

## *What Happens During Settlement?*

**Signing a contract of sale for a property gets you near the finish line but there's still a few more hurdles to jump. Congratulate yourself that you have made it through the most gruelling part of acquiring a new property, but don't crack open the bubbly until you have the keys in your hand.**

Most of the work during the settlement period (i.e., the time between when contracts are exchanged and the settlement day) will be handled by the settlement agents (solicitor or conveyancer), while our role as your mortgage broker is to step you through the process and ensure it runs as smoothly as possible.

Here are some of the things we recommend to ensure a trouble-free settlement:

### **Don't miss the settlement date**

Penalties apply for delayed settlement so be sure you are ready on time. The settlement period begins from the day the contract is signed, but prior to this you should have negotiated an achievable settlement period. You can only change your settlement date after the contract is signed if the vendor agrees.

### **Understand the fine print**

Read all documents carefully and ensure you understand what it all means. Anything you are unsure of, ask us! Contact your settlement agent ASAP if anything in the documentation seems amiss.

### **Keep communication clear**

Always request written confirmations of any verbal decisions and agreements.

Carry out any actions required by the contract's special conditions, for example, you may have to arrange a building and pest inspection.

If there are home repairs required, be clear of the standard you expect. For example, if you have asked the vendor to repair loose roof tiling to a 'professional standard', define exactly what you mean by 'professional'.

### **Arrange finances in time**

As your mortgage broker we will help you gather the necessary finances to complete the sale (stamp duty, lenders mortgage insurance and other fees and

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charges) and ensure there is no delay in the preparation of mortgage documents.

## Take the inspection seriously

The pre-settlement inspection, which happens just before settlement, is a not-to-be-missed opportunity to make sure everything is working and present. Under the terms of a standard contract of sale, a vendor must deliver the property to the buyer at settlement in the same condition as it was on the day of sale, except for fair wear and tear.

Make a list of the things you need to check from the notes you made about the property during your pre-purchase inspections. Look for major new damage – broken windows, gouges in the floors – but also turn on the odd tap, test the lights and run the dishwasher to make sure everything is in working order.

For further information, please don't hesitate to call AlphaLoan today so we can match your needs against 100's of home loans from our panel of lenders, including all the major banks and many more!

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