

FACT SHEET



HINTS & TIPS WHEN CONSIDERING PURCHASING LAND OR A HOUSE



Loans Types

- **Variable Interest Rate** **4.95%** comparison rate **5.00%**
Redraw (free on Internet Banking)
Offset account

Normal approval criteria apply. Conditions, fees and charges apply. Comparison Rate calculated on a secured loan of \$150,000 over 25 years. A comparison rate schedule is available at all branches. WARNING: This comparison rate applies only to the example given; different terms, fees or other amounts will result in different comparison rate. Costs such as redraw fees or early repayment fees, and costs savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan. Central Murray Credit Union Limited ABN 69 087 651 812 Australian Credit Licence Number 239446. Effective from 7/6/19.

Phase 1 - No Legal Obligation 3 days - 4 weeks

What happens and what you need to know

1. Discuss your finance options and apply for your loan

Work out your price range (maximum loan plus your savings contributions less costs). **CMCU** can calculate how much deposit you will need and if Lenders Mortgage Insurance (LMI) is required (this will allow **CMCU** to lend you more than 80% of the valuation subject to approval). **CMCU** can provide you with a list and estimate of costs including stamp duty. We will generally approve the loan subject to conditions such as the value of the property you purchase. Consider protection against events that might impact on your capacity to repay your loan and consider income protection insurance.

Who can help? CMCU

2. Choose a solicitor or conveyancer

Your solicitor or conveyancer works for you to make sure the contract of sale is appropriate and to handle the settlement on your behalf. Prices may vary drastically, so it's worth comparing a few. Friends or family may recommend someone.

3. Choose the home / land you want

Nothing beats doing the legwork yourself. Read the real estate ads in the local papers, in the windows, on the internet. Look at properties. Go to auctions/open for inspections. Talk to agents. Talk to locals. If you choose to buy at an auction, please note there is no cooling-off period and a 10% deposit is usually required on the day.

4. Ask for a copy of the contract from the seller's agent

Also known as Section 32. This should disclose all rates, taxes and government or planning restrictions. It should clearly describe the property.

Who can help? Seller's real estate agent

5. Start price negotiations

You may make an offer at this stage. You should make any offer subject to the property being in satisfactory condition (determined by a property inspection) and finance (determined by your loan approval and a valuation of the property that **CMCU** will arrange on your behalf).

6. Check contract

This involves checking the conditions are acceptable and fair, making pre-contract inquiries and ensuring that you fully understand the contract.

Who can help? Your solicitor or conveyancer

7. Check property

We recommend you hire a qualified building consultant to conduct a property inspection. This generally involves a structure and pest inspection.

Who can help? Your building inspector

8. Advise property details to CMCU

We will organise a valuation and then determine the maximum amount you can borrow

Who can help? CMCU

9. CMCU arranges property valuation and gives final approval to loan

Once we have a valuation report we can finalise your loan approval if you still wish to proceed with the purchase.

Who can help? CMCU

10. First Home Owner Grant application completed

Once completed, CMCU will lodge this on your behalf.

Who can help? CMCU

Phase 2 - Legally bound about 4—12 weeks, depending on contract

11. Exchange of property contracts

The property contract is signed by both parties and a formal deposit is paid. Generally, this deposit is not refundable. Most contracts have a cooling off period, although this is sometimes waived. You should provide a copy of this contract to CMCU as well as your solicitor or conveyancer.

Who can help? Your solicitor or conveyancer

12. Organise building and contents insurance

You should insure the property immediately on completion of contracts. You will be committed to settle even in the event of damage to the property and you should not rely on the seller's insurance. CMCU offers QBE Insurance.

Who can help? CMCU

13. Inquiries made to various government bodies

This involves issues such as zoning and land tax. Also refer to Section 32 statement for details of encumbrances etc.

Who can help? Your solicitor or conveyancer

14. Complete memorandum of transfer

This is also known as Transfer of Land. This is a document that verifies the change in ownership from seller to you. You should provide a copy of this document to CMCU.

Who can help? CMCU or your solicitor or conveyancer

15. Loan Contracts and Mortgage documents

Once CMCU have received the copy of the Transfer of Land, we will prepare the loan contracts and mortgage documents and send them to you. Once you have read and signed the contracts and documents, they are returned to CMCU's solicitors. Once returned CMCU will proceed towards settlement.

Who can help? CMCU or your solicitor or conveyancer

16. Pay Stamp Duty

In some states, this is paid separately before settlement, otherwise it will be deducted from loan funds at settlement

Who can help? CMCU or your solicitor or conveyancer

17. balancing (e.g. land/water rates)

Also known as Settlement Day adjustments. You reimburse the seller for any amounts they have paid in advance for land or water rates at the date of settlement.

Who can help? CMCU or your solicitor or conveyancer

18. Settlement

This involves payment (by CMCU on your behalf) of the rest of the purchase price (your loan funds plus savings contribution). You then get legal title, which is a legal document that is your proof of ownership. CMCU will lodge a mortgage over your title and retain it until the mortgage is repaid.

Who can help? CMCU or your solicitor or conveyancer

19. Enjoy your new home

Don't forget to include your contents in your home insurance now you have moved in. CMCU offers Allianz Insurance, so ask us for a quote.

Who can help? CMCU



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