

# Commercial SMSF

## Fact Sheet



Our self managed super fund loan (SMSF) loan is designed to provide loans to authorised Australian Self-Managed Super Funds for the purpose of purchasing residential or commercial (non-specialised) investment property.

Credit Parameters	
<b>Minimum Loan amount</b>	\$100,000
<b>Maximum Loan amount</b>	\$1,000,000
<b>Maximum LVR</b>	65% ( <i>Maximum 60% LVR applies to loans where the Trustee is an individual</i> )
<b>Borrower Type</b>	SMSF Trustee/s, which hold the beneficial interest in the security property, has the right to acquire the property from the Property Trustee, and is permitted to borrow in accordance with the relevant legislative requirements (and any associated regulations).
<b>Loan Purpose</b>	<ul style="list-style-type: none"><li>• Purchase of an investment property plus costs</li><li>• Refinance of an existing SMSF loan plus costs</li></ul> <p><b>Exclusions:</b></p> <ul style="list-style-type: none"><li>• Construction Loans</li><li>• Purchase of rural property</li><li>• Equity Release/Cash Out or Debt Consolidation</li></ul>
<b>Loan Term</b>	20-year term
<b>Lenders Mortgage Insurance</b>	N/A
<b>Income Documentation and Servicing</b>	Serviceability is calculated allowing for the following: <ul style="list-style-type: none"><li>• 80% of rental income from investment properties held by the SMSF.</li><li>• mandatory superannuation contributions (currently 9.25% of annual salary) to be included and verified over a 2 year period</li><li>• regular additional contributions made to superannuation or other personal investments or savings verified over a 2 year period</li><li>• must allow for on-going expenses associated with running a SMSF. Where a newly established SMSF cannot provide evidence (letter from their accountant) to confirm the running costs of the SMSF, a minimum of \$3000 (GST inclusive) should be include in the SMSF Servicing Calculator, otherwise use the running costs state on the accountant's correspondence.</li><li>• loan repayment amount to be calculated on a principal and interest basis</li><li>• Commercial Property - Where the property is occupied by a beneficiary of the SMSF, This will be subject to the valuation for such a property being valued on a "vacant possession" basis.</li></ul>
<b>Acceptable Security</b>	1st registered mortgage over commercial, industrial, retail or residential properties in Australian cities and major regional centers. No vacant land or properties under construction will be acceptable.  <i>Please refer to our Security Location Guide or more information.</i>
<b>Debt Service Cover Ratio</b>	1.5

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### Product Features

<b>Interest Only Options</b>	N/A
<b>Fixed Rate Options</b>	1, 2, 3, 4 and 5 years fixed rate options available
<b>Interest Calculation</b>	Daily on outstanding balance, charged monthly
<b>Repayment Frequency</b>	Weekly, Fortnightly or Monthly
<b>Repayment Method</b>	Direct Debit from nominated bank account
<b>Additional Repayments</b>	Unlimited for Variable rate Loans only via Direct Salary Credit and BPay credit.
<b>Loan Splits</b>	Up to 4 splits allowed
<b>Credit Increases</b>	Must be within maximum LVR and loan amount criteria
<b>Product Switching</b>	Yes - Fees and charges may apply
<b>Loan Portability</b>	Yes - Fees and charges may apply
<b>Redraw</b>	N/A
<b>Standard transactions</b>	Repayments from nominated account, Additional repayments from nominated account, Internet access, Direct salary credits, BPay credits and Direct debits. No Phone Access.

### Product Fees

Fees	Description	Amount
<b>Valuation Fee</b>	Payable by applicant prior to the valuation being ordered	Quote required
<b>Solicitor Documentation Fee</b>	Preparation and execution of 1 commercial SMSF loan facility	\$1,000
<b>Title Insurance</b>	Title Insurance premium is based on percentage of the loan amount borrowed	Dependant on Loan amount
<b>Establishment Fee</b>	1.0 % Payable (0.50% is nonrefundable if loan does not proceed)	
<b>Early Repayment Fee</b>	An ERF is payable if the loan discharges in the first 3 years of settlement and is based on current interest rates but original loan amount. <ul style="list-style-type: none"> <li>Year 1 = 3 month interest is payable upon discharge</li> <li>Year 2 = 2 month interest is payable upon discharge</li> <li>Year 3 = 1 month interest is payable upon discharge</li> </ul>	
<b>Discharge Fee</b>	Payable for a release of the security once the loan is paid in full.	\$375