

Lending:

Buyer Tips & Frequently Asked Questions

In addition to the First Home Buyers Guide, these questions may be on your mind regarding loans, mortgages and lending. Consider this a basic 101 Course on lending terms and mortgage phrases.

Read the answers in our Buyer Tips for Lending and see if the answer to your question on loans is here. If these FAQ's for Lending don't answer all your questions, [please contact Chris by calling 07 577 1209](tel:075771209) or sending an email. We love to help people when arranging a home loan or business mortgage - so please send us your lending questions.

Buyer Tips for Lending - Frequently Asked Questions

Pre-approved Loans:

Can I get a pre-approved home loan in New Zealand when I'm overseas? I can help you find the right bank for a pre-approved mortgage in NZ.

Verbal Agreements:

You must complete a Sales & Purchase Agreement contract - as verbal agreements are not legal in New Zealand. I can help you with this.

Purchase Contracts:

I have heard there are two types of Sale and Purchase Agreement in New Zealand – which one is best for me? I can help you with the requirements and conditions for the purchase contract, or refer you to a solicitor if necessary.

Purchase Conditions:

What conditions can I add to my contract? You can special conditions add to a Sales and Purchase Agreement to meet your requirements. Whether it is finance, settlement, title searches, building reports, sale of another home and many other important factors, I can advise you on these sales conditions and provide excellent advice.

Title Search or LIM Report:

Do I need to arrange a title search? What is a LIM report? Are they the same? Do I need a LIM report? How do I arrange a LIM report? I will explain all factors clearly upfront so you can be fully informed and rest easy.

Deposit:

A deposit (usually 20% of the purchase price for funds from overseas) needs to be paid when the contract is signed by both parties and after the deal has become unconditional. This is one of the important requirements to make the contract legally binding. This deposit is able to be held by your solicitor until the settlement date. I can help you with this part of the buying process.

Fail to settle:

If the sale/purchase doesn't go through to completion or I fail to settle for whatever reason, will I get my deposit back? These deposit conditions need to be set correctly from the start so you don't get caught in an unexpected situation. I can help arrange for you to receive the best possible advice about this so that your best interests are kept to the fore under New Zealand conditions.

Interest:

Do I have to pay interest on the remainder of the purchase price when settlement is delayed? Again I will ensure that you receive the best possible advice with this purchase condition.

Documentation:

Prepare the right documentation for the special requirements of the lending institution. I know what they need and can streamline this process for you.

Tax & Duty:

Do I have to pay Stamp Duty or Property Tax? Does New Zealand have Capital Gains Tax? At present there is no stamp duty to pay on property transactions in New Zealand. In addition New Zealand has no capital gains tax at present.

Interest Rate Deals:

-  Are all the banks and finance institutions in NZ offering the same rate? Which one is the best deal? I can guide you to the most up-to-date mortgage options for your situation. A very high percentage of New Zealand borrowers “fix” the interest rate of their mortgage for periods from 6 months to 5 years. This percentage has dropped over recent times but I am happy to provide the background information and advice about which option should suit your situation best.

(Visit: <http://www.cowdy.co.nz/faq/> for more information.)

Please let us know if these FAQ's on Lending and Mortgages are helpful, or of anything is missing. We would love to hear from you.

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www.rapson.co.nz