

Home Buyer Information Kit



HousingHeroes
If We Can't Help, No-One Can!

Australian Credit Licence: 443249



NOT LEGAL ADVICE

Warning



These information sheets are intended to assist Buyers understand the procedures involved when purchasing a home using Licence to Occupy Contracts or Instalment Contracts in Queensland.

It includes a summary of some of the features of the Licence to Occupy Contract and Instalment Contract and some of the provisions of the documents used by the Seller.

These information sheets do not and should not be regarded as giving legal advice and

should not be relied upon in any way to effect a modification of the provisions of the Seller's agreement used.

The Buyer should at all times obtain and rely upon their own, independent legal advice before signing.

It is the agreement ultimately signed by the Buyer that governs the Buyer's relationship with the Seller of the house and not this information sheet.



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Home Buyer Information Kit

Buying a home can be one of the most important things we do in our lives. It can also be one of the most difficult things to achieve.

The reality is the old days are nearly gone; when everyday Australians could save enough deposit to satisfy the lenders and purchase their home with a traditional bank loan in place.

Because the cost of living is so high, there simply isn't enough money left over at the end of each week to save a deposit quickly.

Most people find they have to rent for many years while they save their deposit; wasting tens of thousands of dollars in dead rent money in the process.

During this saving period, many renters find they need to move house a few times (at considerable expense and inconvenience) when landlords sell the houses they are renting.

All of the renter's hard earned money is paying off their landlord's home year after year; simply because a bank has decided whether or not they can purchase a home.

*House rent rose again ...
the second time this year.*



When they think they have enough saved, the house prices have increased by tens of thousands of dollars, and sadly their saved deposit is no longer large enough.

This means they need to stay in the "rent trap" longer; now having to save more deposit to buy the same house for more money; hoping that by the time they save this larger deposit, house prices haven't moved again and it starts all over again.

The cycle never stops and many never break out of this "rent trap".



If they finally break free and achieve the worthwhile goal of owning their own home, not only have they wasted a small fortune on dead rent, they need to pay tens of thousands of dollars more for the same property they could have bought years ago for much less.

It cannot be underestimated how much better off you'll be if you can buy a house now; TODAY, as opposed to waiting five years while you rent, save and hope to receive approval from the self serving banks.

Although it may feel like it's impossible to break out, the Housing Heroes programs have been designed to help you do just that. There's a better way!

Housing Heroes Pty Ltd (Housing Heroes) has designed a suite of programs that stop this nonsense; giving everyday Australians the legitimate opportunity to achieve home ownership and stop wasting their weekly pay on spent rent.

Housing Heroes is a privately owned business that specialises in Vendor Financing, Owner Financing and Seller Financing. This means that when you purchase your home through Housing Heroes, the home comes with financing in place (if you want).

Don't worry, **you can definitely purchase our homes the traditional way** (using traditional bank finance), however if the banks won't help you right now, Housing Heroes can give you The Helping Hand to Home Ownership.

*Never Fear, Help Is Here!
We say YES when the banks say No!*



By taking advantage of our Easy-Qualifying Home Ownership Programs, **it means you don't need to go through a bank if you don't want to.**

We help you purchase the home directly from the owner. Instead of paying your money to the bank, you pay your house repayments directly to the Seller over an agreed period of time.



The Seller wins; as they sell the house faster and achieve a better price. You win; as you get to move into their home now, while saving tens of thousands of dollars compared to what it could have cost you if you had to wait, rent and save your deposit inside the "rent trap".

We make sure both you and the owner are protected legally to ensure the transaction remains legal and compliant.

It's like a "Live-In Layby™". You live in the house while you are paying it off.

Housing Heroes have been helping people buy homes this way since 2004; genuinely giving them The Helping Hand To Home Ownership.

Many of our families get out of the rent trap and "get ahead" of the game by following our programs.

One of our families has bought three houses under our program; buying, renovating and selling for a profit each time. The system works!

Housing Heroes have two main products to help you achieve home ownership:

1. The Live-In Layby™

2. The Deposit Layby

(The Live-In Layby™ is a registered trademark owned by Housing Heroes Pty Ltd.)

Housing Heroes realise every Home Buyer has unique personal and financial circumstances.

To cater to these individual needs, each program is individually designed to help people navigate through their personal challenges.

The ultimate goal is to help you achieve home ownership. The paperwork we use is totally dependent to your personal circumstances.



Call us to see how we can help.

**1300 00 HERO
(4376)**



ASIC

Australian Securities & Investments Commission

Housing Heroes is a fully licenced credit provider under Australian law (Australian Credit Licence 443249). This can be verified on the ASIC (Australian Securities and Investment Commission) website.

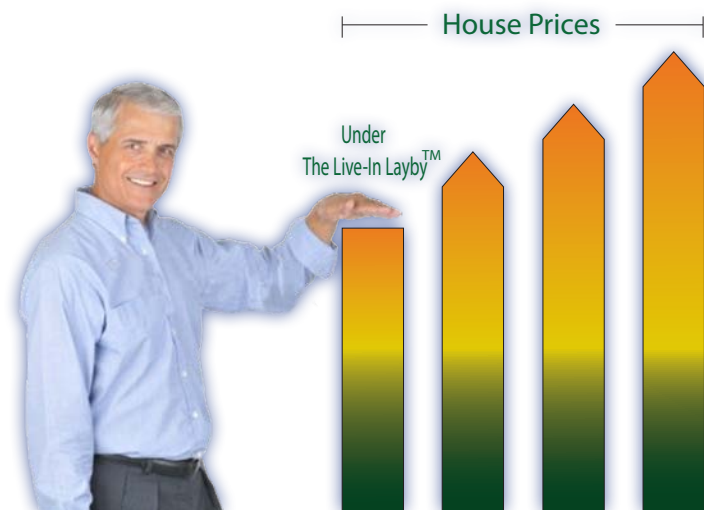
The Live-In Layby™ Briefly Explained

The Live-In Layby™ is a “stepping stone” program, designed for people who want to “put their foot on a deal”, get the house now, and source traditional bank finance later.

