



Line of credit

Find out how your customers can access the equity in their home loan with a line of credit.

What does a line of credit look like with Bluestone?

- Your customer can split their loan to accommodate a line of credit which is no greater than 50% of the entire loan balance. A line of credit cannot be a stand alone facility.
- If a line of credit has an outstanding balance, a monthly interest only repayment will be required each month. The amount will be equal to interest for the previous month.
- A line of credit is set up for a 5 year period. If there is no request by the customer for the line of credit to remain in place, it will automatically convert to a variable rate loan with Principal & Interest repayments after the 5 year period has ended.

When can you use a line of credit?

- Available with our Prime, Near Prime and Specialist Home Loans, both for owner-occupied and investment repayments.
- Customers can use a line of credit for just about anything – business, investments, holiday, home renovations or even a new car.



Need a quick answer on a loan scenario? Call **13 BLUE**

Speak to an experienced underwriter who'll give you the certainty you need and save you time.





What are the benefits of using a line of credit?

- Accessibility and flexibility. Withdrawals anytime via internet banking up to the customer's agreed balance.
- Access to equity to buy and expand an investment portfolio. If a customer has access to a line of credit, they can purchase a property without having to worry about home loan turnaround times. If a line of credit applies to their principal place of residence, they will be eligible for Interest Only owner occupied rates on their investment purchase.
- Help for the self-employed. A line of credit allows for quick access to capital and ability to invest in new market opportunities or business owners who have seasonal cash flow, and need extra funds at certain times.
- Aid in renovations where there isn't a fixed building cost and budget.
- Higher credit limit than other loan types or a creditcard.
- Lower interest rates are charged on the amount withdrawn compared to other loan types or credit cards.
- Draw down only on the amount needed at the time Interest is only charged on what the customer's have used, not the entire balance.

Line of credit and cash out limits

- The purpose of a line of credit must be deemed acceptable by an underwriter. Please note that a line of credit is in conjunction with cash out limits overall in the loan.
- Please see the table below as a guide:

	Prime	Near-Prime	Specialist	Specialist+
Cash-out	Unlimited	Unlimited	Unlimited <= 80% LVR \$200k > 80% LVR	
Line of Credit (max 50/50 split)	Unlimited	Unlimited	Unlimited <= 80% LVR \$200k > 80% LVR	

The purpose of cash out must be evidenced where exceeding \$200k or 50% of valuation amount.

Speak to your BDM or call the
Scenario Hotline on **13 BLUE**



brokers.bluestone.com.au