

# OCEAN Diamond Residential SMSF LOAN



## 80% Max LVR Residential

UPDATED: 18 November 2023

The Ocean Diamond Residential self-managed super fund loan (SMSF) loan is the ideal funding option for a self-managed super fund wanting to purchase a residential investment property and obtain exposure to real estate assets.

<b>Description:</b>	Investment purposes only: Purchase an existing residential dwelling or Refinance an existing SMSF loan.	<b>Application Fee:</b>	<b>WAIVED Until Further Notice for loans to \$750k (usually \$ 990)</b> 0.50% for loans >\$750,000
<b>Loan Amount: Residential:</b>	Minimum: \$ 150,000 Maximum: \$1,250,000 (to 75%) Maximum: \$1,000,000 (to 80%)	<b>Valuation Fees:</b>	At Cost. As a guide only, assume approx. \$330 – properties to \$1m (metro) \$550 – properties to \$2m (metro)
<b>Loan to Value Ratio:</b>	80% max LVR. (Includes established less than 1 year and off the plan). 70% maximum LVR (High Density units)	<b>Solicitor Documentation Fees:</b>	At Cost: Approx. \$1,800.
<b>Term:</b>	Up to 30 years.	<b>Lenders Mortgage Insurance:</b>	Not Applicable.
<b>Repayment type:</b>	Variable Rate P&I or Interest Only (max 5 yrs). 1, 2, 3, 4 & 5 years fixed rate options available.	<b>Settlement Fee:</b>	0.20% for companies and trusts.
<b>Borrower:</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>Title Insurance:</b>	\$145 Loans to \$600k; \$260 if >\$600k
<b>Mortgagor:</b>	Property Trustee/s, which meet the requirements of the relevant legislation (and any associated regulations). Holds the legal interest in the security property on trust for the SMSF.	<b>Redraw:</b>	Not Available for SMSF loans.
<b>Guarantors:</b>	Loans must be supported by personal guarantee/s for the full amount of the loan from all beneficiaries of the SMSF. Guarantees must be in accordance with the requirements of the relevant legislation and associated regulations. Non-resident guarantors are unacceptable.	<b>Annual Fee:</b>	\$ Nil – no annual reviews.
<b>Guarantors Advice:</b>	SMSF Trustee borrowers and guarantors must obtain independent legal and financial advice and proof of such advice must be retained on the loan file.	<b>Monthly Fee:</b>	No Monthly Fees.
<b>Acceptable Securities:</b>	In addition to the general requirements regarding the security property, loans made to SMSF Trustee/s must be secured by a "single asset" comprising a security property on a single title (not two or more separate titles) and the loan must not cover any additional assets purchased at the time of property purchase. This includes furnishings or other items which are not fixtures.	<b>Discharge Fee:</b>	\$450 + solicitors costs.
<b>Additional Assessment Requirements:</b>	Minimum SMSF net tangible assets of \$150,000 required (prior to loan transaction). The SMSF must have minimum liquid asset (interest /dividend earning assets) balance of 5% of the total debts of the SMSF (including the loan amount) after the loan transaction is complete. Confirmation of current investment strategy developed by a suitably qualified individual. Last 2 years SMSF Statements (refinances only), Last 2 payslips (if applicable), Most recent periods Financials or Tax Returns (business and individuals).	<b>Early Repayment Fee (ERF):</b>	1.50% of original loan amount if discharged within 3 years.
		<b>IMPORTANT NOTICE:</b>	Conditions Apply. All fees include GST. Rates, fees & policies subject to change without notice.
		<b>Unacceptable Purposes or Securities:</b>	Construction Loans or Bridging Finance. Equity Release, Cash Out, Debt Consolidation or Home Improvements. Purchase/Refinance of properties occupied by SMSF beneficiaries or related parties. Non-Arm's length transactions. Purchases from a related party of the SMSF Trustee/s. Purchase or refinance of owner-occupied property.

Allstate Home Loans Pty Ltd

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## Target Market for this Product:

The features of this Product have been assessed as meeting the likely objectives, financial situation and needs of consumers over the age of 18 where one or multiple applicants are self-employed returns. This product is likely to meet the needs of consumers looking for a loan amount of \$150,000 up to \$1,250,000, repayable over a term of up to 30 years.

This product is likely to meet objectives and needs investment consumers to finance the acquisition of residential property for investment purposes or refinance an existing SMSF home loan:

1. The ability to borrow up to 80% of the value of the property
2. The flexibility of a variable rate.
3. The ability to minimize interest paid over the life of the loan
4. The ability to make extra repayments to their loan;
5. The option of principal and interest or interest only repayments
6. Flexibility allowing early repayment of their loan.

Whilst there may be fluctuations to variable interest rates, we have assessed this Product as being consistent with the likely objectives, financial situation and needs of consumers in the target market.

## Outside of the Target Market for this Product:

Consumers outside the target market are consumers that:

1. Require a loan to finance the acquisition of property for construction purposes
2. Are self-employed and cannot provide financials.
3. Have material adverse credit; and
4. Are seeking to borrow for an owner-occupied property, or investment property outside of their SMSF.

## Description of Product including Key Attributes

1. Variable interest rate.
2. Minimum loan amount \$150,000.
3. Maximum loan amount \$1,250,000.
4. Maximum loan term 30 years.
5. Maximum Loan to Valuation Ratio (LVR) is 80%.
6. Repayment options:
  - principal and interest or interest only for investment.
7. Repayment frequency for principal and interest repayments – weekly, fortnightly or monthly.
8. Repayment frequency for interest only – monthly.

Note that exceptions may be made to the above on a case-by-case basis.

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