

CABERNET FlexCom

SMSF LOAN



80% Max LVR

UPDATED: 3 March 2022

The Cabernet FlexCom self-managed super fund loan (SMSF) loan is the ideal funding option for a self-managed super fund wanting to purchase a commercial owner occupied or investment property or refinance an existing SMSF to a better rate.

| | | | |
|---|--|-------------------------|--|
| Description: | Corporate trustees Only. Purchase a commercial security or refinance an existing SMSF loan. | Application Fee: | \$330 (payable at settlement) |
| Loan Amount: | Minimum: \$ 150,000 | Valuation Fees: | At Cost: From \$330 |
| Residential: | Maximum: \$2,000,000 (to 70% Metro) Maximum: \$1,500,000 (to 80% Metro) | Solicitor Fees: | At Cost: Approx. \$1,300 plus outlays. |
| Loan to Value Ratio: | 80% max LVR. (Includes established <1 year and off the plan). 70% maxi LVR (High Density). 65% Max LVR – Regional. | Annual Fee: | \$ 395 pa |
| Term: | Up to 30 years. | Monthly Fee: | No Monthly Fees. |
| Repayment type: | Variable Rate P&I or Interest Only (max 5 yrs). 1, 2, 3, 4 & 5 years fixed rate options available. | Settlement Fee: | \$495 |
| Redraw: | Not Available for SMSF loans. | Title Insurance: | Not Applicable. |
| 100% Offset Fee: | Not applicable (rate loading applies). | Rate Lock Fee: | \$749 to lock a Fixed Rate. |
| Split Loans: | Up to 6 splits allowed for SMSF (no fee at loan application stage). Can have variable & fixed rate splits. | | |
| 100% Offset: | Offset available on both fixed and variable rates and attracts a rate loading of 0.30%pa. Can be added or withdrawn at any time. | | |
| Lender Protection Fee (LPF): | LPF applies to all regional properties, all NDIS properties, all other locations where the LVR is >75%. LPF does not apply on metro locations up to 70% LVR where application passes Net Asset Test (NAT \$120k) and Liquidity Test (LT 7.5%) | | |
| Borrower: | 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). There is no rate loading for corporate trustees on SMSF loans. | | |
| Mortgagor: | 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. | | |
| Guarantors: | 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. | | |
| Guarantors Advice: | SMSF Trustee borrowers and guarantors must obtain independent legal and financial advice and proof of such advice must be retained on the loan file. | | |
| Acceptable Securities: | 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. | | |
| Unacceptable Purposes or Securities: | Construction Loans or Bridging Finance. Equity Release, Cash Out, Debt Consolidation or Home Improvements. Non-Arm's length transactions. Purchases from a related party of the SMSF Trustee/s. | | |
| Additional Assessment Requirements: | Minimum SMSF net tangible assets of \$120,000 required (prior to loan transaction). The SMSF must have minimum liquid asset (interest /dividend earning assets) balance of 7.5% of the total debts of the SMSF (including the loan amount) after the loan transaction is complete to pass the Liquidity Test. 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). | | |
| IMPORTANT: | Rates, fees & policies subject to change without notice. Conditions Apply. All fees include GST. Economic Break Costs (EBC) may apply to loans with Fixed Rates when the loan is discharged. | | |

Allstate Home Loans Pty Ltd

Phone 1800 101 368

Email: hello@allstatehomeloans.com.au | Website: www.allstatehomeloans.com.au

Office: Level 8, 120 Edward Street, Brisbane Qld 4000 | Postal: GPO Box 268, Brisbane Qld 4001

Australian Credit Licence: 384512 | ABN: 86 010 377 018

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 \$50,000 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 commercial property or refinance an existing SMSF loan:

1. The ability to borrow up to 80% of the value of the property
2. The flexibility of a variable rate, or the security of a fixed 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.
5. Non-residents of Australia.

Description of Product including Key Attributes

1. Variable interest rate, fixed rate loan or combination of both.
2. Minimum loan amount \$50,000.
3. Maximum loan amount \$2,000,000.
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.
9. Optional 100% Offset account for both variable or fixed rates.
10. Valuation fee is payable.

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

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Acceptable Securities:

- ✓ Commercial – Torrens Title, Strata Title
- ✓ Industrial – Owner Occupied or Leased
- ✓ Industrial – Tenants
- ✓ Retail – Owner Occupied or Leased
- ✓ Retail – Torrens Title, Strata Title
- ✓ Retail – Tenants
- ✓ Residential ≥ 3 or more on one title
- ✓ Medical/Dental Suites
- ✓ Serviced Apartments
- ✓ Display/Exhibition Homes
- ✓ Childcare Centre
- ✓ Boarding Houses
- ✓ Strata Retirement Units
- ✓ Student Accommodation
- ✓ Strata Offices & Showrooms (minimum area 30 m2)
- ✓ Retail outlets (e.g. shops, restaurants)
- ✓ Industrial Units/Factories
- ✓ Mixed Residential & Commercial Use
- ✓ Residential Properties (≥ 3 or more on one title)
- ✓ Student Accommodation

Unacceptable Securities: *(This is not the complete list – just the most common enquiries)*

- Motels
- Caravan Parks
- Rural Acres > 25 hectares
- Stables
- Farms
- Clubs
- Golf courses
- Vineyards / Wineries
- Sporting Centres
- Vacant land

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