

Off the Plan Deposit Loan

The HomeBuild Access Off the Plan Deposit Loan can assist you by providing funds to pay the deposit when purchasing a property 'off the plan'.

Off the plan purchases involve the purchase of a pre-constructed home or a block of vacant land which has not been issued with a separate title.

As the property does not have its own title, there will be a longer period of time between you signing a contract to buy it, and the actual date you purchase it (completion/settlement date). Contracts of Sale for the purchase of property will usually require a deposit to be paid to the developer's agent, conveyancer or solicitor as stakeholder. In most cases, this deposit will be an amount of 10% of the purchase price for the property.

If you are approved in principle for a HomeBuild Access Low Deposit Loan and require assistance to pay the deposit under an off the plan purchase contract, the Chief Executive Officer (Housing) may be able to provide funds to cover any shortfall between any funds you have available to contribute and the deposit required under the contract.

Eligibility criteria

To be able to access the Off the Plan Deposit Loan you must meet the following criteria:

- you must have been approved in principle for a HomeBuild Access Low Deposit Loan.
- you must provide People's Choice with a certified copy of the signed Contract of Sale for the property.
- the deposit payable under the contract:
 - must not exceed 10% of the purchase price for the property; and
 - must be payable to the vendor's agent, conveyancer or solicitor as stakeholder and not to the vendor direct.
- you must sign an irrevocable authority in a form acceptable to the Chief Executive Officer (Housing) directing the stakeholder to pay the deposit to the Chief Executive Officer (Housing) if the contract is terminated in circumstances where the deposit is refundable.
- the amount of the Off the Plan Deposit Loan will be limited to the amount of the shortfall between the funds you are contributing and the deposit required under the contract.

Loan term

The Off the Plan Deposit Loan is repaid in full when the purchase of the property is completed, i.e. when your Low Deposit Loan is funded and ownership of the completed property is transferred into your name.

However, if the contract does not settle and the contract has been terminated in circumstances where the deposit is refunded, the refund must be utilised to repay the Off the Plan Deposit Loan in full – as set out in the irrevocable authority.

If the contract does not settle and has been terminated under circumstances where the deposit is not refundable, or the full deposit is not refunded, the remaining balance of your Off the Plan Deposit Loan will then be converted to an unsecured personal loan.

Loan repayments

You will be required to make Interest Only repayments to the Off the Plan Deposit Loan.

Interest will be charged to your Off the Plan Deposit Loan at the end of each month, with Interest Only payments due on the 1st day of the following month.

If the loan is converted to an unsecured personal loan because of the termination of the contract where the deposit is not refundable or partially refunded, principal and interest repayments will be calculated at the current interest rate at that time to ensure the loan is fully repaid to the Chief Executive Officer (Housing) over a maximum repayment term of seven years.

The term of seven years will be calculated from the date on which the Off the Plan Deposit Loan was originally funded to pay the deposit.

Interest rate

The interest rate for your Off the Plan Deposit Loan is the same interest reference rate that will be applied to your Low Deposit Loan.

More information

For more information call People's Choice on 8943 3319 to speak with a specialist who can help you with your enquiry.

Disclaimer: Whilst the Chief Executive Officer (Housing) has made every effort to ensure the accuracy of information in this fact sheet, no warranty is given that the information in this document is free from errors or omissions and that it is suitable for your circumstances. The information in this document is subject to change without notice to you and has been prepared without taking into account your particular financial situation, requirements and objectives or needs. You should seek independent legal and financial advice before considering whether to act or rely upon the information in this document.

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