

# Common Usage of Deposit Bonds include:

## First Home Buyers

QBE Deposit Bond policy has been tailored to the specific needs and circumstances of First Home Buyer's. DBA can issue QBE Deposit Bonds for first home buyers where:

- > Finance for the settlement monies have been approved based on the purchasers' genuine savings for guarantee terms of maximum 6 months; or
- > Applications are supported by a suitable parental guarantee. Guarantors must demonstrate adequate equity in existing ownership of suitable property

## Investors

Deposit bonds can assist property investors to borrow 100% of the purchase price without having to access or pay a cash deposit. This is particularly useful where their cash is tied up in other property, shares or other investments and is not immediately accessible. This also allows investors to keep their own funds invested and continuing to earn interest.

## Upgraders

DBA/QBE Deposit Bonds enable existing homeowners to secure their new property immediately in situations where the sale and purchase are to occur simultaneously, and even situations where their existing property has not yet been listed or sold.

Deposit Bonds can be issued in situations where finance has not yet been approved or is not required, based on the equity the applicants have in their existing residential property.

## Downsizers/Retirees

Deposit Bonds are particularly useful for downsizers in the following situations:

- > Where the equity available from a property sale is sufficient to fully fund the new purchase and therefore no loan is required to settle.
- > Where they don't have immediate access to a cash deposit as their funds are tied up in their existing property or long-term investments.

## House/Land and Vacant Land Purchasers

QBE Deposit Bonds can accommodate purchasers of house and land packages where the Vendor is also the builder and a single Contract of Sale for the house and land exists.

In the event there are separate land and building contracts, the deposit bond can only be used to assist with the deposit for the land component.

## Off the plan Purchases

There are many advantages in using a deposit bond for off the plan purchases:

- > Cost effective particularly in longer term settlements and provides a secure alternative to providing a cash deposit to the developer for lengthy periods.
- > Deposit Bonds can usually be approved and issued within 48 hours of lodgement.
- > Deposit Bonds are unsecured and do not tie up other cash or property assets.
- > Provides the solution when ready access to a cash deposit is not available.
- > Alternative to breaking investments or selling shares prematurely.
- > Simplifies the buying process where purchasers intend to borrow 100% of the purchase price or fund the purchase from a future asset sale.
- > Streamlines the “sell to buy” process where the purchaser intends to fund the purchase through the eventual sale of another property

## Commercial Deposit Bonds

QBE Deposit Bonds are available for use when buying in Corporate Structures including Companies, Trusts or SMSFs geared to buy residential or Commercial property in Australia.

Purchasers can also utilise DBA/QBE Deposit Bonds for commercial purposes such as development site acquisitions for both vacant landholdings or existing property.

### DBA Contact details:

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