

Your guide to buying a motor vehicle through a Trust



This brochure provides you with a guide to State Trustees' policy for purchasing a motor vehicle. You must discuss your application with your Trust Consultant before signing any Contract of Sale or agreement to purchase.

In this policy, the term vehicle refers to motor vehicles (including cars), caravans and road-registered motorcycles. The policy does not cover requests for off-road motorcycles, boats and trailers, which will generally be for recreational use.

Trusts are often called upon to supply funds to purchase or assist with the purchase of vehicles. State Trustees Limited is not the actual purchaser. The registered owner will either be you as beneficiary or it may be the parent, guardian or personal representative of a beneficiary.

1. What comes first?

Please read this brochure carefully. It sets out the steps required to make an application to use the funds held in a Trust for the purchase of a motor vehicle.

The purchase of a motor vehicle is a significant purchase. It is therefore necessary to speak to your Trust Consultant.

If you have any questions about the information contained in this brochure, contact your Trust Consultant.

2. What are the requirements to purchase a motor vehicle?

Depending on the terms of the Trust, State Trustees will consider advancing funds for purchase of a vehicle in the following circumstances:

Where you as beneficiary apply for the purchase of a motor vehicle

• If you are 17 years of age or older

Where the funds are requested for a vehicle to be owned by a beneficiary with an absolute entitlement, then your application should be treated as a simple request for funds. (Note: you will be the registered owner and must have a licence). The application will be subject to reasonable requirements, reasonable type of vehicle for the purpose (eg. a turbo-charged coupe is not usually considered appropriate as a “reasonable car”) and any overriding terms of the Trust.

In these cases, after the application of funds, State Trustees will usually have no further interest in the vehicle; or

• The vehicle directly assists in employment, educational or health needs.

A motor vehicle is necessary to transport the beneficiary to work, school or to medical/health related services due to a lack of other reasonably available alternatives.

Parent or Guardian applying

In many cases, a parent or guardian may apply for the purchase of a motor vehicle to assist with the needs of a beneficiary. State Trustees will consider advancing funds for purchase of a vehicle in the following circumstances:

- beneficiary has a physical disability or other special transport needs; or
- The guardian’s family size has expanded due to taking in a beneficiary/s and now exceeds the seating capacity of their current vehicle.

Note: There may be additional requirements in respect of your particular application.

If the vehicle is to be owned and registered by the parent or guardian of a minor, then the Trust will require the execution of a **Deed of Agreement** specifying the terms under which the vehicle is purchased, including:

- The obligations of the purchaser to ensure insurance (“comprehensive” is compulsory), registration, maintenance, allowing regular inspections and;
- The terms for finalising the agreement or transferring ownership.

3. What do I need to obtain approval?

If you satisfy the above conditions, you must speak to your Trust Consultant. You will then be asked to submit your request in writing outlining the circumstances which show that the motor vehicle is necessary for the beneficiary.

You will also be asked to provide the following:

1. A written budget, including evidence of income which confirms your ability to pay for ongoing motor vehicle expenses, including registration, insurance, service and maintenance expenses.
2. A legible photocopy of the purchaser’s driver’s licence or learner’s permit.
3. Details of a cover note for comprehensive insurance in the purchaser’s name for the proposed vehicle.
4. A current Driver History Report from VicRoads, or interstate equivalent.
5. If the proposed vehicle is second-hand, a pre-purchase vehicle inspection report will be required from the RACV (or a similarly approved vehicle tester if interstate).

If purchasing from a licensed motor vehicle trader, you will also be asked to provide the quotation of the proposed motor vehicle from a licensed motor vehicle trader or a copy of the contract of sale. The contract must be in the purchaser's name and include the condition "Subject to receiving finance from State Trustees".

If purchasing from a private individual, you will also be asked to provide the following additional information:

1. Copy of the most recent registration (to confirm existing ownership).
2. A roadworthy certificate or mechanical report attesting to the condition of the vehicle.
3. A statutory declaration signed by the current owner stating their name and address, desire to sell the the vehicle at the agreed price and that no finance is owed on the vehicle.
4. Copy of proposed transfer papers with the purchaser's name as the transferee.

Note: For private purchases, State Trustees will verify that no finance is owing on the vehicle with the Personal Property Securities Register.

There may be additional requirements in respect of your particular application and State Trustees may require the execution of a **Deed of Agreement**.

4. I now have approval in principle to purchase a motor vehicle.

What next?

State Trustees will arrange payment for the vehicle directly to the seller either via Electronic Funds Transfer or cheque. Once the payment has cleared you can then arrange to take possession of the vehicle.

State Trustees will record the vehicle as an asset of the Trust, maintain details of its insurance and lodge a security interest with Personal Property Securities Register.

Find out more about how State Trustees can help you.

Visit us online at statetrustees.com.au, in person at our offices across Victoria, or over the phone 03 9667 6444 or 1300 138 672 if you live outside Melbourne.