

Recommendations to Borrowers

At Bernie Lewis 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 your Mortgage Adviser will ensure you select the right product for your situation, but that the home buying process runs as smoothly as possible and all your financial needs are met.

Following are some 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. Your Mortgage Adviser is always available to answer any questions.

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 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.

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. At 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 Mortgage Adviser, who will forward it to the lender. Alternatively you can talk to your Mortgage Adviser who can arrange a quote for you.

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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 Mortgage Adviser will refer you to one of our Financial Advisers who can assist you in arranging personal protection.

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 Mortgage Adviser 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 works with BLHL Conveyancing Services who can provide our clients with an efficient and professional transfer of your property. For more information please speak with your Mortgage Adviser.

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 Mortgage Adviser will also have made some approximations on such fees as rates, tax adjustments and conveyancing.



The content in this information sheet is a general guide only. Advice should be sought for your specific circumstances before relying on the information provided. Information is correct as at 18/08/14 and is subject to change without notice.

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