



Securing finance to build your dream home should be a simple and stress-free process. When financing a modular home there can be a few extra boxes to tick, however good communication with your lender will often prevent any unnecessary challenges.

To help get you started, here is a list of everything you and your bank will need to know about financing your modular home.

### CONTRACT TYPE

When building a modular home with Asset Cabins and Homes, you will receive a fixed price contract. The agreed value will be the final amount charged at the end of the project, without variation unless otherwise specified.

Lenders also like to know that a Final Building Certificate will be secured by a registered builder. This is because they're more likely to provide finance if you're entering a contract to build a fully completed home rather than a built to lock-up. Be sure to specify this detail during your early discussions to avoid any misunderstanding.

### LVR (LOAN VALUE RATIO)

Some banks will incorrectly classify a modular home as a 'kit home' in which case they may only loan up to 60% of the value of the house. This can be overcome by explaining that a modular home is vastly different to a kit home (see 'Home Classification').

Bank managers and lenders who understand this difference will often loan up to 80% of the home value, in line with standard home loan agreements.

### PAYMENT SCHEDULE

Traditional bank guidelines specify that modular homes must be delivered and installed on-site before funds can be released to the builder.

This often conflicts with the required payment schedule. However, at Asset Cabins and Homes we can work together with your bank to arrange a varied payment structure that meets their requirements.

If your preferred lender would like to discuss this further, please pass on our contact details and encourage them to get in touch.



## BUILDER DETAILS

When using Asset Cabins and Homes, your home is built by a Registered Builder, not as an owner builder which is often the case with a kit home. This means that the finished product must comply with the same standards and requirements as a home built on-site.

Asset Cabins and Homes are registered to build homes in QLD, NSW & NT and have over 25 years' experience building high quality homes.

Our homes come with an industry leading 8-year builders warranty, providing both you and your bank with peace of mind.

## APPROVALS AND SERVICE CONNECTIONS

Talk to us today about your approvals and external service connections. You can choose to arrange these yourself or choose our 'Approvals and Service

Connections Option'. It is advisable to get the costs of these items together before your finance application or simply ask us to do it for you!

## HOME CLASSIFICATION

By choosing to build a modular home, the finished product will be a beautiful new home that is ready to live in.

It can be a good idea to explain to the bank that you are building a fully completed modular home (not a kit home), which is built to at least the same standard as homes built on-site. In fact, our modular homes are often built stronger to endure transportation requirements and ensure they arrive in perfect condition.

It's also important to note that your modular home is classified as a permanent structure that is fixed to the site. Some banks may incorrectly perceive modular homes as mobile due to the

nature of the construction and transport process however this is simply not the case. The term 'modular home' simply refers to an alternative construction method, with the end result being no different to homes built using traditional construction methods.

## WE'RE HERE TO HELP

At Asset Cabins and Homes, we've helped dozens of home owners secure finance to build their dream home. If you have any questions regarding the above information, please don't hesitate to contact our friendly team who will be more than happy to help.

Alternatively we welcome your Lender to contact us to obtain any specific information they require to help progress the approval of your finance.

*Let the Asset Cabins and Homes team help you with your home financing today!*



Freecall 1800 225 224 | [www.assetcabins.com.au](http://www.assetcabins.com.au)

T: 07 5483 7144 | F: 07 5483 7188 | E: [sales@assetcabins.com.au](mailto:sales@assetcabins.com.au)

Cnr Langton Road and Ettie Jane Street Gympie Qld 4570

