

Deposit Bond Application

What is a Deposit Bond?

A Deposit Bond is a bond or guarantee that acts as a substitute for a cash deposit between signing contracts and settling on a property. The bond guarantees that payment of all or part of the deposit will be made at the time of settlement and the value is capped at a maximum 10% of the purchase price of the property. The Insurer issues the bond to the Vendor for all or part of the deposit required (up to a maximum of 10% of the purchase price).

At settlement the purchaser is required to pay the full purchase price including the deposit. If you default under the Contract of Sale and are required to forfeit the deposit, the Vendor can claim the bond amount from the Insurers. The Insurer will then recover the money from the Purchaser.

Refund Policy

If applicants decide not to proceed with the Contract of Sale, which the Deposit Bond was issued for and the Deposit Bond remains unused and is returned within 30 days from the date of issue, we will refund the bond fee, less our issue fee.

If the Deposit Bond is issued as an 'open bond' (for auctions), there's no refund and the bond remains valid to be used up to the Expiry Date noted on the deposit bond. The deposit bond can be extended, if the settlement date goes beyond the Expiry Date on the Deposit Bond.

If the deposit bond has been issued for a long-term settlement ('off the plan' purchases), so long as greater than 6 months, we will pro-rata refund the unexpired period from the actual Settlement Date of the underlying Contract of Sale to the Expiry Date noted on the Deposit Bond, up to a maximum value of 18 months*. To claim the refund, we must receive (a) written proof of the actual settlement; (b) the 'original' Deposit Bond; and (c) within 45 days of the Settlement Date. A handling fee of \$220 applies. The refund policy only applies if the purchaser(s) noted on the original Deposit Bond settles and take ownership of the noted property. The refund policy doesn't apply if the property is on-sold during the construction period. (*Example A, if the property settles 4 months before the Expiry Date on the Deposit Bond, there's no refund. Example B, if we issue a Deposit Bond for 48 months and the project completes and settles at say 26 months, then the refund will be based on a maximum of 18 months and not the 22 months remaining.)

If the above Refund Policy isn't clear or your situation is different to that outlined, you must seek clarification from us, in writing, before you submit this application and we proceed to issue the Deposit Bond. Variations can't take place once the Deposit Bond has been issued.

IMPORTANT NOTICE TO APPLICANT(S) FOR CREDIT (SECTION 18(E) (1) PRIVACY ACT 1988)

Notice of disclosure of your credit information to a credit reporting agency. (Privacy Act 1988)

QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE) may give information about you to a credit reporting agency, for the following purposes:

- to obtain a consumer credit report about you, and/or
- to allow the credit reporting agency to create or maintain a credit information file containing information about you.

The information is limited to:

- Identity particulars - your name, sex, address (and the previous two addresses) date of birth, name of employer, and drivers licence number.
- Your application for credit or commercial credit - the fact that you have applied for credit and the amount.
- The fact that QBE is a current credit provider to you.
- Repayments which are overdue by more than 60 days, and for which debt collection action has started.
- Advice that your loan repayments are no longer overdue in respect of any default that has been listed.
- Information that, in the opinion of QBE you have committed a serious credit infringement (that is, fraudulently or shown an intention not to comply with your credit obligations).
- Dishonoured cheques - cheques drawn by you for \$100 or more which have been dishonoured more than once.
- That credit provided to you by QBE has been paid or otherwise discharged.

All correspondence and inquiries should be directed to:
Aussie Bonds Australia Pty Ltd (ABN 52 127 577 440)
Acting on behalf of QBE Insurance (Australia Limited)
Reply Paid 90202 Concord West NSW 2138
P: 1300 851 351 F: 1300 739 817 E: bonds@aussiebonds.com.au

Section 1

Applicant #1 Full Name

| | | |
|-----------------------|-----------------------|-----------------------------------|
| Applicant 1, Name | | Email Address: |
| Street Address | | Postcode |
| Employers Name | | Annual Income (includes benefits) |
| Street Address | | Postcode |
| Date of Birth / / | Drivers Licence No. | Expiry Date: / / |
| Work Phone No. () | Home Phone No. () | Mobile Number |

Applicant #2 Full Name

| | | |
|--------------------------------------|-----------------------|-----------------------------------|
| Applicant 2, Name | | Email Address: |
| Street Address | | Postcode |
| Employers Name | | Annual Income (includes benefits) |
| Street Address | | Postcode |
| Date of Birth / / | Drivers Licence No. | Expiry Date: / / |
| Work Phone No. () | Home Phone No. () | Mobile Number |
| Company/Trading Name (if applicable) | | A.B.N |

