

Buying a property

1300 885 437

Steve Morrison - The Loan Operator

Here's a step-by-step guide to your mortgage settlement when you're buying a property & after your loan is approved

01 After your loan has been approved

Now that your loan has been approved, the lender's solicitors have been instructed to perform title searches on the property you want to buy, and prepare loan documents for you to sign.

It's also at this time that your solicitor will arrange for the formal exchange of contracts, and payment of any deposit due.

02 Loan documents

The loan documents will be sent to you or your nominated solicitors. If loan documentation is sent to you directly, we suggest you take these documents to your solicitor to ensure they are correct and the details match the details of your purchase property.

Once you and your solicitors have reviewed the documents, and they have been explained to you, make sure they are signed correctly and then return to the lender or lenders solicitors.

03 Insurance

Property Insurance

At this stage you will also be asked to arrange insurance for the property you are buying and to provide a copy of the insurance certificate to the lender, noting the lender as first mortgagee. It is possible that some lenders will not stipulate this as a requirement, however it is in your own interest to arrange the insurance now. In the event that the property being purchased is a Strata property, you will need to get a copy of the Strata insurance from the body corporate in lieu of the normal building insurance.

Optional Loan Protection Insurances

Optional insurances, like Loan Protection insurance, where your mortgage is insured in the event of death and disablement are available and I am happy to discuss these with you if you choose. There are also insurances that will protect your repayments in the event of certain circumstances where you are unable to work due to sickness, loss of income etc. I am also happy to discuss these needs with you as well.

04 Settlement period

The average length of time before settlement takes place in VIC is usually between 5 and 10 weeks. Most contracts in VIC specify a settlement period of 30 to 60 days, however each contract is individual and agreements can be made with the vendor to stipulate a mutually agreed settlement period.

05 Your solicitor's duties

During the time before settlement, your solicitor will usually:

1. Determine things like outstanding rates, levies and land tax on the property you are buying.
2. Advise the vendor's solicitor how much the vendor will receive at settlement, including any rates etc., the vendor needs to pay until settlement occurs.
3. Prepare the transfer document, and arrange for stamp duty to be paid on this (if applicable)

06 Final checks

When the lender's solicitor receives the documents, they are reviewed to ensure everything is received and correctly executed, and they confirm that any special conditions in your loan agreement have been satisfied. The lender is then in a position to confirm with you and your solicitor that they are ready to settle the loan, and will advise your solicitor of the funds been made available for the settlement.

Buying a property

1300 885 437

Steve Morrison - The Loan Operator

07 Settlement statements

Just prior to settlement, the vendor's solicitor will send a statement to your solicitor indicating how cheques are to be drawn up for the settlement. Your solicitor will then send this to your lender's solicitor and advise when and where settlement is to take place.

08 Settlement approval

Your lender's solicitor will prepare a certification from the lender confirming that all is okay with the documentation and that settlement can go ahead.

09 The settlement

Settlement takes place, and depending on whether there is a mortgage to be discharged by the vendor, at least three parties may attend settlement – the vendor's solicitor, your solicitor and solicitors for the banks involved. If you are also selling a house, other parties may also be there – but in either case, it is not necessary for you to attend.

10 Mortgage registration

Once settlement has been successfully completed, the keys to your new property will be released to you. Your lender's solicitor will register the transfer of the property into your name and the mortgage over the property to your lender. All loan documents will be held in safe custody at the lender until the loan is fully paid out.

11 Your account

Shortly after settlement takes place, you will receive details of your account from the lender. Some lenders may provide some of this information prior to settlement. If your loan offers cheque book, credit card or debit card facilities, they will also arrive around the same time.

Congratulations!

Your mortgage has now been completed.

If you have any questions at any stage in the process, please give me a call or call your solicitor/conveyancer if of a legal nature.

This publication has been prepared as a guide only and there may be instances where the above procedure may vary. In any case, your solicitor/conveyancer and I will keep you informed throughout the process.

If at any time you have any questions or concerns please do not hesitate to contact us, or if your enquiry is of a legal nature, then your solicitor should be contacted.