

PURPLE RELOCATION (Nil End Debt) LOAN



**75% Max LVR Residential,
65% Max LVR Commercial**

UPDATED: 13 December 2021

The Purple Relocation loan is a bridging loan for residential properties where there is no End Debt (after the sale of a property) within a 2 year period. This is suitable for full doc or Altdoc loans as there is no servicing requirement. It is also suitable for mature age clients or senior citizens wishing to downsize, which is an acceptable exit strategy. This can include selling the current home to move into a retirement village.

Description:	A short term loan to purchase or build a property, prior to the sale of their existing property.	Application Fee:	1.50% of total loan amount
Loan Amount: Residential:	Minimum: \$ 100,000	Valuation Fees (2):	At Cost for all properties.
Commercial:	Maximum: \$5,000,000	Legal Fees:	\$880 - Individual borrowers. Allow min \$2,000 +GST for Company / Trusts. Fees vary depending on legal entity/ complexity.
Loan to Value Ratio:	75% maximum LVR including interest prepayment for 1 year.	Risk Fee:	Nil
Term:	2 years	Settlement Fee:	\$120 plus outlays
Repayment type:	Interest Only for 1 year in advance. Nil repayments during the Relocation period. Borrower to provide funds for interest in Year 2 from their own resources if required. Unearned interest is refunded to the client.	Title Insurance:	At Cost (approx. \$238)
Credit History:	Can consider defaults on a case by case basis	Interest Rate Tiers:	To 75% LVR to \$2.0m max. loan To 65% LVR to \$5.0m max. loan
Debt Consolidation:	Allowed within maximum LVR.	Discharge Fees:	Allow Coded - \$490 per discharge Non-Coded - \$1,350 per discharge These are estimates only and may vary depending on the loan. There may be multiple discharges at different times depending on the number of securities.
Loan Type:	Altdoc or Full Doc allowed.	Interest rate →\$2m:	P.O.A.
Purpose:	Personal, construction, business or Investment.	Monthly Fee:	\$15 per month (per split)
Locations:	All locations considered.	Early Repayment Fee:	Nil during Relocation Period.
Acceptable Securities:	Residential or Commercial (non-specialized)	Redraw:	Not Available
Servicing:	An interest budget is included in the approved loan amount that will cover repayments in full for the first 12 months of the loan. The applicants need to fund the interest prepayment if the term extends into the second (2 nd) year.	Upfront Commission:	Paid on the Peak Debt (no clawback).
Relocation Loan with Residual Debt:	Relocation Loan with End Debt is available - different rules apply as servicing must be evident.	Trail Commission:	Not Applicable
Points of Difference:	Preferential pricing for loans <65% LVR or less than \$1.5m (Peak Debt). Can be used to build a new property and avoid having to sell and rent during the construction period. This loan gives clients more time to settle into a new property (without having to rent), the opportunity to renovate if required and the ability to sell the existing property as vacant possession – which can reduce a lot of stress. Upfront commission is paid on the Peak Debt - there is no clawback on this loan.		

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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 who require a secured loan of between \$100,000 and \$5,000,000, repayable over a term of 1 to 2 years to finance the acquisition of residential property for the purpose of it being their principal place of residence or for investment purposes (or refinance other finance that has been provided for such a purpose) with the ability to obtain an equity release or consolidate debt with:

1. The ability to borrow up to 75% of the value of the property
2. The flexibility of a variable rate
3. The option of principal and interest or interest only repayments

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 because it allows them to make unlimited additional repayments to reduce interest payable.

Outside of the Target Market for this Product:

Consumers outside the target market are consumers that:

1. Require a loan to refinance or consolidate debt against a single security.
2. Wish to purchase an owner occupied or investment property without having another property that they intend to sell,
3. Have material adverse credit; and
4. Are seeking to borrow through a self-managed superannuation fund.
5. Require a 100% Offset account.
6. Requires redraw facility.

Description of Product including Key Attributes

1. Variable interest rate.
2. Redraw is available on a variable interest rate.
3. Minimum loan amount \$100,000.
4. Maximum loan amount \$5,000,000.
5. Maximum loan term 30 years.
6. Maximum Loan to Valuation Ratio (LVR) is 75%.
7. Repayment options:
 - a. principal and interest for owner occupied
 - b. interest only for owner occupied to a maximum LVR of 80%; and
 - c. principal and interest and interest only for investment.
8. Repayment frequency for principal and interest repayments – weekly, fortnightly or monthly.
9. Repayment frequency for interest only – monthly.
10. Valuation fee is payable.

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