Section 2

Developer's Details

| | |
|---------|------------------|
| Name | Phone no. () |
| Address | Fax No. () |

Section 3

Particulars of Property to be Purchased

| | |
|--------------------------------------|----------------------|
| Address of Property to be Purchased | Postcode |
| Expected Settlement Date of Contract | Purchase Price \$ |
| Vendor's Name | |
| Vendor's Postal Address | Postcode |

Section 4

Deposit Bond Details

| | |
|--|--------|
| Deposit Bond Amount | \$ |
| Number of Months the Deposit Bond is Required | |
| If for an 'Off The Plan' purchase, is the vendor accepting a Deposit Bond for a term less than the Sunset/Registration Date? | MYg Bc |
| Expiry Date | / / |

Section 5

Applicant Financial Information

Have you arranged finance for this purchase? No Yes

If yes, please provide a copy of the letter of approval.

Have you applied for, or are in the process of applying for any other Deposit Bonds? No Yes IF YES attach details

Have you, or are you in the process of purchasing another property? No Yes IF YES attach details

Have you, or are you in the process of acting as a guarantor for any other property purchase? No Yes IF YES attach details

If you are in the process of selling your current property, please attach a copy of the contract of sale.

Section 6

Financial Information

| LIABILITIES | \$ | ASSETS | \$ |
|--|----|--------------------------|----|
| Bank Overdraft | | Cash | |
| Mortgages - Home | | Property - Home | |
| - Other | | - Investment | |
| Lease/Hire Purchase | | Motor Vehicles | |
| Other Loans | | Superannuation | |
| Credit Cards | | Investments (shares etc) | |
| Total Liabilities | | Total Assets | |
| Net Worth (Total Assets less Total Liabilities) | | \$ | |

Full Disclosure of Your Total Assets and Liabilities Must be Made

Note 1 Property (Home, Investments etc)

| Lender | Address of property | Number of rooms & type | Property Value (\$) | Loan Balance (\$) |
|--------|---------------------|------------------------|---------------------|-------------------|
| | | | | |
| | | | | |
| | | | | |

Note 2 Loans (personal loans hire purchase, leases etc)

| Lender | Type of Loan | Amount Borrowed (\$) | Amount Owing (\$) |
|--------|--------------|----------------------|-------------------|
| | | | |
| | | | |

Note 3 Bank and Credit Facilities (overdraft, credit cards etc)

| Lender | Details of facility | Limit (\$) | Balance (\$) |
|--------|---------------------|------------|--------------|
| | | | |
| | | | |

Note 4 Investments (shares, term deposits, debentures, deposits etc)

| Type of Investment | Institution | Amount (\$) |
|--------------------|-------------|-------------|
| | | |
| | | |

Section 7

Indemnity

Please read this section carefully. If you are unsure you should ask your solicitor or legal representative to explain the Indemnity and its implications to you.

In consideration of QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE) issuing the Deposit Bond I/We unconditionally and irrevocably indemnify QBE against all actions, claims, demands, liabilities, losses, damages, costs and expenses (including, without limitation, administration and legal expenses) which QBE at any time suffers or incurs directly or indirectly under or in connection with the Deposit Bond; and must within 10 days of the demand by QBE, pay QBE any amount so indemnified.

I/We agree that, if I/We do not pay any amount demanded by QBE under the Indemnity when due, interest will accrue on that amount from the date it was payable until the day I/We pay it. Interest will accrue on a daily basis at either the 90 day Bank Bill Swap Reference Rate (at the time the claim is paid, rounded to two decimal places) plus a margin of 4% or a rate of 12% whichever is the greater, and will compound monthly and is payable on demand.

I/We understand that QBE must pay out under the Deposit Bond whether or not the Vendor is entitled to terminate the Contract for Sale or claim the Deposit or I/We have a dispute with the Vendor and that QBE may make such payment without reference to or further authority from me/us.

The law governing the Indemnity contained in this section is the law of the jurisdiction in which the Deposit Bond is issued.

I/We authorise QBE to obtain from the RTA or any government authority (including the Department of Immigration), bank, real estate agency or other individual company or body, any personal information in relation to the Applicant's or Guarantor's necessary to recover any monies due to QBE pursuant to this Deposit Bond.