The Seller acts as a “surrogate loan owner”, while you become the home owner. The Seller keeps the original loan in their name, while you get yourself ready to secure traditional bank finance in your own name.

The Seller agrees to sell you the house at a fixed price, for a fixed period. If the house increases in value above the fixed price during the period, this becomes your “equity” to use as a deposit.

The Seller is legally bound to sell you the home at the lower price.



Because you are dealing directly with the Seller, you can pay a lower deposit upfront. You get into your home sooner, with increasing house prices working for you, not against you.

As far as Housing Heroes and the Seller are concerned, you are the owner of the home; simply waiting to organise your finance.

While living in the home you enjoy the many benefits of home ownership; however you also have the many obligations of home ownership.

This means it's your responsibility to pay the rates, insurance, land tax (if any), repairs and maintenance and any other expenses normally incurred by the home.

Because the Seller holds the loan in their name (for your benefit), legal title stays with the loan; therefore title is in the name of the Seller during the interim period.

When you are ready to secure traditional finance in your own capacity, you simply give the Seller the balance of the money you owe them for the house and title transfers.

The Live-In Layby™ is a very flexible program that can be structured in multiple ways depending on the paperwork used. This program benefits both Buyers and Sellers.

The Live-In Layby™ is designed to help the following people:

- Those who only have a small deposit but good income
- Self Employed who have good income but don't have two years financials
- Good People with Bad Credit
- Those with irregular income
- Those who only started recently in new employment
- Those on contract work
- Those needing time to clear up a few bad debts or credit blemishes.

Although the Live-In Layby™ program only requires a small deposit (compared to the banks), we are very flexible when considering your ability to qualify for your home.

During our easy-qualifying process, we consider how much rent you are currently paying (most banks won't), as well as any other income you may have that can help you pay off your home.

Additional income can be casual, part time, full time, contract, parenting payments, self employed income or even hobby income.

Unfortunately you cannot buy a home under our programs if your only source of income is a government pension, however pension income can be considered as additional income if added to regular employment income.

We consider all income sources to assess your ability to qualify for our program.

Small blemishes on your credit rating aren't an issue.



Often, blemishes on a credit rating get in the road of securing traditional bank finance, so the Live-In Layby™ program is designed to let you get the house now and live in the house while you sort out the credit issues.

We've had good success with people committing to the program while they clear their outstanding credit issues.

We can even help ex-bankrupts (your bankruptcy must be discharged).

Under very special circumstances we can even help current bankrupts however this is significantly more difficult.

Because the Sellers hold the loan in their own name while you get all the capital growth in the home above the agreed purchase price, they obviously won't let you stay with them forever, so our aim is to help you secure traditional bank finance as soon as possible.

This lets our Sellers help another family; just like you.

Having a traditional bank loan will also allow you to benefit from the many other bank products that are linked to traditional home loans.

Once you purchase your home outright, you may even decide to become a Housing Heroes investor who helps another great Aussie family buy their own home under the Live-In Layby™ program; in the same way someone helped you.

The Live-In Layby™ sure beats paying dead rent money where you can be forced to move out every year or two if the landlord decides to sell the house.

That nonsense doesn't happen under our program as our Seller has already found a buyer...YOU!

As stated, we act as a "stepping-stone" between you and the banks. We help you get from where you are now, to where you want to be; which is in the banking system with a traditional home loan.



The Ultimate Try Before You Buy

One significant benefit to our Buyers is the fact that title doesn't transfer until you get a traditional bank loan and give the Seller the balance of what you owe them.

In real terms, this means it's up to YOU to decide if you want to purchase the home or not. You have the right, but not the obligation to buy the home, so if house prices crashed you can simply walk away and the Seller cannot force you to buy.

This is a massive safety net under the Live-In Layby™ program. You can force the Seller to sell you the home if prices go up, however the Seller can't force you to buy the home if prices go down.

*It's the ultimate
"Try-Before-You-Buy" on a house
and you win both ways.*

You get the best of both worlds and these rights are legally protected with the agreement we use.

If you decide to walk away from the Live-In Layby™ (for whatever reason), as long as your weekly payments are up to date, and the house is returned clean and tidy, you can simply walk away; without tenancy defaults or credit rating blemishes registered against your name.



Try telling a bank you want to voluntarily terminate the agreement and walk away. They simply won't let you do it and will even bankrupt you if needed to enforce their contract with you.

The Live-In Layby™ is custom designed to help people buy a family home as their principal place of residence.

They must live in the home and cannot rent it out like a landlord. This program is not suitable for investors.

Two Roads to the same destination

Based on your personal circumstances, we have multiple types of agreements that can be utilised for your benefit.

Under the Live-In Layby™, our main two agreements are a Licence to Occupy and an Instalment Contract.

Both have a different purpose, different rules and different requirements.

One will be more suited to you; depending on your personal financial and family circumstances.

Ultimately it doesn't matter which agreement we use, as long as you arrive at the same end goal; which is owning your own home.



The Deposit Layby Briefly Explained

The Deposit Layby is a very different program to the Live-In Layby™; tailored for different circumstances.

It is designed for people who have good income and clean credit, however don't have enough deposit to secure a traditional bank loan immediately.

Under the Deposit Layby, you live in the house (and own it) while you pay off the deposit.

