Deposit Payment on Exchange

In this technological age we live in, it is important for all professionals to have some knowledge about the new tech trends that can have an impact on your business.

About 18 months ago the College provided a newsletter on receiving Electronic Fund Transfers for deposits from purchasers. The discussion surrounded the question of whether you should accept an EFT deposit?

When we all understand that EFT payments do not clear immediately, how can we effectively take a property off the market on a “paid” deposit that hasn’t actually been received?

The counter argument to this is that upon receiving a cheque for a deposit, the funds have not been received on the spot either, and can actually take longer to clear than an EFT payment.

Today the argument has evolved even further. The new way to pay large amounts of money without having to withdraw cash from the bank teller or drawing a cheque (and not many purchasers these days have cheque books!) is to use Real Time Gross Settlement (RTGS) payments.

RTGS are specialist fund transfer systems where the transfer of money takes place from one bank to another on a real time basis, effectively eradicating the waiting period. Once processed, the payments are final and irrevocable.

Whilst this payment system was introduced into Australia in 1998, it is not until more recently that it has become a consumer friendly process and that most traditional banks now offer this product to their customers.

The Big Question

So if you are at an Auction and the successful purchaser advises that they are going to pay their 10% deposit by RTGS, are you going to accept the payment and effectively take the property off the market? Is an RTGS payment more guaranteed than a cheque? It could be argued very well that it is.
The whole idea behind real time payments is that the payment is made almost as if the person was physically standing at the bank and depositing it straight into your account. Most banks are advising that if the money is transferred by RTGS by 4pm, the longest time that the recipient should be waiting is two hours before it hits their account.

There is however a level of hesitance that agents are facing when dealing with this payment system. The question has even been asked if some physical cash should be collected from the purchaser, even $100, just to secure some money for the vendor and meet the requirements of completing a legal contract with some “valuable consideration”. If your vendor is happy to accept this arrangement of taking a small portion of cash, then you must ensure a receipt is made available to the purchaser on the spot.

If the purchaser is paying a complete 10% deposit by RTGS, advise them that you would need the receipt number. Keep in mind that the Contract for the Sale and Purchase of Land does stipulate that the deposit is to be paid by cash or cheque.

While the Act and the Contract do not consider the RTGS way to pay, again that argument is raised:

- **cash in a few hours by an electronic RTGS payment or a cheque that takes days to clear and could be dishonoured?**

We recommend that you obtain advice from your vendor prior to auction day or exchange of a private treaty property. They will probably need to discuss this with their solicitor. Furthermore, we recommend that you educate your purchasers about the process for exchange, whether it be private treaty or auction, to reduce the stress that can be caused at the actual time of exchange.

Til next time,

Wishing you every success in your business ventures,

Rosy Sullivan

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**2 Hr Trust Accounting Regional Seminars**

Do you need a quick refresher course to update your Trust accounting knowledge?

- **1st Jun**  Dubbo  27th Jul  Ballina
- **2nd Jun**  Orange  27th Jul  Tweed Heads
- **2nd June**  Bathurst  25th Aug  Wollongong
- **15th Jun**  Coffs Harbour  28th Aug  Goulburn
- **16th Jun**  Port Macquarie  16th Oct  Tamworth
- **16th Jun**  Taree

*Full 12 CPD points. Pre-reading required.*
Our trainers have been super busy in the past few weeks, including a Certificate of Registration course in the Northern Beaches, licensing programs in Dubbo and Castle Hill, CPD in Caringbah, Castle Hill, Ultimo, Mosman, Byron Bay and Parramatta. Not to mention our regular visits into companies to conduct their CPD in-house and give them that specialised tailored approach to their training. All of the trainers enjoy catching up with returning students and hearing about their successes (and issues) that have occurred throughout the past year.

This week we also welcomed Cindy into our ACOP team! She will be working in our Smart and Skilled traineeship department and even though she has only been here a few days, she is already a part of the family. It will be such a pleasure to have her working with us and everyone is very excited to have a new and very entertaining colleague in the office.

Rosy and John have settled back into work-life after their holiday. Rosy spent some time in our London office (with a quick non-work related trip over to Paris) and then she joined John in Cambodia where they worked with the Cambodian Children’s Fund. ACOP is now hearing daily stories about the mind-blowing experiences that they had in Phnom Penh and the provinces and mostly about the children that they spent time with during their visit.

USI

If you are a student studying nationally-recognised training at a Registered Training Organisation like the Australian College of Professionals (ACOP) you are required to have a Unique Student Identifier from 1st January 2015. The USI will give you ongoing access to your records and results, so they are always available if you choose to enrol in further training or need to show a future employer.

You can create your USI here: http://www.usi.gov.au/create-your-USI/Pages/default.aspx
Is it Time You Upgraded to Your Licence?

ACOP runs an Experienced Agents Property Licence Program which, in conjunction with Recognition of Prior Learning (RPL) assessment, will enable you to complete your Real Estate Licence qualification in 5 days with take home assessments.

We will also assist you with completion and submission of your licence application to NSW Fair Trading free of charge.

Free Assessment
Send us your resume & copies of any qualification transcripts you may have for a free and confidential preliminary RPL assessment.

Property Licence Courses

Experienced Agents Property Licence Program
Castle Hill
Mon 22nd - Fri 26th Jun

Trust Accounting
Castle Hill
Mon 22nd - Wed 24th Jun

Property Management
Castle Hill
Wed 24th - Fri 26th Jun

Business Broking Agency Practices
Sydney
Mon 22nd - Wed 24th Jun

Sales for Real Estate
Sydney
Tue 26th - Fri 29th May

Strata Management Agency Practices
Sydney
Tue 7th - 10th Jul

Stock & Station Agency Practices
Sydney
Mon 2nd - Fri 6th Nov

Financial Management
Sydney
Wed 29th - Thu 30th Jul

Staff Management
Sydney
Mon 27th - Tue 28th Jul

Auctioneer Accreditation
Sydney
Fri 5th Jun

Online CPD now available for Real Estate Sales, Property Management, Commercial & Retail Sales & Leasing, Business Broking, Strata, Stock and Station and On-site Residential Property Management.

$99

The College trainers will be conducting Certificate of Registration and CPD courses in city and country areas of NSW in 2014.

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