

ON-SOLD ENCUMBRANCE REMOVAL - CHECKLIST

When you receive a payment from the Government's On-Sold scheme to repair/rebuild your home, depending on the value, we may place an encumbrance on your property title (known as a Record of Title) until the repair or replacement works have been completed.

Once the repairs and/or replacement works are done, we will work with you to have the encumbrance removed from your property title.

This checklist outlines the steps to remove an encumbrance.

WHAT IS AN ENCUMBRANCE?

If you are eligible for a payment of \$150,000 or more from the Government's On-sold scheme to repair earthquake damage to your home, the On-sold scheme requires that we register an encumbrance against your property title.

An encumbrance is a form of restriction or limitation registered against your property title. This will mean anyone who requests a copy of your property title (such as a purchaser) will be able to see that there are earthquake repairs yet to be completed. An encumbrance needs to be in place before we make any payments and until the works are completed.

This step is intended to ensure payments are used to repair Canterbury homes for you and future generations.

WHEN CAN THE ENCUMBRANCE ON MY PROPERTY BE REMOVED?

An encumbrance will remain on your property title until all payments have been made to you, and the completed works have been confirmed.

Once you have provided us with evidence that the agreed works and/or replacement works have been completed and we have accepted that evidence, we will start the process/steps with you, to remove the encumbrance.

Once the steps are completed, your lawyer will manage the process with Toitū Te Whenua Land Information New Zealand (LINZ) to have it removed. We provide the reasonable costs associated with the encumbrance process as part of your On-sold settlement. Your Settlement Specialist can confirm these for you.

The conditions for both lodging and removing an encumbrance are covered in your signed On-sold settlement deed.

INFORMATION REQUIRED BY TOKA TŪ AKE EQC

We can start the process to remove the encumbrance from your property title once:

- we have received and approved confirmation of all variation(s) to the agreed scope of works (if applicable)
- we have completed final cost reconciliations
- we have paid you the final tranche payment
- we are satisfied all earthquake repairs/ replacement works have been completed, and a Code of Compliance Certificate has been issued or – if not consented – we have reviewed and accepted all relevant completion documentation.

CHECKLIST – ACTIONS AND DOCUMENTS REQUIRED FOR APPROVAL TO REMOVE AN ENCUMBRANCE

This checklist is intended for both Toka Tū Ake EQC staff and you to understand the steps required to remove an encumbrance.

✓	Actions and documents required	Responsibility	Date completed
	You and your licensed building practitioner (builder) have emailed confirmation to us that all agreed works/replacement works (including any variations) have been completed as set out in the scope of works detailed in your settlement deed.	Homeowner and builder	
	You and your builder have emailed confirmation to us that you have notified or submitted all variations and you do not have any further variations to submit.	Homeowner and builder	
	Your Settlement Specialist has completed their final site visit, and updates the notes on ClaimCenter.	Toka Tū Ake EQC	
	You have obtained all the producer statements and provided them to us (for consented and non-consented work).*	Homeowner and builder	
	You have obtained the Council Code of Compliance and provided it to us (for consented work).*	Homeowner and builder	
	We have completed a reconciliation of the costs.	Toka Tū Ake EQC and Homeowner	
	We have made all ex gratia tranche payments. Final payment date.	Toka Tū Ake EQC	
	We have made all ex gratia variation payments.*	Toka Tū Ake EQC	
	We have a copy of the approved Toka Tū Ake EQC delegated financial authority (DFA) document.	Toka Tū Ake EQC	
	We have obtained a copy of the current property title (showing the encumbrance in place).	Toka Tū Ake EQC	
	We have a copy of the Authority and Instruction (A&I) form you signed to lodge the encumbrance.	Toka Tū Ake EQC	
	You have arranged for your lawyer (solicitor) to send us an email asking for the encumbrance to be removed, including the A&I and Form 27 for us to sign.	Homeowner and lawyer	
	A Toka Tū Ake EQC executive has signed and processed the approval to remove encumbrance.	Toka Tū Ake EQC	
	We have sent approval to remove the encumbrance to you and your lawyer.	Toka Tū Ake EQC	
	Your lawyer manages the encumbrance removal process with Toitū Te Whenua Land Information New Zealand (LINZ).	Homeowner and lawyer	

*where the action/document is 'Not Applicable', please note N/A in first column.

DEFINITIONS

Authority and Instruction (A&I) form – a Toitū Te Whenua Land Information New Zealand (LINZ) form to authorise an electronic transaction, such as lodging or removing an encumbrance.

Builder – your builder needs to be a Licenced Building Practitioner.

Code of Compliance – a certificate issued by your Council confirming building work complies with the building consent.

Delegated financial authority (DFA) form – a Tokā Tū Ake EQC document authorising an On-sold settlement deed.

Encumbrance – a form of restriction or limitation registered on your property title (known as a Record of Title). In this case, it's used to show to others that there is unrepaired earthquake damage at your property while the repairs/replacement works are being carried out.

Ex gratia payment – a payment made outside of your normal insurance policy or entitlement (in this case, from the Government's On-Sold scheme) to repair/rebuild your home. It is not an insurance payment.

Producer statement – a document confirming repairs have been completed and signed off by the relevant producer (such as your builder or engineer).

Reconciliation of costs – a process to check all payments you have made are supported by invoices and were used for the agreed works/replacement works. This also includes any non-construction related costs or estimates that have been agreed, for example contents storage, accommodation and contract works insurance.

Scope of works – the agreed works/replacement works required to repair the natural disaster damage identified at your home.

Tranche payment – on-sold payments are paid in instalments, known as 'tranches'.

Variation – a change to your agreed scope of works.

Variation payment – an additional payment made by us to cover a variation to your agreed scope of works.

FOR MORE INFORMATION:

Visit www.eqc.govt.nz or;

- Call 0800 DAMAGE (**0800 326 243**)
- Write to Tokā Tū Ake EQC, info@eqc.govt.nz or PO Box 311, Wellington, 6140

If English is not your first language you can ask us for an interpreter, at no cost to you, by calling Tokā Tū Ake EQC on **0800 DAMAGE (0800 326 243)** or request a translated version of this document on www.eqc.govt.nz