

## The Bernie Lewis Deposit Power Guarantee

The Bernie Lewis Deposit Power Guarantee is a guarantee or bond that substitutes for a cash deposit between signing contracts and settlement. The Guarantee can be used for all or part of the deposit required up to a maximum of 10% of the purchase price.

At settlement you are required to pay the full purchase price including the deposit. The use of a guarantee does not remove your obligation to pay the full deposit on settlement.

### Who can apply?

Anyone who is purchasing residential property including first home buyers, people moving from one property to another, and investors can apply for a Deposit Power Guarantee.

### Why do buyers like the Deposit Power Guarantee?

Like many of today's buyers, the 10% or even 5% cash deposit required to enter into a contract on another property is often tied up in the current home or other investments. This can mean either expensive bridging finance, or borrowing from another source, usually at high interest rates. Or it could mean breaking the term on an investment or fixed term deposit, thereby incurring penalties.

The Bernie Lewis Deposit Power Guarantee offers an efficient and secure alternative that saves time and money.

### Does the Guarantee cost less than other deposit options?

If you purchase a Bernie Lewis Deposit Power Guarantee representing a \$20,000 deposit, the fee including stamp duty is \$240 or 1.20%. There is a minimum fee of \$150 for the Deposit Power Guarantee. Alternatively, bridging or go-between finance can cost much more as there may be extra valuation fees, government fees and interest on the increased loan during the bridging period. In many cases a Bernie Lewis Deposit Power Guarantee will be cheaper, and there is also the added benefit of approval and issue of the Guarantee usually within 24 hours of application and in some cases, within 2 hours.

### Types of Guarantees

The Standard Guarantee is available for settlement terms up to six months and suitable for purchasers buying a property for sale or auction.

Long term Guarantees are available for settlement terms over six months and suitable for purchases that involve longer term settlements, such as properties under construction or buying off the plan. Different fees, charges and approval criteria will apply.

### Can the Guarantee be used at auctions?

Yes, the Guarantee can be issued prior to you attending an auction. The Guarantee amount is fixed, but not the property details, so you can attend a number of auctions. You simply complete the seller and property details on the Guarantee Certificate when you are the successful bidder.

### Will the seller accept the Guarantee?

The Guarantee is legal and available in all states. It is at the sole discretion of the seller to accept it. However, the seller is often anxious to obtain a contract of sale on the property and secure a deposit commitment from the buyer. The Guarantee can usually be organised within 24 hours, even within two hours in some circumstances.

It is recommended that a Suggested Special Condition (found on the back of the Guarantee Certificate) is inserted or annexed to the contract of sale. This condition will amend the deposit provisions and allow the Guarantee to be used.

### When does the Guarantee expire or terminate?

The Guarantee ceases when the contract of sale is completed, terminated, rescinded or the expiry date occurs, whichever happens first. The Guarantee also terminates when a claim is paid by Vero, the Guarantor.

### Can I obtain a refund if I don't use the Guarantee?

Yes. If you return the unused, original Guarantee Certificate within 30 days of issue the fee will be partially refunded. An administration fee will be deducted and the balance mailed to you.

If you would like to know more about the Bernie Lewis Deposit Power Guarantee or if you would like to apply for one, please talk to your Accredited Mortgage Consultant.



**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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