

Deposit Power's short term guarantee

Found the perfect property and need a deposit now?

When you have found the right property and need a deposit to secure the purchase, Deposit Power can help by providing a deposit guarantee.

A Deposit Power Guarantee is a substitute for the cash deposit required when purchasing a residential property and can be issued for all or part of the deposit required, up to 10% of the purchase price. This means when you are purchasing a residential property, you do not have to pay the deposit in cash when the contracts are signed, you simply pay the full purchase price at settlement.

So, as long as you have the funds available at settlement, with Deposit Power you are in the position to secure your perfect property and you don't need to provide the deposit in cash.

Deposit Power offers short term guarantees to suit settlement terms of up to 6 months and is suitable for all types of residential properties including vacant land.

Helping you secure the property you want

Whether you are making an offer on a property or buying at auction, a Deposit Power Guarantee can be arranged quickly. Once you know you have the funds available to complete the purchase, you are ready to apply for a Deposit Power Guarantee. Before being issued with a deposit guarantee, you just need to demonstrate your ability to settle.

A Deposit Power Guarantee does not remove your obligation to pay the deposit, it just delays it until settlement.

Cost effective and convenient

Sometimes you may not have ready access to the cash deposit required to secure a property or may prefer a more cost effective alternative to using your own cash. This may happen when you:

- Have sold your current home but funds are not yet available for your deposit
- Are a First Home Buyer and don't have the full 10% cash deposit required
- Are an investor and the loan funds are not available until settlement
- Do not want to pay the penalty for breaking a fixed term investment or selling shares
- May want to attend one or more auctions without having to put aside funds for the deposit each time.

A safe choice

Since establishing the deposit guarantee market in 1989, Deposit Power has grown to become the experienced market leader and has assisted over 750,000 Australians to buy property.

Deposit Power Guarantees are issued by Deposit Power Pty Ltd as Administrator for CBL Insurance Ltd so you know you are in safe hands.



Frequently Asked Questions

Q. Can I use the Guarantee at auctions?

A. Yes. A Deposit 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 vendor and property details on the Guarantee Certificate when you are the successful bidder.

Q. Will the vendor accept the Guarantee?

A. The Guarantee is legal and available throughout all states and territories in Australia. It is at the discretion of the vendor whether to accept a Deposit Power Guarantee in lieu of a cash deposit. However, the vendor is often keen to obtain a contract of sale on the property and secure a deposit commitment from the purchaser. The Guarantee can usually be organised within 24 hours, contracts are signed and the property is sold.

It is recommended that a *Suggested Special Condition* (found on the back of the Guarantee Certificate and available from the Deposit Power website) is inserted or annexed to the Contract of Sale. This condition will amend the deposit provisions and allow the Guarantee to be used.

Q. When does the Guarantee expire or terminate?

A. 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 CBL, the guarantor.

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

A. 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 will be mailed to you.

What you need to do to apply

To apply, you just need to complete an application form and show us that you have sufficient funds to complete the purchase at settlement. Examples include:

- A loan approval
- A copy of the Contract for property sold that will assist in the purchase of the new property
- Funds accessible prior to the completion date, such as savings, a fixed term deposit, or share certificates
- Evidence of other funds that will assist in the purchase such as the First Home Owners Grant.
- Suitable identification will also be required

How to apply for a Deposit Power Guarantee

Simply contact your Aussie Mortgage Advisor to arrange a Deposit Power Guarantee. Alternatively call the Deposit Power Helpline on 1800 678 979 Monday – Friday (AEST) or visit www.depositpower.com.au



Guarantor: CBL Insurance Ltd, Auckland, New Zealand
Administrator: Deposit Power Pty Ltd ABN 49 160 226 442
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