You don't even need to live in the house. You can be an investor buying the house as an investment property with the intention of renting it out like a landlord.

You actually buy the home now; using a combination of both traditional bank finance and a deposit loan from Housing Heroes.

You have two loans: one loan with Housing Heroes for the deposit, and another loan with the bank for the balance of the purchase price.

Some people call it the **“Some Now, Some Later”** program. You give the Seller “Some Now”, then give the Seller “Some Later”.

The “Some Now” is the amount the bank lends you upfront; which you give to the Seller at settlement. The “Some Later” is the balance payable (i.e. the difference between the purchase price and the amount the bank gives you). This balance payable is normally called your deposit.

The traditional method is to save a deposit first, then get a bank loan for the balance of the purchase price.

The Deposit Layby lets you do it in reverse. You get the loan first, then pay off your deposit while you live in the house, or have tenants pay you rent.

Under the Deposit Layby, title and full legal ownership transfers to you immediately.



This program works very well if you've already been saving, however you don't quite have enough deposit to satisfy a lender.

Sometimes you only need a deposit top-up to get you “over the line” with a lender.

Maybe you only need a little extra to avoid having to pay mortgage insurance. This can save you thousands.

Investors benefit greatly from the Deposit Layby. For an investor, they like to minimise the amount of money they put into a deal. The less of their own money in the deal, the better the “Cash-on-Cash” return.

By using the Deposit Layby, it means they keep more of their own funds safe; retained in their own bank accounts earning interest and available as a “safety fund” for their own borrowing purposes.

Under the Deposit Layby, we tailor the repayments to suit your family budget. As long as a traditional lender is prepared to lend to you, Housing Heroes is prepared to lend to you under the Deposit Layby.

We Make It Easy To Buy!

Not only do Housing Heroes make home ownership achievable, we make it EASY to buy. No real estate agent can offer you the opportunities we offer you.

Unless you qualify for bank finance today, a traditional real estate agent will think you’re a “waste of time”.

You’re never a waste of time at Housing Heroes because we have more options available to help you. Agents simply can’t compete against our Home Buyer programs.

Why should you be locked out of home ownership because an agent or a bank doesn’t think you should have the opportunity.

Our Sellers think you should have the opportunity and Housing Heroes think the decision should be up the YOU, not the bank or agent.

Why should you have to stay renting when you don’t have to, or don’t want to.

*Remember: Rent Money
Is Spent Money!*



We strongly believe EVERYONE should own their own home and we’re here to help you achieve that goal.



Housing Heroes coordinate the sale between you and the current homeowner. We manage everything and take care of as much of the paperwork as possible; to make the process easy for all parties.

As an example, under the Live-In Layby™, we organise the regular repayments via direct debit so you don’t have to worry about the payments every time they are due.

We pay the rates and insurance on your behalf, meaning you don’t have to worry about the usual paperwork hassles involved with owning your own home.

We simply budget the rates and insurance expenses into the weekly payment and collect one payment from you. We send you a statement every six months to confirm everything is up to date for your records.

To sum it up, we make it EASY to buy a home.

Home Buyer Information Kit FAQs

Q. Will it cost more than renting?

In the short-term, buying your own home will normally cost you more than renting.

Ask any home owner and they'll confirm this for you. The big difference is the money is going into YOUR investment, not your landlords.

However, when considering the impacts of inflation, rents go up each year, however loan repayments often stay the same (or go down) as the loan balance stays the same.

Unless there are massive increases in interest rates, the loan repayments will often be cheaper than rents within a few years. Especially when interest rates go down further.

Did you know that if you currently pay \$350.00 per week rent and it took you two years to save a deposit (while you were renting), you will pay \$36,400.00 in rent that you will NEVER see again.

*It's simply CRAZY to rent
if you don't have to.*

Keep in mind, if you want to save a \$20,000 deposit within two years, you need to save \$200.00 per week (on top of your \$350.00 per week rent).

By the time you save the \$20,000 deposit, the house prices may have moved and now the banks need a larger deposit, therefore you need to stay renting longer to continue saving. The cycle never stops for some people.



Our programs are designed to help you stop this nonsense. Remember, RENT money is SPENT money! Buy your home NOW! It's easy and it makes financial sense for most people.

Q. Can I rent the home out to other people?

This depends on what program you decide to take advantage of. The Live-In Layby™ is only suitable for people wanting to buy a home as their principal place of residence.

This program is not suitable for investors; therefore you are not allowed to put tenants into the home while you are under the Live-In Layby™ program.

Keep in mind, under the Live-In Layby™ program, title stays with the Seller until you pay the full price for the home, therefore the Seller can't afford to be the victim if you accidentally choose bad tenants.

You can definitely have family members board with you, however other tenants are not allowed under the Live-in Layby™.

The Deposit Layby is completely different. It is available to both Home Buyers wanting a family home and investors wanting to increase their portfolio.

Because legal title transfers immediately under the Deposit Layby, you are the full legal owner of the home; therefore it is yours to do with as you see fit; so yes, you can put tenants in the home under the Deposit Layby.

Q. So what's the Live-In Layby™ again?

The Live-In Layby™ is an Easy-Qualifying Kick-Start Home Ownership Program (only available through Housing Heroes Pty Ltd) that helps people achieve home ownership; especially when their current circumstances don't "tick all the boxes" with traditional lenders and they need a little time to get themselves "bank ready".

Under the Live-In Layby™, you don't need to secure bank finance upfront, you simply live in the house while you are paying it off (directly to the owner), while getting yourself "bank ready" for traditional bank finance.

Title doesn't transfer until final settlement; meaning you have a lot of flexibility if you want to voluntarily terminate the agreement at any time.

