

# On-sold support package: Encumbrance

The information in this pack applies only to homeowners who have applied for and been advised they are eligible for the Government's On-solds support package (On-sold programme).

The Government has asked the Natural Hazards Commission Toka Tū Ake (NHC) to make changes to the On-sold support package to help eligible on-sold homeowners progress through the programme. This document was updated in November 2024 to reflect these changes, please read it carefully as it contains new information.

If you are eligible for a payment of **\$150,000** or more from the Government's On-sold support package to repair or rebuild your home, the programme conditions require that we register an encumbrance (also known as a Record of Title) against your property.

Once your repair or rebuild is complete, we will work with you to have the encumbrance removed from your property title.

## What is an encumbrance?

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 a safeguard to ensure payments are used for their intended purpose.

## Removing an encumbrance

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 any replacement works have been completed and we have accepted that evidence, we will start the process 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 remove it.

We cover 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 Settlement Deed.

### The information we need to receive

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 or 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.

## Actions and documents required to remove an encumbrance

This checklist is intended to help all parties understand the steps required to remove an encumbrance.

Y/N	Actions and documents required	Responsibility	Date completed
	You and your 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	Natural Hazards Commission Toka Tū Ake	
	You have obtained all the producer statements and provided them to us (for consented and non-consented work).* if applicable	Homeowner and builder	
	You have obtained the Council Code of Compliance and provided it to us (for consented work).* if applicable	Homeowner and builder	
	We have made all ex gratia tranche payments. Final payment date is:	Natural Hazards Commission Toka Tū Ake	
	We have made all ex gratia variation payments.*if applicable	Natural Hazards Commission Toka Tū Ake	
	You have arranged for your lawyer (solicitor) to send us an email asking for the encumbrance to be removed, including the Authority & Instruction form and Form 27 for us to sign.	Homeowner and lawyer	
	We have sent approval to remove the encumbrance to you and your lawyer.	Natural Hazards Commission Toka Tū Ake	
	Your lawyer manages the encumbrance removal process with Toitū Te Whenua Land Information New Zealand.	Homeowner and lawyer	

# Definitions

**Authority and Instruction (A&I) form** – a Toitū Te Whenua Land Information New Zealand (LINZ) form to authorise an electronic transaction in relation to land, 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.

**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).

**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.naturalhazards.govt.nz](http://www.naturalhazards.govt.nz)
- Call 0800 DAMAGE (0800 326 243)
- Write to Natural Hazards Commission Toka Tū Ake via [info@naturalhazards.govt.nz](mailto:info@naturalhazards.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 Natural Hazards Commission Toka Tū Ake on 0800 DAMAGE (0800 326 243) or request a translated version.