

Purchaser obligation to get finance formally approved

What is my obligation as a buyer?

You have one major obligation- that is to settle your purchase on time. Time of settlement is very strict.

What if I cannot settle or refuse to settle on time?

If you cannot settle according to the contract you will have to pay hefty penalty interest.

The penalty interest is only for 14 days. Beyond that period, **the vendor will terminate, keep your deposit and sue you in court.**

(The court and judges will not be lenient on your behaviour).

What if my bank rejects my loan after the cooling off period and I cannot settle?

Answer: your loan has nothing to do with the vendor. You must ensure that you have the money ready at settlement. If you fail, you will be sued.

Tip:

- You must spend time getting your finance 100% approved. Any mistake with finance is deadly. The judge will not accept any excuses.
- Note: that pre-approval, conditional approval and approved in principle are not full approval. It is only a partial approval and the loan can be rejected. Make sure you are not misled by your bank. It's your responsibilities to get the right facts.
- It's your responsibility as an adult and home buyer to get a formal approval from the bank within the cooling off period. Failure to do so is not an excuse; you will risk losing 10% of the sales price. That's the law.