The Live-In Layby™ program is only suitable to people wanting to buy their own family home and cannot be utilised by investors.

The Live-In Layby™ can be structured in several ways depending on your personal circumstances.

We'll structure the agreement in the best possible manner to help you achieve home ownership within the desired timeframes.



Q. So what's the Deposit Layby again?

The Deposit Layby is another Easy-Qualifying Home Ownership Program only available through Housing Heroes.

It is different to the Live-In Layby™ and available to both Investors and Home Buyers wanting to buy a home.

Depending on the properties available at the time, homes could be pre-existing, established homes, or they could be brand new homes made available through our developer network.

Under the Deposit Layby, you buy the house NOW; using traditional bank finance, and you pay off the deposit over time.

Essentially Housing Heroes is lending you your deposit so you can purchase the home immediately and have title transfer immediately.

You need to be able to secure traditional bank finance, however the Deposit Layby is suitable for Home Buyers or Investors who either:

- don't have enough deposit,
- don't want to use their own savings, or
- need additional deposit to avoid paying mortgage insurance.

Many Investors like to utilise the Deposit Layby as it preserves their personal savings and limits the amount of their own resources needed to invest in the home.

When evaluating the reduced amount of cash needed to invest in a home, the Deposit Layby allows the investor to achieve a better cash-on-cash return.

(This is not financial advice, you are advised to seek your own independent financial advice on these matters).

Q. Is Housing Heroes licenced to provide these services?

Absolutely! Housing Heroes Pty Ltd is fully compliant, accredited and licenced to provide vendor finance and credit related products. Our Australian Credit Licence number is 443249.

Our aim is to deliver industry best practice to ensure our customers receive better treatment under the Housing Heroes programs than any other provider of vendor finance products.

Q. Will we pay too much?

You may/will pay a little more to purchase a home with the financing in place than you would if you paid all cash within 30 days.

It would be difficult for us to encourage our Investors to sell their home on flexible owner financing terms if they didn't receive a little extra consideration for it.

The logical question would be "Why would the Investor sell a house at today's price and take 5 years to receive their sale price (giving you all of the capital growth) when they could sell it the traditional way and receive all of the money immediately. Alternatively, why not keep the home and keep the growth?"

It simply wouldn't make sense.

However, everyone knows that if an owner tries to sell a property for too much, it simply won't sell.

As always, **the golden rule of determining market value** can be relied upon, being, the true market value of a property is the price a willing Buyer (without duress) is prepared to pay a willing Seller (without duress) upon terms agreeable to both parties.

Therefore, we think it's fair to say that because the Buyers and Sellers agree on the price and terms, then **all Housing Heroes properties are being sold for market value based on the available flexible terms.**

Looking at it another way, you are not paying too much; you're simply not getting the discount that is available if you were paying all cash today.

That discount is available today if you can arrange either cash or a bank loan.

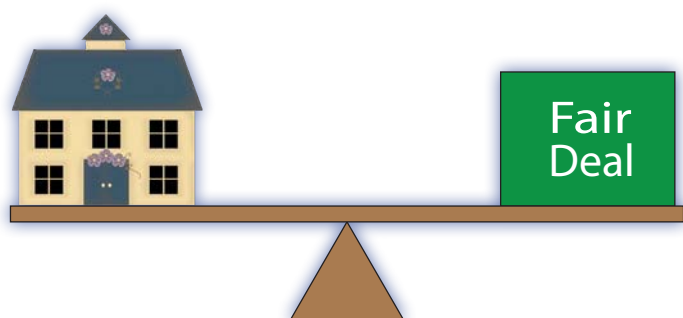
Homes under the Deposit Layby program are always sold at current market value as they need to "value up" for the lender. These deals simply won't work if the homes aren't sold at market value.

The price of homes under the Live-In Layby™ varies depending on both the period of time you want to fix the price for, and the type of agreement used (i.e. Instalment Contract or Licence To Occupy).

The longer the period you want the price to be fixed for, the higher the price. If you wanted the price fixed for 50 years, you couldn't expect to purchase the home for today's market price.

As a general rule, the homes are worth more at the end of the period than the agreed fixed purchase price however this can be impacted by falling real estate prices depending on the real estate cycle.

Our Investors aren't greedy, they simply want to share some of the gains you will receive from the home during the purchasing period.



Considering the Investors are using their own deposit funds and taking the loan out in their name to help you, it seems reasonable that you are working together on this.

To encourage our Investors to fund your underlying home purchase, your interest rate is calculated at a small margin (usually 1% - 2%) above our Investor's interest rate.

The irony to this situation is that if you waited until you had saved enough deposit to get traditional bank finances (usually 2 to 5 years), the cost of your selected home is often MORE expensive in that future market than the current purchase price.

This is not financial advice and no representation is made on future value. You are advised to seek your own independent opinion regarding current and future values.

Under our programs, you receive any capital growth the home enjoys.

Housing Heroes refuse to deal with greedy Investors who want to charge you too much for their homes. They simply don't sell and it makes our company look bad. It's not worth it for you and it's not worth it for us, so we don't do it.

Q. Can you help us if we have bad credit?

Our program has helped many people with bad credit.

Quite often, credit blemishes occur on people's credit rating during isolated periods in their life when they hit a rough patch financially.

Sometimes, simply paying a telephone or electricity bill late can end up on your credit report; costing you the opportunity to secure finance and own your own home.

Normally our Home Buyers are very good people who have gone through a very bad period. Once

through the tough spot, they are back to normal; however the banks continue to give them grief.

Under the Live-In Layby™, you are given the time you need to sort these issues out, without being "banned" from the property market.

