

PART E - Rentstart Bond Loan Agreement

TERMS AND CONDITIONS

This Bond Loan Agreement outlines the terms and conditions of the Rentstart Bond Loan (also referred to herein as the “Bond Loan”) and will be entered into between the client (the “Borrower” and the Department of Communities and Justice (DCJ), (ABN: 36 433 875 185), having its principal office at Level 2, 223-239 Liverpool Road, Ashfield, NSW 2131.

1. DCJ agrees to lend the rental bond

If approved for a Rentstart Bond Loan, DCJ will give you a loan to pay part or all of a bond to set up a tenancy in the private rental market. DCJ will pay the bond directly to the Rental Bond Board on your behalf.

2. Interest on the Bond Loan

The Bond Loan is interest free.

3. Payment of the Bond Loan to NSW Fair Trading

3.1 DCJ will pay the amount of the Bond Loan directly to NSW Fair Trading (“**NSWFT**”) and provide a Rental Bond Lodgement Form to the landlord or agent.

3.2 The landlord or agent must lodge this form according to the timeframes prescribed in the *Residential Tenancies Act 2010 (NSW)*. For example:

A bond paid to a landlord or person other than a landlord's agent, must be lodged 10 working days after the bond is paid

A bond paid to a landlord's agent must be lodged 10 working days after the end of the month in which the bond is paid

3.3 If the landlord does not lodge the form in this timeframe, DCJ will contact you and the landlord or agent to pursue lodgement of the form.

4. Conditions of the Bond Loan advance

DCJ will cancel all bond assistance to you if:

4.1 DCJ does not receive confirmation from NSWFT within three (3) months from the date of your Bond Loan Agreement that it has received a Rental Bond Lodgement Form from the landlord or agent.

4.2 You do not sign the Residential Tenancy Agreement with the landlord or agent.

4.3 The property that you live in and pay rent for is not the property noted on your Rentstart Bond Loan application

4.4 You pay, or have paid, from your own money any part of the rental bond amount which was to be paid by DCJ as part of your Bond Loan

5. Your obligations to repay your Bond Loan to DCJ

- 5.1 Your Bond Loan repayments will start three (3) weeks after DCJ receives confirmation from NSWFT that the bond has been lodged with the Rental Bond Board.
- 5.2 You must repay the Bond Loan amount to DCJ in fortnightly instalments until the Bond Loan is repaid in full.
- 5.3 You may make larger or additional payments off your Bond Loan at any time. Any larger or additional payments made by you are not refundable. These payments will reduce the amount you owe to DCJ.
- 5.4 Your obligation to DCJ will end when the Bond Loan is repaid.
- 5.5 Where you have a current Bond Loan with DCJ and return for further assistance to start a new tenancy, you agree to repay the oldest bond loan debt first.

6. DCJ's obligations to you

- 6.1 DCJ will provide you with a quarterly account statement or you may request a statement at any other time.
- 6.2 DCJ is not a party to your Residential Tenancy Agreement.
- 6.3 DCJ will not take part in any dispute that may arise between you, the landlord and/or the agent regarding the bond or any dispute that may arise under the Residential Tenancy Agreement relating to the private rental property.

7. Non-payment of the Bond Loan

If you do not maintain your fortnightly repayments, or you do not pay the balance of the Bond Loan when you are required to do so, DCJ may:

- 7.1 Require you to enter into a repayment arrangement where you pay off the arrears as well as the regular Bond Loan repayments.
- 7.2 Limit your access to further Rentstart assistance, including future Bond Loans, advance rent or assistance to pay rent arrears.
- 7.3 Require you to pay the whole of the Bond Loan immediately.
- 7.4 Take legal action against you to recover any debt.

8. The Bond Loan is immediately due and payable

If you experience any trouble in making your repayments, you should contact us on 1800 422 322 to discuss your options

You are obligated to pay the remaining balance of your Bond Loan to DCJ immediately if:

- 8.1 The tenancy for which the Bond Loan was provided ends, including where the tenancy ends before the fixed period of Residential Tenancy Agreement.
- 8.2 You have provided DCJ with information that is false, including withholding relevant information which has made your application for the Bond Loan false and/or misleading.
- 8.3 You have not complied with an obligation under this Agreement.

