

# ACT Cladding Program

## Checklist for owners corporations who already have gone to tender and are now seeking a final loan

### Background reading



- Read the below Guidelines to the Concessional Loan, which are available at [act.gov.au/cladding](http://act.gov.au/cladding):
  - > Concessional Loan Quick Guide
  - > Concessional Loan Application and Assessment Guidelines
  - > Concessional Loan Remediation Guidelines
  - > Documents under the “Useful tools” link on the “Information for owners” page on the cladding website.

### Application process



- Complete an application for eligibility assessment and submit. This form is available at: [Application To Join Private Buildings Cladding Scheme Concessional Loan \(act.gov.au\)](http://act.gov.au)

Please include the following documents to your application:

#### Building documents

- > the Scope of Works that was submitted to interested builders for the purposes of the tender
- > the accepted tender from your builder
- > a copy of the executed building contract (if you have entered into a building contract), and
- > a copy of the building approval.

#### Risk documents

Please note if you participated in the Private Buildings Cladding Testing and Assessment Scheme, you **do not** have to provide a copy of your testing and assessment report.

However, if you have not participated in the Testing and Assessment Scheme, please provide a **risk assessment or other report from a qualified fire engineer** which confirms that the building, which is the subject of the application, has combustible cladding which poses a moderate or higher fire risk to residents.

If you are unable to submit these documents with the application, please send them to us by email at [claddingprogram@act.gov.au](mailto:claddingprogram@act.gov.au). Please clearly specify

the name and unit plan of the building and add the words “Application for Concessional Loan” to the subject line.

- The Cladding Team will review your application within 1 business day. If further information is needed, you will receive an email from the Cladding Team specifying the information or documents needed.
- Once you have provided all the information requested by the Cladding Team, they will review your eligibility and send you an email advising of the outcome of your application within **ten business days** after the day on which they received all the information from you. If you have been found eligible for the concessional loan scheme, the Cladding Team email sent to you will confirm that you will be financially assessed for a final loan and will enclose an:
  - > a Participation Deed, and
  - > Authority to Disclose OC Details to Lannock Strata Finance Pty Ltd (Lannock).
- You will need to sign the Authority and return to us. Please send the Authority back to the Cladding Team by email at [claddingprogram@act.gov.au](mailto:claddingprogram@act.gov.au). You do not need to sign the Participation Deed at this stage.



- Once we have received your authority to disclose, the Cladding Team will send your contact details to Lannock within one business day.
- Lannock will contact you and invite you to a loan information session.
- After you have attended the loan information session, Lannock will send you an information pack about the loan. The pack will include requests for specific credit assessment documents, you will need to provide the requested documents.

Please complete the authority. If you have not provided your bank account details to us previously or wish to update them, please also complete the Supplier Account Form. Please return the completed forms to the Cladding Team by email at [claddingprogram@act.gov.au](mailto:claddingprogram@act.gov.au)

- Once we have received your authority to disclose, the Cladding Team will send your contact details to Lannock within one business day.
- Lannock will contact you and invite you to a loan information session.
- After you have attended the loan information session, Lannock will send you an information pack about the loan. The pack will include requests for specific credit assessment documents, you will need to provide the requested documents.
- Upon receipt of all requested documents, Lannock will undertake a credit assessment and advise you of the outcome of your loan application. If successful, Lannock will send you a draft loan agreement and motions to borrow which may be used in your owners corporation meeting.

### Meeting of owners corporation and signing of documents

- You will have to hold a meeting with all members of the owners corporation to decide whether to
  - > execute the participation deed with the ACT Government
  - > execute the loan agreement with Lannock, and
  - > authorise signatories to execute the participation deed and loan contract with Lannock.
- If you have any questions regarding the motions or facility agreement, you can:
  - > raise these with Lannock (speak to Ruth Smyth at 1300 295 759 or by email at [actcladding@lannock.com.au](mailto:actcladding@lannock.com.au)) and/or
  - > obtain legal advice from a solicitor (note – up to \$10,000 for the life of the loan may be spent on administrative costs, including strata managers, legal advice, accounting assistance or software).
- If you decide to enter into the Participation Deed and the loan contract with Lannock, you will need to:
  - > send the Cladding Team a copy of the executed participation deed and the minutes of the meeting in which the owners corporation agreed to execute the participation deed by emailing them to the [claddingprogram@act.gov.au](mailto:claddingprogram@act.gov.au)
  - > Post the following original documents to Lannock Strata Finance at Unit 18.01, Level 18, 227 Elizabeth Street Sydney 2000:
    - wet copy executed Loan agreement, and
    - minutes of the Meeting in which the relevant resolutions were passed.



## Undertaking the remediation

### Choosing your service providers and letting the Cladding Team know

- Remember that you can only contract with architects, builders, certifiers, façade or structural engineers, fire engineers, project managers, and quantity surveyors who are either on the Register of Suppliers or eligible to join the Register.
- Once you have hired your service providers from the above list, you will need to advise the Cladding Team of the name of your service providers. You can do this by emailing the Cladding Team at [claddingprogram@act.gov.au](mailto:claddingprogram@act.gov.au).

### Payments, the Recycling Report and last milestone payment

- During the remediation you will have to send any receipts to Lannock who will pay directly into the owners corporation nominated bank account so you can pay your building industry service providers involved in the remediation.
- Once the combustible cladding has been removed it must be recycled. Please seek a Recycling Outcomes Report from your builder and send to us before the last milestone payment. Please note the Cladding Team will not approve the payment of the last milestone by Lannock until we have received this report.

### PLEASE NOTE

If your builder or project manager is unsure what has to be provided as the Recycling Outcomes Report, please ask them to contact the Cladding Team as we will be able to give them advice on what is needed.

- Before the last milestone payment, your building certifier must certify that the remediation works are completed in accordance with the building approval. After this is done, your building certifier will submit to Access Canberra an application for a Certificate of Occupancy and Use. A copy of the Certificate of Occupancy and Use will be sent to you. Please provide a copy of this certificate to:
  - > your builder who can then issue their last invoice
  - > the Cladding Team, who will then approve the payment of the last milestone payment.



## Remember:

- > to contact the Cladding Team if you have any concerns about the process or the timeframes
- > that you will have to execute at least two contracts:
  - the Participation Deed
  - the second contract with Lannock (for remediation funds).

You may also have to enter into another contract with another financial institution if that is how you are obtaining access to a source of funds for ineligible works (10% of the loan contract).

- > that you will need to send four sets of documents to the Cladding Team to progress your loan:
  - the application and any supporting documents
  - an executed Participation Deed,
  - the Certificate of Occupancy and Use, and
  - the Recycling Outcomes Report.



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