You do need to make a genuine effort to resolve the credit issues and avoid any further blemishes during your time with us, however if you commit to this, there should be no reasonable impediment to securing traditional bank finance within the time allowed under our program.

Q. Can we refinance with another bank?

Absolutely, that's the whole purpose of the Live-In Layby™ program. We encourage you to refinance as soon as possible.

Many people like to stay with us for a few years (average 24 months) and then refinance with a traditional bank. They use this period to clean up their credit rating or build their deposit; making the process of securing traditional finance much easier.

Once you've demonstrated the capacity to pay ON time, EVERY time for the period you are under our

program, you'll find it much easier to secure bank financing.

You'll also find the value of the house often increases and your "EQUITY" (the difference between your purchase price and market value) has also increased. This acts as "forced savings" and many banks let you use this as your genuine deposit.



Q. How do our repayments work?

Remember, the rent money you spend every week is GONE forever, however your repayments when buying through Housing Heroes operate like a traditional P&I (Principal and Interest) loan.

We calculate your repayment the exact same way a bank calculates your repayments. You have a “loan amount”, an “interest rate”, and a “loan term”.

We want to demonstrate to a bank that you can meet their scheduled payments.

Part of the regular payment is actually paying off the house (or reducing the balance purchase price payable; whichever way you like to look at it).

We normally calculate your repayments over 30 years to keep the repayments affordable for you.

We can even calculate payments on an “interest only” basis to keep your weekly payments as low as possible. Many people do this.

However keep in mind that under an “interest only” payment plan, you are not reducing the amount you owe when you do refinance.

If Instalment Contract paperwork is used, you would be required to refinance with a bank within the nominated period (in the agreement) and any “principal” payments you have made will be treated as equity for your deposit.

Alternatively, our Licence To Occupy paperwork allows you up to 5 years (or more if we mutually agree) to exercise your purchase option and source traditional bank finance. Notional “principal” payments are treated exactly the same.

You can choose (from the available options) which paperwork you’d like to use for the Live-in Layby™, however we find most home buyers prefer to use our **Licence to Occupy**, (with an EXCLUSIVE purchase option).

Q. Do we have to wait the 3-5 years or can we buy the home sooner?

You can exercise your right to get traditional bank finance at any time within the agreement period.

This can be the day after you enter into the agreement, the very last day of the agreement, or any day in between.

This is totally up to you at your discretion!

The sooner you buy the home the better for everyone.

Q. What is an Instalment Contract?

Although the words sound a little scary, an Instalment Contract is very simple.

Essentially you are paying for your house in instalments, or regular payments.

This is a recognised method of buying properties and was the most common method used before 1970 when bank lending was very tough and people needed 40% deposits to secure bank funding.

The easiest comparison is like a layby at Kmart. Kmart agrees to sell you the item for a nominated price. Kmart gives you a set period of time to pay for that item. Kmart then lets you pay for that item in regular layby payments (called instalments).

The only difference with the home is that the Seller (i.e. Kmart) is charging you an interest rate based on the amount still outstanding on the home.

The amount outstanding is considered to be the “loan” amount, and interest is charged against this sum; in the same way the banks do for their bank loans.

The banks would call it a loan payment, we call it an instalment payment.

Same amount of money, different name depending on the paperwork used to document the agreement.

The upfront costs are more expensive under an Instalment Contract, however it may be a more suitable agreement to use based on your personal circumstances.

Q. What is the Licence To Occupy?

The Licence To Occupy gives you FULL control of the property.

You are granted an exclusive “LICENCE” to occupy the premises, and you have the EXCLUSIVE right to purchase the home for the agreed price at ANY time during an agreed period.

Each agreement has a different period however most are between 3 to 5 years. The Licence To Occupy is a popular agreement under our program.

Some people call our Licence To Occupy a “Rent-To-Own on Steroids.”

The Licence To Occupy gives you ample time to get everything in order while you prepare for traditional bank financing.

As long you do not go into default and abide by the terms of our agreement (which are VERY fair), **we are not allowed to sell the premises to anybody else except YOU.**

You have control of the premises; without the banks deciding if you can or cannot buy the place. You’re already there!

The Licence To Occupy and the Instalment Contract are the backbone documents that facilitate the Live-In Layby™ Home Ownership Programs.

The Live-In Layby™ programs are a refreshingly NEW way to purchase a home for your family. It gives you control, the respect you deserve, and the opportunity to build real estate wealth for your family.

Don’t let the banks tell you what you can and can’t do. They don’t know you, and they only care about the money. One of our mottos is:

*“We Don’t Invest in Real Estate...
We Invest in People”*

We believe our Easy-Qualifying Home-Ownership Program (Live-In Layby™) is the best way to do this.

Q. Is everything OK legally?

We’ve spent a lot of money to ensure our paperwork is both legal and fair.

There are two parties involved in the transaction and we need to ensure that both parties win and have their rights protected.

Because we operate under stringent National licensing legislation, it’s vitally important that we have agreements that are legally sound for both the Buyer and the Seller.

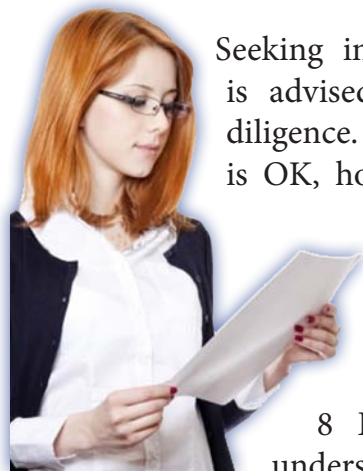
We are confident that we achieve this and our legally binding agreements (on both parties) can also give you this confidence.

We have your agreements stamped by the Office of State Revenue to further ensure they retain legal integrity.