I/We and each Guarantor hereby charge any real estate wherever situated I/We now or hereafter own with the performance of my/our obligations and liabilities under the Deposit Bond and acknowledge that QBE may at its discretion register a Caveat in respect of such Charge.

Any signatory for a proprietary Company applicant shall be personally liable for the due performance of the Applicant's obligations as if the signatory was the Applicant.

Declaration

This declaration must be completed by the applicants.

I/We fully understand that my/our obligations and liabilities under the Indemnity contained in this Application is/are joint and several. This means that QBE may take action against any one or more of us.

Yes No

I/We fully understand that QBE will have the right under the Indemnity to recover from me/us any loss suffered by QBE under the Bond, and lodge a caveat against any real estate wherever situated.

Yes No

I/We authorise QBE to obtain from any credit provider and any credit provider to disclose to QBE, any information required to assess my/our application for the Deposit Bond.

Yes No

I/We have consulted, sought advice from or engaged the services of a solicitor or legal representative before signing this Application

Yes No

I/We acknowledge that QBE has relied on this information in assessing the Application

Yes No

I/We the applicant/s, confirm that the information disclosed in this Application, is true and correct.

Yes No

I/We have read and understood the Indemnity.

Yes No

I/We confirm that there are 'defaults' recorded on our credit records.
(If answered 'Yes', please provide an explanation by covering email or letter)

Yes No

Section 7(cont)

Statement by Applicant(s)

Please read carefully before you sign. Each Applicant must sign.

1. Giving information to a Credit Reporting Agency (Section 1, 8E(8)(c) Privacy Act 1988)
QBE has informed me that it may give certain personal information about me to a credit-reporting agency.
2. Access to Commercial Credit Information (Section 18L(4) Privacy Act 1988)
I/We agree that QBE may obtain information about me/us from a business, which provides information about the commercial creditworthiness of persons for the purpose of assessing my/our application for commercial credit.
3. Access to Consumer Credit Information (Section 18K(1)(b) Privacy Act 1988)
I/We agree that QBE may obtain a consumer credit report containing information about me from a credit reporting agency for the purpose of assessing my/our application for consumer credit.
4. Exchange of Credit Worthiness information (Section 18N, Privacy Act 1988)
I/We agree that QBE may exchange information with those credit providers named in this application or named in a consumer credit report issued by a credit-reporting agency for the following purposes;
 - to assess an application by me/us for credit
 - to notify other credit providers of a default by me/us
 - to exchange information with other credit providers as to the status of this credit facility when I am in default with other credit providers
 - to assess my/our credit worthiness.
5. Agreement to a credit provider being given a consumer credit report by a credit reporting agency to assess a guarantor (Section 18K 1(c) Privacy Act 1988)
I/we agree the QBE may obtain from a credit reporting agency a consumer credit report containing information about me/us for the purpose of assessing whether to accept me/us as a guarantor for credit applied for by, or provided to, the applicant(s) [named in agreement]. I/we agree that this agreement commences from the date of this agreement and continues until the credit covered by the application ceases.
I/We understand that the information exchanged can include anything about my/our credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to exchange under the Privacy Act.
6. Agreement to a credit provider disclosing a report including a consumer credit report to potential or existing guarantor (Section 18K (1) Privacy Act 1988)
I/we agree that QBE may give to a person who is currently a guarantor, or whom I/we indicated is considering becoming a guarantor, a credit report containing information about me/us for the purpose of the guarantor deciding whether to act as a guarantor or to keep the guarantor informed about the guarantee. I/we understand that the information disclosed can include anything about my/our credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to disclose under the Privacy Act, and includes a credit report.

I/We irrevocably authorise QBE to serve the Applicant’s solicitor if service cannot be effected on me/us.

| | |
|--------------------------------------|--------------------------------------|
| Applicant 1, Name | Applicant 2, Name |
| Applicant 1, Signature | Applicant 2, Signature |
| | |
| Date / / | Date / / |
| In the presence of (Name of Witness) | In the presence of (Name of Witness) |
| Witness Signature | Witness Signature |
| | |
| Address of Witness | Postcode |
| Date / / | |

Section 8

Payment Details

Payment of the Deposit Bond Fee is deemed to have occurred only when cleared funds are received.

Direct deposit details available on request.

Guaranteed Amount: \$ _____ Deposit Bond Term: _____ months

Deposit Bond Fee: \$ _____

Credit Card Payment Details (Please Note: loading payable for credit card transactions is in addition to the Deposit Bond fee.)

