fees if not already paid, etc), other miscellaneous fees and the amount remaining to be paid by you prior to settlement.

STEP 11

At the latest, by the working day prior to settlement, pay the conveyancer by bank cheque or cash, the amount detailed on the settlement statement.

STEP 12

Ask your conveyancer what time the settlement is booked for and give them a contact number so they can advise you once settlement has taken place. It is also a good idea to get them to advise the real estate agent of settlement.

STEP 13

Arrange with the agent to collect the keys for your new home once settlement has taken place.

STEP 14

Move in and enjoy!

Importantly, the service provided by Bernie Lewis Home Loans is at no cost* to you.

* Except some private mortgage lenders, some personal loans and some leasing/hire products for business purchases.

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