Q. Can we seek Independent Legal Advice?

Absolutely, and we encourage it. When entering any legal agreement it makes sense to have the “legal eagles” have a quick look to check everything is in order.



Seeking independent legal advice is advised as part of your due diligence. We know everything is OK, however you need to feel comfortable as well.

The beauty of our agreements is that they are written in Grade 8 English so we can all understand them.

The majority of our Home Buyers clearly understand the agreement once they read it and many choose not to spend the money on solicitors, however that is something for you to decide personally and we are more than happy for you to seek advice.

This Home Buyer Information Pack is only answering general questions regarding the agreements we use. It should not be construed as legal advice.

Independent legal advice should be sort if you decide to enter into an agreement with Housing Heroes and use us to help you achieve home ownership.

Q. Do we have a Due Diligence Period?

We offer you a 7-Day Due Diligence period to evaluate the house, the paperwork, and to seek independent legal advice, however the house remains available for sale during this period.

If you would like to ensure we do not sell the home to any other person during your 7-Day due diligence period, you may choose to pay a \$500.00 NON-REFUNDABLE holding Option fee.

If you choose to proceed with our program to purchase the home, this \$500.00 is treated as part of your initial deposit.

If you choose not to proceed (for whatever reason), this \$500.00 is not refundable.

We need to do this as we are turning away

other motivated buyers and may have missed the opportunity to sell the home to these other homebuyers.

Once approved, you obviously cannot move into the house until EITHER your 7-Day period expires, or you waive the 7-Day period. This is totally at your discretion.



Q. How long does it take to be approved?

The speed at which we can approve your application is largely dependent on how well you complete the Application Form and provide us with sufficient information to conduct our required enquiries.

As a general rule, we can have an answer to you within 24-48 hours. Once you are approved, you are free to move in, subject to what you decide to do with your 7-Day Due Diligence period.

Q. Does Housing Heroes have a Guarantee?

The Housing Heroes Home Ownership Guarantee is the **ONLY** guarantee offered by any vendor finance company in Australia. This makes the Housing Heroes opportunity unique and practically removes the risk for our Home Buyers.

Effectively, if you follow our program and meet the very reasonable and practical Home Ownership Guarantee requirements, we **GUARANTEE** that you can buy the home you live in under the Live-In Layby™.



And remember...

If We Can't Help, No-One Can!



HousingHeroes
If We Can't Help, No-One Can!

LIVE-IN LAYBY™

Licence to Occupy Features

- a. *Possession-* You may occupy the house immediately after signing the relevant paperwork.
- b. *Interest-* As we are not technically providing you with credit under a Licence to Occupy, we use a “notional interest” rate to help calculate how much of your regular licence fees can be applied to reduce the balance outstanding of your agreed purchase price.

This is calculated on a daily basis (applied when payments are made), and is generally 1% to 2% above the interest rate being paid by the current home owner (the investor). This is all clearly explained in the agreement.

- c. *Licence fees and time to pay-* The Licence Fees are calculated on the basis of a notional principal and interest loan amortised over 30 years. The licence fees are to be paid by a series of equal regular payments by direct debit.

The balance of the purchase price is payable by you at the time that you exercise your option to purchase. The purchase price will be adjusted to consider the Option Fees paid and the “notional principal” component of the regular licence fees paid.

At that time, you will need to organise a loan with a traditional finance institution. Housing Heroes can recommend credible brokers if required.

- d. *No bank or finance approval necessary-* The Seller effectively becomes a “stepping-stone” for you to make the transition into the banking system.

The Seller helps you “leap-frog” the system so you can enjoy the benefits of home ownership without the initial approval, co-operation or consent of the banks for you to purchase the house.

- e. *The purchase price will not change-* The purchase price is fixed for the period of the agreement and cannot change, regardless of any increase in the value of the property over the term that you are required to pay licence fees.

Any increase in value of the premises is yours to keep and enjoy should you decide to purchase and/or sell the property to another party for more than the agreed purchase price. You would simply exercise your option to purchase at that time.

- f. *Due Diligence-* You have seven days in which to conduct a physical inspection of the property, conduct searches and make other enquiries after the agreement is signed. If you are not satisfied with the property during that period you may terminate the agreement. Once the agreement is unconditional you are deemed to have accepted the property in its then “as is” condition.

If you chose not to proceed after the seven day due diligence period has expired, a \$500.00 fee will be retained to cover the costs of preparing documents and liquidated damages as the seller will be turning away other potential buyers and could have sold the premises during this period. The balance of your option fee paid will be refunded.



g. Outgoings- You are required to pay (in addition to the licence fees) council rates, water rates, fire service levies, land tax (if applicable) and insurance premiums relating to the property.

h. Exercise of Option- You may exercise your purchase option at any time within a nominated period (from the signing of the agreement) pursuant to the terms and conditions of the agreement.

If your option is exercised within a FIXED LICENCE FEE PERIOD, an early payout fee may also be payable. (This will be clearly outlined in the agreement)

The balance of the Purchase Price payable will then be calculated; reducing the balance payable by any notional “principal” credits from your weekly payments, along with any other adjustments as per the agreement.

Important Obligations of the Buyer during the Licence To Occupy period

a. Paying licence fees and outgoings- The licence fees and outgoings are payable weekly, fortnightly or monthly (depending on your arrangement with Housing Heroes).

