

# BETTER CHOICE OPTIONS VARIABLE SMSF HOME LOAN

## 80% MAX LVR

PRODUCT CODE: F380

UPDATED: APRIL 2020



The Self Managed Super Fund (SMSF) Loan is designed to provide loans to authorised Australian Self-Managed Super Funds for the purpose of purchasing or refinancing residential investment property.

The borrowing structure involves a loan to a SMSF Trustee with a Security Custodian purchasing the residential investment property on behalf of the Super Fund. This Security Custodian, which must be a limited liability company, then holds the property as an asset in trust for the Super Fund, which has the beneficial right to acquire the underlying asset at a future date.

The loan is limited in recourse which means the lenders rights of recovery against the SMSF Trustee if the loan goes into default is limited to the secured property and any additional security the Guarantors may have provided.

### Key Features

- 100% offset account available
- Loans up to 80% LVR

Maximum Loan Amount	Single Security \$1,250,000	Maximum Borrower Exposure \$2,000,000
Loan to Value Ratio	Metro & Non-Metro - 80% Regional - 60% (Note: Please contact BDM for all QLD securities)	
Loan Term	30 years	
Loan Options	Principal & Interest Only (variable & fixed rates available)	
Credit History	Clear Credit History	
Loan Purpose	Purchase or Refinance of an existing SMSF loan (plus costs)	
Cash Out	Not available	
Equity	SMSF Investment loans require a minimum 20% deposit	
Split Loans	Available. Split your loan into more than one portion	
Repayment Frequency	Principal & Interest loans or Interest Only loans - weekly, fortnightly and monthly repayments Payments can be automatically debited from the offset account	
Voluntary Repayments	Extra repayments can be made at any time without penalty	
Transaction Fees	Free unlimited transactions <ul style="list-style-type: none"><li>• Internet Banking</li><li>• BPay</li><li>• Direct Debit</li></ul>	

Conditions Apply. Note: All fees include GST. Please also contact us for a list of our acceptable postcodes.

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<b>Other Information</b>	<ul style="list-style-type: none"><li>• <b>The trustee for the SMSF cannot be an individual</b></li><li>• Single asset only</li><li>• Off-The-Plan and new properties considered</li><li>• Max LVR for inner city apartments is 60%</li><li>• Max LVR for regional locations is 60%</li><li>• Minimum \$120,000 in net tangible assets required in SMSF prior to loan transaction <b>or lender protection fee applies</b></li><li>• SMSF must have a minimum of 7.5% in liquid assets of total loan amounts held by the SMSF after this loan transaction <b>or lender protection fees apply</b><ul style="list-style-type: none"><li>• <b>Lenders Protection Fees:</b><ul style="list-style-type: none"><li>• Passes Net Asset and Liquidity tests<ul style="list-style-type: none"><li>• (LVR &gt; 70%) - LPF - 0.50%</li></ul></li><li>• Does not pass Net Asset and Liquidity Test<ul style="list-style-type: none"><li>• (LVR ≤ 65% - 0.25%, LVR ≤ 70% - 0.50%, LVR ≤ 75% - 0.75%, LVR ≤ 80% - 1.00%)</li></ul></li><li>• Regional and Unclassified Postcodes<ul style="list-style-type: none"><li>• LPF - 0.50%</li></ul></li></ul></li><li>• For existing SMSFs audited financials are required</li><li>• For newly established SMSFs an accountant letter confirming the estimated annual expenses<ul style="list-style-type: none"><li>• The higher of \$3,000 or the accountant estimated expenses will be used in servicing</li></ul></li></ul></li></ul>
<b>Setup Fees</b>	<ul style="list-style-type: none"><li>• Application Fee: \$499</li><li>• Valuation Fee: \$250 per security up to \$1M. Travel costs may be applicable if outside of metro area or considered not standard (subject to the nature of the security).</li><li>• Establishment Fee: \$1,095</li><li>• Solicitor Documentation Fee: At Cost (\$1,100 plus government fees &amp; charges &amp; usual outlays)</li><li>• Annual Facility Fee: \$395 p.a.</li><li>• Discharge Fee: \$535 plus 3rd party costs</li></ul>

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