



## FACTSHEET

# RURAL CONVEYANCING AND FINANCE

As is the case with any conveyancing matter, a solicitor acting for a purchaser should check that his or her client has secured finance for the property.

In practice, mortgagees can have more onerous requirements when lending in relation to farming lands than for ordinary residential property.

It would be prudent to check with the mortgagee's solicitors as soon as possible as to their client's requirements regarding, for example:

- Searches
- Insurance
- What is to be covered by the security—will it be the land only, other lands, or land and water rights?
- Is there an existing mortgage over the land (and is there a stamp duty exemption that may apply in relation to the loan or part of the loan)?
- If security is to be taken over any plant and equipment—what other security is in place, or needs to be put in place; and will any of the existing security be assigned?
- Any security interests applicable under the *Personal Property Securities Act 2009* (Cth) that may be registered against the vendor that may affect the security raised in the dot point above, and
- The timeframe required to provide the information to the mortgagee or their solicitor.

The purchaser should also be aware of the following:

- Application fees
- Broker's fees
- Any additional yearly fees, such as account keeping fees, and
- Whether the loan has a fixed or variable interest rate, or a combination of both.

It would be prudent for the purchaser's solicitor to obtain contact details for the mortgagee from his or her client.

Practitioners should also note that the provisions of the mortgage document relating to farming lands can be quite extensive; and that any water rights or water entitlements will form part of the mortgaged property, as will any plant and equipment, or stock or crops that may be on the property.

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