The first payment is due on the day you take possession of the premises and the amount required to be paid will be for the period in advance (week, fortnight, or month) depending on your arrangement made with Housing Heroes. If you are late in making your payments, late payment charges apply.

b. Keep the property in good condition- You must amongst other things at all times:

- keep the property in good repair and condition,
- carry out regular maintenance;
- ensure the property is clean and fit for occupation,
- replace any part of the property that becomes worn out, non-operational, destroyed, lost or removed.



c. Insurance- The Seller is to take out and maintain:

- adequate insurance over the property against destruction or damage for the replacement value of the improvements;
- public risk insurance for at least \$5,000,000.



d. Remaining in possession- You must remain in possession of the property (that is, you cannot lease and or rent it to anyone or leave it unoccupied for a continuous period in excess of sixty days).

e. No demolition etc- You must not demolish, remove or significantly modify the whole or any part of the home and any other improvements to the property unless Housing Heroes agrees to the changes in writing.

Instalment Contracts Features

- a. *Possession*- You may occupy the house immediately after signing the relevant paperwork.



- b. *Interest*- As we are providing you with credit under an Instalment Contract, we use an interest rate to help calculate how much of your regular instalment payments can be applied to reduce the balance outstanding of your agreed purchase price.

This is calculated on a daily basis (applied when payments are made), and is generally 1% to 2% above the interest rate being paid by the current home owner (the investor). This is all clearly explained in the agreement.

- c. *Instalment payments and time to pay*- The Instalments are calculated on the basis of a principal and interest loan amortised over 30 years. The instalments are to be paid by a series of equal regular payments by direct debit. The balance of the purchase price is payable by you at the time that you refinance with a traditional lender.

The purchase price will be adjusted to consider the amounts paid in Instalments with due consideration for the regular principal component of each payment. At that time, you will need to organise a loan with a traditional finance institution. Housing Heroes can recommend credible brokers if required.

- d. *No bank or finance approval necessary*- The Seller effectively becomes a “stepping-stone” for you to make the transition into the banking system. The Seller helps you “leap-frog” the system so you can enjoy the benefits of home ownership without the initial approval, co-operation or consent of the banks for you to purchase the house.
- e. *The purchase price will not change*- The purchase price is fixed for the period of the agreement and cannot change, regardless of any increase in the value of the property over the term that you are required to pay instalments. Any increase in value of the premises is yours to keep if you complete the contract.
- f. *Due Diligence*- You have seven days in which to conduct a physical inspection of the property, and to conduct searches and make other enquiries after the agreement is signed.



If you are not satisfied with the property during that period you may terminate the agreement. Once the agreement is unconditional you are deemed to have accepted the property in its then “as is” condition.

If you chose not to proceed after the seven day due diligence period has expired, a \$500.00 fee will be retained to cover the costs of preparing documents and liquidated damages as the seller will be turning away other potential buyers and could have sold the premises during this period. The balance of your deposit paid will be refunded.

g. Outgoings- You are required to pay (in addition to the Instalments) council rates, water rates, fire service levies, land tax (if applicable) and insurance premiums relating to the property.

h. Early Completion- You may complete the contract early at any time within the agreement period by securing traditional bank finance and paying the Seller the balance purchase price payable pursuant to the terms and conditions of the agreement. If you complete the contract within a FIXED INSTALMENT PERIOD, an early payout fee may also be payable. (This will be clearly outlined in the agreement)

Important Obligations of the Buyer during the Instalment Contract period

a. Paying Instalments and outgoings- The Instalments and outgoings are payable weekly, fortnightly or monthly (depending on your arrangement with Housing Heroes).

The first payment is due on the day you take possession of the premises and the amount required to be paid will be for the period in advance (week, fortnight, or month) depending on your arrangement made with Housing Heroes. If you are late in making your payments, late payment charges apply.



b. Keep the property in good condition- You must amongst other things at all times:

- keep the property in good repair and condition,
- carry out regular maintenance;
- ensure the property is clean and fit for occupation,

- replace any part of the property that becomes worn out, non-operational, destroyed, lost or removed.



c. Insurance- The Seller is to take out and maintain:

- adequate insurance over the property against destruction or damage for the replacement value of the improvements;
- public risk insurance for at least \$5,000,000.

d. Remaining in possession- You must remain in possession of the property (that is, you cannot lease and or rent it to anyone or leave it unoccupied for a continuous period in excess of sixty days).

e. No demolition etc- You must not demolish, remove or significantly modify the whole or any part of the home and any other improvements to the property unless Housing Heroes agrees to the changes in writing.

DEPOSIT LAYBY™

Deposit Layby™ Features

- a. *Possession*- You may occupy the premises upon settlement of the purchase contract, normally 30 days after signing the purchase contract.



- b. *Interest*- As we are providing you with credit under the Deposit Layby, we use an interest rate to help calculate how much of your Deposit Layby payment can be applied to reduce the balance outstanding of your Deposit Layby amount.

- c. *Deposit Layby payments and time to pay*- The Deposit Layby payments are calculated on the basis of a principal and interest loan amortised over 5 years. The Deposit Layby payments are to be paid by a series of equal regular payments by direct debit.

The balance of the Deposit Layby amount is payable by you at the time you complete the agreement, and the balance payable will be adjusted to consider the amounts paid in Deposit Layby payments with due consideration for the regular payment made pursuant to the terms and conditions of the agreement.

- d. *Bank or finance approval necessary*- The Buyer will be required to secure traditional bank finance for the majority of the purchase price for the home. The Deposit Layby amount agreed between the Buyer and Housing Heroes can be paid on a deferred basis upon agreed terms after the purchase settlement.

- e. *The Deposit Layby Amount will not change*- The Deposit Layby amount is fixed and cannot change, regardless of any increase in the value of the property over the term that you are required to pay Deposit Layby payments.

- f. *Due Diligence*- You have seven days in which to conduct building and pest inspections of the property, and to conduct searches and make other enquiries after the agreement is signed.

