

# SMSF LENDING POLICIES & FEES

## Borrower Information

<b>Acceptable borrower</b>	A complying self-managed superannuation fund with a corporate trustee (non-trading entity)
<b>Acceptable security owner</b>	A corporate trustee for the security trust (non-trading entity). The security trust to reflect the legal owner of the asset and the SMSF as beneficial owner (This may also be termed custodian trustee, holding trustee, bare trustee)
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance of a complying SMSF loan</li> </ul>
<b>Member age</b>	Minimum - 18 years old
<b>Loan Term</b>	Minimum - 10 years Maximum - 30 years
<b>Loan Amounts</b>	Minimum - \$100,000 Maximum - \$1.5m metro (\$1m non-metro)
<b>Loan Accounts</b>	Maximum of 2 accounts on any 1 loan with minimum amount of \$50,000 per account
<b>Number of fund members</b>	Maximum of 6 members
<b>Guarantors</b>	All members to provide a personal guarantee limited to the loan amount The security trustee to provide a guarantee limited to the security property
<b>Interest-Only Loans</b>	3 or 5 year terms available

## Fee Information

<b>Loan Settlement Fee</b>	\$120
<b>Legal Fees</b>	\$550 (inc GST)
<b>Establishment Fee</b>	\$590
<b>Document Vetting Fee</b>	\$800
<b>Discharge Fee (plus agents costs)</b>	\$500
<b>Account Keeping Fee</b>	\$15 per month
<b>Valuation Fee</b>	Up to \$2,000,000: Free >\$2,000,000 or non-standard security: Quote required
<b>Capitalisation of Fees</b>	Select fees can be capitalised for refinance loans subject to the total loan inclusive of fees, not exceeding maximum LVR for each product. The SMSF trustee should make their own enquiries for loans established prior to 1 July 2018 to consider if an increase in the total loan will materially impact their future total super balance calculation.

## Acceptable Securities (population must be 10,000 within 10km)

Acceptable	Unacceptable
Residential zoned (or equivalent of)	Non arm's length property acquisition
Rural residential	Vacant land, or in construction / development / partially completed dwellings
Properties up to 5 acres (2 hectares)	Income producing properties (excluding residential investment properties)
Units over 50 sqm (total living area)	Commercial, industrial or rural zoned

# SMSF LENDING POLICIES & FEES continued

Existing dwellings (the improvements must be valued at more than 10% of the overall property)	Exotic construction, re-located, or kit homes
Residential units in tower blocks where the ground floor only has a commercial use (minimum 3 comparable sales required)	Flood prone areas or those adjoining power lines, transmission lines or railway tracks
Residential units in a mixed use zoned property where the ground floor only has a commercial use (a minimum of 3 comparable sales are required).	Studio apartments
	Retirement Village or display home
	Properties in poor condition
	Off the plan purchases
	Extended selling period greater than 6 months
	Company share, native title, company title, stratum title, mining lease, crown lease or leasehold (excluding ACT)
	Securities with active Development Approval
	NRAS Schemes or Defence Housing Authority
	Student/houses of multiple occupancy (HMO) accommodation sites (where material adjustments have been made to the property).

## Other Assessment Criteria

<b>Member contributions</b>	<p>PAYG:</p> <ul style="list-style-type: none"> <li>• Superannuation guarantee contributions confirmation - 2 recent payslips with at least 1 dated within 4 weeks of the application date</li> <li>• 12 months history of regular additional concessional contribution</li> </ul> <p>Self employed:</p> <ul style="list-style-type: none"> <li>• 2 years contribution history evident</li> </ul> <p>Where historic contributions are not evident, servicing capacity may be considered subject to full individual servicing assessment. Refer to the self-managed super fund loan application checklist.</p>
<b>Rental income</b>	<p>80% of the acquired property rent</p> <p>80% of other SMSF owned residential property rent</p> <p>70% of SMSF owned commercial property rent</p>
<b>Deeming rate</b>	3.50% deeming rate applied to the total SMSF liquid assets
<b>SMSF assets</b>	\$200,000 minimum net assets in the SMSF

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