# Cabernet 40 Year Term Loan

## Need to Know Essentials

**40-Year Extended Home Loan**

**Unlocking borrowing power and repayment flexibility for borrowers**

**The 40-Year Extended Home Loan is a new, multi-purpose home loan that extends the borrowing power and home loan repayment flexibility of investor and owner occupier clients, whether they are buying, refinancing or building.**

**Eligible to owner occupiers and investors. Not limited to just first homebuyers or investors.**

**40-year terms for owner occupiers up to age 45 Loan term reduces incrementally after age 45 up to a max age of 50. (No age restrictions for investors)**

**Up to 10-year IO construction purpose available. Not just for established property buys or refis.**

**Up to 95% LVR inclusive of risk fees. If Company or Trust, then up 80% LVR.**

**Servicing can be assessed over 35 years. Not limited to 30-year loan servicing assessment.**

**PAYG, self-employed and Company & Trusts. Supports wider range of borrowers and income types, if they meet lending policy criteria.**

**Offset Facility: 100% Offset. Redraw Available. Extra repayments Unlimited. Visa Debit card Available**

**Must have clear credit history**

## Snapshot

| | |
|---|---|
| **Purpose** | **Purchase, Refinance, Construction** |
| **Maximum Loan Term** | **Up to 40 years** |
| **Maximum Interest-Only Term Years** | **Owner Occupied: Up to 5 Years / Investment: Up to 10** |
| **Loan Amount** | **$150,000 – $3,500,000** |
| **Maximum Borrower Exposure** | **$10 million** |
| **Maximum LVR** | **Up to 95%, inclusive of Lenders Protection Fee (non-construction) or Construction Risk Fee (construction)** |
| **Company and Trust borrowers:** | **Maximum LVR capped at 80%** |
| **Interest Rate Type** | **Variable** |

| | |
|---|---|
| **Borrower Types** | **PAYG, Self-Employed, Companies & Trusts** |
| **Security** | **Residential** |

## Age requirements

**Owner occupied**

**Full 40-year home loan terms are available to eligible borrowers up to age 45, with the available loan term reducing incrementally up to a maximum product age of 50.**

**In summary:**

**The oldest borrower must be 50 years old or less at the time of loan application**

**The oldest borrower must be 85 years old or less at loan maturity**

**The loan term will be adjusted to ensure the age of the oldest borrower is 85 years old at the time of loan maturity (the minimum loan term available is 35 years).**

**How to calculate your client's maximum loan term**

**Adjusted loan term calculation for a 48-year-old borrower.**

**Maximum age at maturity: 85**

**Available loan term: Maximum age at maturity less current age = 85 years – 48 years = 37-year loan term.**

***Investment No age restrictions apply to investment home loans.***

**Exit strategy: Where one or more borrowers attached to the loan are over 55, then an acceptable exit strategy is required, regardless of whether the loan is owner occupied or investment.**

## Interest only options

**Owner Occupied: Eligible owner occupier borrowers can choose an interest only term of between one and 5 years.**

**Investment: Eligible investment borrowers can choose an interest only term of between one and 10 years.**

## Serviceability

**Serviceability is assessed over a maximum period of 35 years (not 30).**

**A minimum 5-year interest only (IO) period is applied when assessing serviceability, for both owner occupier and investor clients, even when no IO period is chosen. This results in a serviceability assessment over 35 years (or the remaining P&I term).**

**Investment: Where an investor chooses an IO period greater than 5 years (up to 10), the actual IO term is used, and repayments are assessed over the remaining P&I term. Example: A borrower with a 40-year home loan term that chooses a 7-year IO term will have serviceability assessed over a 33-year period (40-7=33 years).**

## Construction loans

**Construction loans include a minimum 12-month interest only (IO) period during the construction phase. Customers may choose a longer IO period as part of their loan application. If a longer IO**

**term is selected, the loan will remain interest only for the balance of the approved IO period after construction is completed.**

**Where a customer initially selects the minimum 12-month IO period, they may request an additional IO period after construction is complete, subject to the maximum allowable IO term for the loan product and lender approval.**

## Features

**Offset facility:** **Available**

**Split loans:** **Up to 4 splits**

**Redraw:** **Available (Construction: Available once construction is completed)**

**Debt consolidation:** **Available for up to 20% of the security value for LVR < 90%**

**Equity release:** **Available for up to 20% of the security value for LVR < 90%**

**Extra repayments:** **Unlimited**

**Visa Debit card:** **Available to Australian residents. For eligible residential construction loans, a Visa Debit card is available after the construction period ends. During construction, a Visa Debit card is only available where an offset facility is linked to the loan.**

**Click the link to see if your Owner Occupied applicants qualify**

**https://originmms.com.au/tools/origin.html**

 **So Contact Your Sales Manager today to Learn More**

**Allen Ferguson**
**Mobile 0481 109 980**
**Email aferguson@allstatehomeloans.com.au**

## Why not Book an Online Session Today To Learn More about our Other Sensational Offerings