If you are not satisfied with the property during that period you may terminate the agreement. You have 14 days to secure finance under a standard purchase contract with all associated rights that apply to that contract.

- g. *Outgoings*- As you will be the full legal owner, you will be responsible for all outgoings on the property.

- h. *Early Completion*- You may complete the agreement at any stage during the agreement period pursuant to the terms and conditions of the agreement.

A QUICK SUMMARY

When you purchase your home through Housing Heroes, you actually purchase the home from a private investor who wants to help you get a kick-start into owning your own home.



The legal title is normally held in the private investor's name, simply so they can carry the loan while you get yourself bank ready.

In most cases, Housing Heroes do not own the homes, however we do have a legal controlling interest in the property which allows us to facilitate and manage the sale process from start to finish.

Our controlling interest also allows us to provide our **Home Ownership Guarantee**.

Our aim is to help you refinance with a bank in 24 to 36 months. We encourage and reward a good solid payment history as this makes refinancing much easier.



If you are willing, we can also help you with a debt elimination plan. This will help you take full control of your finances. This is FREE and very powerful.

We endeavour to ensure the price you pay for the home is fair for all parties.

We ensure the agreement paperwork protects both you (as the Home Buyer) and the current homeowner (our Investor).

Our focus is our people. We want you to experience an excellent quality of life having free and open enjoyment of your new home.



What does this mean? It simply means we won't be hassling you with house inspections etc...

As long as your regular payments are made ON time, EVERY time, you basically won't hear from us (other than the odd birthday card or 6 monthly statement).

We have reward programs in place to ensure you are happily involved in our unique Home Ownership Program.

Our method of achieving home ownership is quickly becoming a preferred method of buying a home. We hope you enjoy being a Housing Heroes preferred client.



Home Ownership Guarantee

At Housing Heroes, we are so confident that we can help you achieve your Home Ownership dreams, that we are willing to offer you something truly unique; something no other company is willing to offer you....

THE HOME OWNERSHIP GUARANTEE!!

That's Right

A GUARANTEE!!

*By working together with Housing Heroes you will get
"Your Own Home In Your Own Name GUARANTEED"*

*Whether it takes you seven days, seven months or seven years,
Housing Heroes will work with you to help you achieve
the Aussie dream of owning your own home.*

*What makes this GUARANTEE so amazing is that the
process is simple and it is easy to qualify.*

All that is required is that you do the following:

- Choose one of our Home Ownership Programs
- Follow our simple 5-step plan

Call us today **1300 00 HERO**
(4376)



Home Ownership Guarantee Qualifier



**No
bankruptcy
or credit defaults
during the term
of the
Agreement.**

**Compliance
with all terms
and conditions
of the
“Live-In Layby™”**

**A1
Payment
History.**

**No loss of
value to the property
due to any action taken
by the home buyer.
(ie: amateur renovations,
poor upkeep and
maintenance)**

**Employment/
Income satisfactory to
lender requirements
at the time of
purchase.**



HousingHeroes

If We Can't Help, No-One Can!

This is WHY Housing Heroes has the BEST Home Ownership Program available.

Housing Heroes offer an easy, and hassle-free way to own your own home.

Housing Heroes offer many benefits:

- We provide extra finance options for you.
- No Banks Needed
- No Landlords
- No Rental Inspections
- Easy Qualifying
- Easy Terms
- Low or No deposit (The higher your deposit, the less your repayments.)
- Bad credit OK
- Use your bond towards your deposit
- Affordable repayments
- Re-establish your credit rating
- You get a fresh start
- 2-Day move in (less in some cases)
- The pride and respect of owning your own home

But wait there's MORE!

- We have **BONUS BENEFITS** for our homeowners.
- **NO PAPERWORK HASSLES!**
 - We manage the rates and building insurance for you
 - We send you a statement every 6 months for your records.
- **WE DIRECT DEBIT YOUR REPAYMENTS**
 - This removes the hassle for you! (no more manual payments)
- **THE FREEDOM OF OWNING YOUR OWN HOME!**

Remember, We Don't Invest in Real Estate.....We Invest In People!



How to Apply

Once you have looked at a home and you decide that you would like to buy the home through one of our Easy-Qualifying Home Ownership Programs, you will need to submit an application form to us. Along with the fully completed application form, you will also need to provide the following:

1. You will need to provide us with 100 points of identification for each applicant. This may include (but is not limited to):

- Drivers Licence (40 Points)
- Birth Certificate (70 Points)
- Other Photo Identification (40 Points)
- Last 3 Payslips (25 Points)

2. Pay the Application Fee. This is the standard application fee that is charged to each *pre-qualified* applicant. We can't finalise your application until the application fee is paid.

Please double check all of the phone numbers on the application form and make sure they are all correct. This will allow us to conduct our reference checks effectively and to promptly process your application.

Once all of the above are complete, forward the completed application form and 100 points of identification to:

Email: admin@HousingHeroes.com.au

Post: PO Box 550
Redbank Plains, QLD 4301

Fax: 07 3319 0999

If you have any further questions please
feel free to phone our office on

1300 00 HERO
(4376)



It's as easy as 1, 2, 3.



- ☐ Call the Housing Heroes office and ask one of our friendly staff to Pre-Qualify you to see if you qualify for our Program
- ☐ Fill in the Easy-Qualifying Application Form and fax , post or email it to Housing Heroes along with 100 points of identification



☐ Deposit Paid \$
Date / /

☐ 7 Day Due Diligence

☐ Waived ☐ Utilized

☐ Seek independent legal advice

☐ Waived ☐ Utilized



☐ Agreement paperwork signed (BOTH parties)

☐ Pick up Keys

☐ Move In