

BETTER CHOICE OPTIONS VARIABLE SMSF HOME LOAN

PRODUCT CODE: F360, F365, F370, F375, F380

UPDATED: OCTOBER 2021



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 or commercial investment property.

The borrowing structure involves a loan to a SMSF Trustee with a Security Custodian purchasing the 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:

- Loans up to 80% LVR

Loan Purpose:	<ul style="list-style-type: none"> Purchase, or refinance of an Residential or Commercial SMSF investment property
Eligibility Requirements:	<ul style="list-style-type: none"> Trustee of a Self-Managed Super Fund The SMSF Trustee must hold a beneficial interest in the security property and must have a right to acquire the property from the Property Trustee and is permitted to borrow in accordance with all relevant legislative requirements and any associated regulations. The Property Trustee, which holds the legal interest in the security property on trust for the SMSF, must meet all relevant legislative requirements and any associated regulations. Certified copies of all Trust Deeds must be submitted with the loan application. All beneficiaries of the SMSF must be personal guarantors on the loan and must meet all the relevant legislative requirements and any associated regulations. SMSF Trustee guarantors are not required to complete an application in their own right unless they are making additional super contributions and these contributions are required to service the loan. SMSF Trustee borrowers and guarantors must obtain independent legal advice and proof of such advice is a settlement condition.
Loan Amount:	Minimum: \$50,000 Maximum: \$2,000,000 Maximum loan amounts may be subjected to LVR and property location (Maximum Exposure - \$2,000,000)
Loan to Value Ratio:	80% maximum - Metro & Non-Metro 75% maximum - Inner City & High Density 60% maximum - Regional & Unclassified 70% maximum - Interest Only (All inclusive of fees)
Term:	Minimum: 5 years Maximum: 30 years
Interest Rate Type:	Variable
LMI:	<ul style="list-style-type: none"> ≤80% LVR: No LMI required

Repayments:	<ul style="list-style-type: none"> Principal & Interest Interest Only available (up to 10 years), rate loading and conditions apply Weekly, Fortnightly, Monthly
Loan Access:	<ul style="list-style-type: none"> Internet banking Direct Debit Redraw (conditions apply)
Loan Features:	Internet transacting including redraw. Option to loan splits
Ongoing Fees:	\$395 Annual Fee
Application Fee:	\$0
Establishment Fee:	\$0
Settlement Fees:	<ul style="list-style-type: none"> Solicitors Fees: min \$770 plus disbursements and gov't fees & charges Settlement Fee: Nil
Other Fees:	<ul style="list-style-type: none"> Valuation Fee: At Cost (est. \$228.20 ex GST). Can vary based on location and property Lenders Protection Fee - 0.50% applies where >75% LVR and/or Regional & Unclassified postcodes and 1.00% for NDIS properties Additional rate loading applies for Commercial property
Other:	<ul style="list-style-type: none"> No Cash Out Allowed Offset not available Please contact your Better Choice Relationship Manager for more details

* Conditions Apply.

Rates & Fees displayed are starting from and are provided as an indication only. Fees shown exclude Government Searchers, Fees, Stamp Duties and Solicitor Outlays. The fees shown are indicative, additional fees may be applicable. The fees shown are for basic loans, additional fees may be applicable for more complex loans. Information is for broker use only and not intended for consumer advertising purposes. Information is correct at time of publishing and is subject to change. All fees include GST.

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Other information:

Serviceability for SMSF loan applications for new purchases and/or refinances (where income from other assets is required) will be assessed on the following basis;

- (i) Rental Income in accordance with standard applications shaded 10%.
- (ii) Income from interest/dividend earnings to be assessed using a minimum deeming rate of 3.0% p.a. or the actual return averaged over the preceding 24 months.
- (iii) Income from any other assets to be excluded.
- (iv) Only mandatory superannuation contributions to be included (see below).
- (v) Superannuation taxation rules apply.
- (vi) Standard stress testing of loan repayments applies.
- (vii) Must allow for all ongoing non-discretionary property expenses (e.g., strata levies, council rates etc.) and SMSF running costs. Use a minimum of \$1,500 for running costs.

Loan Size and LVR Matrix

	LVR (%)	Inner- City	Metro	Non-Metro	Regional
Existing Dwelling	0 - 65% ¹	\$1,500,000	\$2,000,000	\$1,500,000	\$1,000,000
	65.01% - 70% ²	\$1,250,000	\$2,000,000	\$1,250,000	N/A
	70.01% - 80% ³	\$1,000,000 ²	\$1,500,000	\$1,000,000	N/A

¹ Maximum LVR for Regional and Unclassified Postcode properties is 65%.

² Maximum LVR for Inner-City and High Density Postcode properties is 75%.

³ Maximum LVR for Metro and Non-Metro Postcode properties is 80%.