

Deposit Comparison

FEATURES	QBE DEPOSIT BONDS Issued by DBA	BANK GUARANTEE	LOAN MONIES	CASH SAVINGS
Buyer must use or mortgage assets	No	Yes. Charge over cash on deposit or real property	Yes - Property	Yes Cash deposited with Seller's agent pending settlement
Approval time & Availability	4 - 48 hours from application lodged with DBA	1 day – 4 weeks subject to type of security required	Up to 3 - 4 weeks if re-finance needed	Usually 1 – 7 days to redeem Savings
Need to prepare a Mortgage	No	Yes if security is real estate	Yes, if existing line of credit unavailable	No
Condition of Issue:- Buyer MUST prove financial capacity to settle	Yes – Mandatory Condition: QBE/DBA will neither approve nor issue a Deposit Bond without the Buyer proving they have financial capacity (ie 105% of purchase price) which will be available for settlement on the relevant contract date	No – There is no qualification of Buyers' capacity to settle if Bank Guarantee is cash backed which is the majority of those currently available.	No - There is No qualification of Buyers' capacity to settle the relevant property acquisition if using a pre-existing line of credit	No qualification whatsoever of Buyers' ability to settle. Sellers only knows the Buyer can pay 5 or 10% deposit as requested.
Seller's Access to Deposit Monies	Unconditional Pay on Demand	Unconditional Pay on Demand	Unconditional Pay on Demand	Unconditional Pay on Demand
Expiry Date & Term	Yes Contract settlement date for shorter terms & at least sunset date for off-plan purchases 3 – 48+ Months	Usually Yes to Contract Settlement Date	Yes – Note: Existing credit facility may not coincide with Contract Settlement date	Not relevant cash held on deposit as per contract terms
Seller must be entitled to keep Buyer's deposit triggered by their default	Yes	Yes	Yes	Yes
Timing of Payment if Deposit claimed by Vendor	2 - 5 business days Quicker process if payment organised via direct deposit	Up to 3 business days if drawing Bank Cheque 1 – 2 days if direct deposit organised	1 – 2 days Subject to availability of undrawn funds	Usually same day
Issuer/Underwriter is Rated	QBE: A+ Stable	Yes – Big 4 Banks AA- & other 3 Banks licensed to issue bank Guarantees are A+ or lesser rating	Subject to Lender	Not applicable
Used when buying Residential or Commercial Real Estate	Yes	Yes	Yes	Yes
Can be used in association with other forms of deposit	Yes eg 5% deposit bond + 5% cash or bank guarantee or 5% loan monies	Yes	Yes	Yes
Individual or Corporate Buyers inc Superfunds & Trusts	Yes. QBE/DBA now has widest Deposit Bond product scope	Yes	Yes subject to each Lender's policy	Yes

For more information contact DBA on 1800 BOND 88

T (02) 9966 1044 F (02) 9966 1320

Email: dbaadmin@depositbondaust.com.au

Level 5, 64-76 Kippax Street Surry Hills NSW 2010

Locked Bag 4004 Surry Hills NSW 2010

www.depositbondaustralia.com.au



Deposit Bond Australia