

Product Guide to QBE Deposit Bonds issued by DBA

Property Deposit Specialists Since 1998



What is a Deposit Bond?

A Deposit Bond is a financial guarantee used as a substitute for the cash deposit required when signing the contract to purchase property. The Deposit Bond can be issued for any amount up to 10% of the agreed purchase price. At settlement, the Purchaser must then pay 100% of the agreed Contract price.

If the Purchaser defaults under the terms of the Contract, the Vendor may become entitled to retain the deposit. As the Deposit Bond is an unconditional guarantee the Underwriter QBE is legally obligated to pay the Vendor's/Deposit Holder's claim on demand within the terms of the Deposit Bond. Once the claim has been paid QBE has the legal right to seek recovery against the Purchaser/s and any Guarantor/s

Acceptance of DBA/QBE Deposit Bonds

QBE and DBA are the longest standing Issuers of Short and Long-term Deposit Bonds in the Australian property market. The combination of QBE's premier A+ rating with DBA's 20 years of experience assisting tens of thousands of Australian Purchasers underpins the nationwide acceptance of the DBA/QBE Deposit Bond by conveyancers, vendors, real estate agents and major property groups.

Note:

Excluded Use:

- > Early release of deposit.
- > Purchasers who cannot demonstrate their financial capacity to settle as at date of application
- > Non-Australian Residents

Why use a QBE Deposit Bond Issued by DBA?

- > Nationwide Acceptance by Lenders and major Property Groups
- > Unsecured nature of QBE Deposit Bonds means Purchasers' assets and savings can be kept intact with 100% revenue retention until needed for settlement (ie negates need to share interest on 10% deposit)
- > Direct contact with DBA Underwriting team
- > Fast turnaround time. 1 - 48 hours (subject to application type)
- > Cost effective particularly for extended settlements.
- > Once off fee payable upon approval. Published rates are transparent. No ongoing charges
- > Convenience for purchasers, with equity held in property rather than as liquid assets



Acceptable Property Types & Usage:

DBA can issue QBE Deposit Bonds for the following property types and purposes:

- > Residential or Commercial Australian property
- > Owner Occupied or Investment purposes
- > Existing property, redevelopments or Off the Plan purchases
- > Vacant land or house & land packages
- > Site acquisitions (existing or for development)
- > Auction or private treaty purchases

Eligible Applicants

- > Investors or Owner Occupiers
- > Individuals buying in their own name or with an ABN; Self Employed; First Home Buyers or Retirees
- > Corporate Entities including Companies; Trusts; Superannuation Funds or Partnerships.

To qualify every QBE Deposit Bond Applicant **MUST** prove their financial capacity to settle under the terms of the relevant Contract for Sale. Assessment of the Purchasers' current financial position is made as at the date of application.

Documentation requirements are streamlined and categorised according to the Purchaser's Individual or Corporate circumstance including proof of:

- > Sufficient income to service all existing and proposed commitments; AND
- > Adequate net equity ownership in hard assets (ie property, shares in top 200 listed companies & fixed term deposits/ managed funds)

Application Lodgement

- > DBA Online (Accredited Referrers only)
- > DBA Direct Manual Lodgement (scan/email)

QBE Deposit Bond Claims

Should a Purchasers' financial situation alter and as a result can no longer settle, the Vendor will become entitled to receive the Purchasers' deposit monies. By the Vendor making a claim against the deposit bond it is "cashed in" via QBE making the appropriate payment within the timeframe specified on the QBE Deposit Bond.

The Purchaser is then required to reimburse QBE.

The Underwriter has the right to take legal action against the Purchaser and/or Guarantor as applicable. Full recovery of the deposit bond value and costs will be sought in accordance with QBE's Counter Indemnity detailed in all DBA/QBE Deposit Bond Application forms signed by the relevant parties..

The Underwriter:

QBE has been a Deposit Bond Underwriter since February 2000. QBE is one of Australia's largest general insurance groups and has a Standard & Poor's Rating of A+ (Stable). QBE is a specialist provider of surety bond products.

The Agent:

DBA has been an authorised Agent and Issuer of Deposit Bonds since March 1998. During this time DBA has approved, issued and settled thousands of deposit bonds on behalf of 3 major financial institutions, including the current Underwriter, QBE.

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