Number: _____ Date: ____ / ____ CSV: _____

Card Type: Visa MasterCard Amex/JCB Diners

Name of cardholder: _____

Signature of cardholder: _____
(Only requires a signature if the credit cardholder is different to the Applicants)

(If paying by credit card, merchant fees apply and these have been disclosed in our quote.)

If wishing to pay by EFT, Aussie Bonds Australia Pty Ltd; Suncorp; BSB 484799; Account 604453069; Reference 'Surname')

Section 9

Original Deposit Bond Instruction

Once issued, we will email a scanned copy of the original Deposit Bond to the party you nominate below (typically the party handling the property conveyancing) and Express Post the original Deposit Bond to this party. In the event the original Deposit Bond has to be replaced (damaged; typing error; vendor's solicitor requires a correction; lost in the mail; etc.), we will automatically reissue the Deposit Bond on the applicant's behalf and resend to the party ASAP, so that the Contract of Sale can be secured.

Firm's Name _____ Contact Name _____

Postal Address _____

Suburb _____ State _____ Postcode _____

Email Address _____

Phone Number (____) _____ Fax Number (____) _____

All correspondence and inquiries should be directed to:

**Aussie Bonds Australia Pty Ltd (ABN 52 127 577 440)
Acting on behalf of QBE Insurance (Australia) Limited**

Reply Paid 90202 Concord West NSW 2138

P: 1300 851 351 F: 1300 739 817 E: bonds@aussiebonds.com.au

PRIVACY STATEMENT

This privacy statement describes the collection, use, storage and disclosure of your personal information by QBE Insurance (Australia) Limited ABN 78 003 191 035 (**QBE, we, us, our**).

Why does QBE collect information about you?

QBE collects information about you to:

- process, assess and verify your application, including assessment of the risk we undertake;
- administer and manage the products or services we provide, including calculating premiums, responding to your queries and determining, assessing and verifying any entitlements and/or claims against your policy;
- provide you with information about other products or services that may be of benefit to you; and
- facilitate our internal business operations, including updating internal databases, conducting consumer satisfaction surveys, fulfilling regulatory and legal requirements and system testing.

If you do not provide the information sought by QBE from time to time, it may affect QBE's ability to provide you with and administer our products or services. You have a duty under insurance law to disclose all relevant information. Please refer to your application form for further details of this duty, and the consequences of not complying with it.

We may collect information about you from:

- your accountant or current or former employer;
- your insurance broker or other insurance representative;
- other insurance companies
- your banker or other financial institution
- insurance industry reference bodies and credit reporting agencies;
- government department(s);
- claims investigators; and
- our overseas or local related entities.

To whom may QBE disclose your personal information?

QBE may disclose your information to our agents, consultants, auditors, contractors, contracted staff or service providers that provide financial, legal, administrative or other services such as:

- mailing houses, document and archiving service providers, financial institutions, lawyers, claims investigators and reinsurers;

- insurance industry reference bodies, such as the Insurance Reference Association of Australia (IRAA), Insurance Reference Services (IRS), Veda Advantage formerly Credit Reference Association of Australia (CRAA) and industry complaint bodies;

- direct marketing companies;
- our local and overseas related entities who share access to our databases (as necessary only);
- government agencies including the Australian Taxation Office, as part of our regulatory or statutory obligations;
- where the law requires or permits us to do so (such as to law enforcement agencies);
- where we collect your information from someone else, or another entity then we may disclose any of your personal information to that person or entity; and
- your agent or with your consent.

Can I access and correct my information?

You can request access at any time to personal information we hold about you. You may ask us at any time to correct this information where you believe it is incorrect or out of date.

No fee will be charged for an access request made to us. You may be charged the reasonable expenses incurred in giving you any information you have requested (such as searching and photocopying costs).

To access personal information we hold about you, or to obtain more information about your rights or our Privacy Policy, please contact QBE's Privacy Officer at:

QBE Insurance (Australia) Limited

ABN 78 003 191 035 (QBE)

Level 18, 388 George Street,

Sydney, NSW 2000

Tel: +61 2 9375 4444

By completing this application form you consent to QBE collecting, using, disclosing and handling personal information about you in accordance with this privacy statement, whether collected on the application form or any other form completed now or in the future.

You also agree that where you have supplied information (such as a name) about any other person, you will tell that other person that you have provided the information to us and show the person this document.