

Recommendations to Borrowers

At Bernie Lewis Home Loans we strive to make sure that your home purchase experience is as easy and painless as possible. From your first enquiry right through to settlement, you can be sure that your Accredited Mortgage Consultant will be striving to ensure you not only receive the right product for your situation, but that the entire process also runs as smoothly as possible.

Following are some steps and things that you should consider prior to committing to both a contract to purchase, and a loan. Not all of the following may apply to your situation and for some borrowers there may be further considerations. Of course, your Accredited Mortgage Consultant is always available to answer any questions and provide any assistance you may require at any time.

BEFORE SIGNING A CONTRACT

Obtain finance pre-approval

This will give you a firm indication of your borrowing capacity and allow you to work the repayments into your budget. It also gives you some peace of mind knowing that provided the value and condition of the property is acceptable to the lender and mortgage insurer (if applicable), then your loan should be fully approved.

'Subject to' clauses

We recommend inserting a 'subject to finance' clause in your contract, even if you have finance pre-approval, to ensure that if your finance is declined for any reason, you can cancel the contract and have your deposit refunded in full. Please ensure you allow a sufficient number of days to meet the finance clause. You should also consider clauses for a satisfactory building or pest inspection if you feel they are necessary. If your purchase is dependent on selling your existing home, then you may consider a 'subject to sale' clause. Of course, the vendor may not accept your clauses so you may have to negotiate.

Deposit

Ensure you have sufficient funds immediately available to pay the deposit. The standard deposit is 10% of the purchase price. If you wish to pay less then you must negotiate this prior to signing the contract. You may even want to consider a Deposit Guarantee. Please refer to the Deposit Power Guarantee information sheet for further details.

Settlement Date

The vendor's desired settlement date will be noted on the contract. If you desire an alternative date then you must also negotiate this prior to signing the contract. The standard timeframe is four weeks from signing the contract. Very short settlements, i.e. two weeks or less, are generally difficult for a lender to meet.

BEFORE BIDDING AT AUCTION

All of the above still apply but it is important to note that all negotiations, approvals and inspections must be done prior to the auction.

Valuation

It is recommended you have the lender conduct a valuation of the property prior to the auction. This will help ensure you do not end up paying more than the market value for the property. The lender will then use this valuation as the basis for the loan. If you end up paying more than the valuation amount for the property then you will be responsible for the difference as most lenders will only lend against the lesser of either the valuation or purchase price.

Finance

If you are successful at the auction then you will be signing an unconditional contract. Finance clauses are generally not permitted so it is imperative that you ensure you will have adequate finance and deposit available.

AFTER SIGNING A CONTRACT

Building Insurance

In South Australia, you become responsible for the insured risk on the property at the end of the cooling off period. As there is no cooling off at an auction, you are responsible as soon as you sign the contract. Make certain you insure the property as soon as possible and forward a copy of the insurance Certificate of Currency to your Accredited Mortgage Consultant, who will forward it to the lender.

Personal Protection Insurance

Now that you are financially committed to this property, it makes sense to ensure you can continue to meet your mortgage repayments.

We face inevitable risks in life such as accidents, prolonged illness and death. Personal insurance is designed to give you peace of mind should one of these events occur.

Your Accredited Mortgage Consultant can assist in arranging personal protection insurance for you.

The loan agreement

Shortly after your loan is fully approved the lender will present you with a Loan Agreement and mortgage documents for you to read, sign and return. Ensure you thoroughly read and understand the documents prior to signing. If you require clarification on any aspect or terms please consult your Accredited Mortgage Consultant immediately. Once you have signed the documents, promptly return them to the lender.

GENERAL

Conveyancing

A conveyancer is the person who acts on your behalf during the purchase of a property.

Bernie Lewis Conveyancing Services can assist you with all your conveyancing needs. For further information or their contact details, you can speak with your Accredited Mortgage Consultant.

Fees & Charges

All fees, charges and interest rates for the loan quoted at the time of application are indicative only. The lender will not go firm on these until your loan is fully approved and your loan agreements have been issued. Your Accredited Mortgage Consultant will also have made some approximations on such fees as rates and taxes adjustments, conveyancing

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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