9. Varying the Bond Loan Agreement

9.1 DCJ will only vary this Agreement by changing your fortnightly repayment amount and/or the repayment term. Details of the variation will be provided to you in writing and will take effect from the date advised by DCJ.

9.2 DCJ will not alter any other aspect of this Agreement.

10. Shared households and Bond Loan Agreement

In cases where one or more persons from the same household have been approved for a Rentstart Bond Loan, only one applicant can be named as the Borrower. If you consent to be named as the Borrower on the Bond Loan Agreement, then you agree that:

10.1 You will be solely responsible (and solely liable) to repay the whole of the Bond Loan to DCJ for each person in receipt of Rentstart assistance in your shared household.

10.2 For the purposes of repaying the Bond Loan to DCJ, you cannot at any time apportion responsibility for the payment of the loan to the other person/s that was approved for the Bond Loan with you.

10.3 While DCJ retains an interest in the bond you will not be able to transfer the bond between tenancies or into another person's name.

11. Ending the Bond Loan Agreement

Your obligations under this Agreement will end when:

11.1 You have repaid the Bond Loan in full before the end of the tenancy.

11.2 You have repaid all the amount owing to DCJ at the end of the tenancy.

11.3 Your private rental tenancy comes to an end and the landlord or agent's claim is equal to or is less than the amount you have repaid off the Bond Loan.

12. End of your tenancy and the refund of the rental bond

12.1 You understand that in accepting this current Bond Loan, DCJ Housing will advise NSWFT when a Bond Loan is paid in full.

You also understand and consent to DCJ Housing informing NSWFT of the following information of your Bond Loan account balance and any previous unpaid Bond Loan account balances while you have a bond held for the private rental property for which the Bond Loan was given:

- Providing daily or weekly updates of your current account balance for both the current and any previous unpaid bond loan account balances; and
- Updates each time a payment is made for both the current and/or any previous unpaid bond loan account balances.

This will apply to both current and any previous unpaid Bond Loans.

If you do not agree to some of the terms in this section, please email Rentstart@facs.nsw.gov.au or call the Housing Contact Centre to advise.

12.2 You consent to DCJ withdrawing its stake in the bond held by the Rental Bond Board when the Bond Loan is repaid in full, while you are residing in the private rental property for which the Bond Loan was given.

- 12.3 You consent to DCJ recovering any refund of the rental bond that is equal to, or is less than, the amount you still owe at the end of your tenancy under the Bond Loan from the Rental Bond Board.
- 12.4 DCJ will reimburse you any amount you have paid off your Bond Loan, less any claim from your landlord or agent.
- 12.5 You cannot recover any stake you may have acquired in the Bond from the Rental Bond Board until the term of the residential tenancy has ended.
- 12.6 You will not be able to transfer your interest in the bond to another person.
- 12.7 You will not be able to give your rights to a refund of the bond to another person.
- 12.8 You will not be able to transfer the bond to another property
- 12.9 If the balance of the rental bond received by DCJ from NSWFT is not enough to repay the Bond Loan in full, then you must pay the difference immediately.

13. Dishonour fees

- 13.1 Where any payment made by you under this Agreement is dishonoured by a financial institution and DCJ pays a dishonour fee, DCJ may charge you the dishonor fee.
- 13.2 DCJ may add the dishonour fee to the total balance outstanding under the Bond Loan.

14. Administration fees

DCJ will retain any interest earned on the bond as an administrative fee, where the amount of interest is less than \$10

15. Your information

You give your consent for DCJ to collect, use, hold, and dispose of your information for the purpose of this Bond Loan Agreement.

NOTE: You have given your consent to enter into this Bond Loan Agreement, therefore you are legally bound to comply with the terms and conditions contained in this document.

For information about your rights and responsibilities under this Agreement, contact LawAccess on 1300 888 529.