

# Purple Clear Residential SMSF LOAN



## 80% Max LVR Residential

UPDATED: 4 June 2024

The Purple Clear Residential self-managed super fund loan (SMSF) loan is the ideal funding option for a self-managed super fund wanting to purchase a residential investment property and obtain exposure to real estate assets.

<b>Description:</b>	Investment purposes only: Purchase an existing residential dwelling or Refinance an existing SMSF loan.	<b>Application Fee:</b>	0.85% of loan amount payable at settlement.
<b>Loan Amount: Residential:</b>	Minimum: \$ 150,000 Maximum: \$2,500,000 (to 75%) Maximum: \$2,000,000 (to 80%)	<b>Valuation Fees:</b>	At Cost: From \$330
<b>Loan to Value Ratio:</b>	80% max LVR. (Includes established <1 year). 65% maximum LVR (High Density units)	<b>Solicitor Documentation Fees:</b>	At Cost: Approx. \$1,500. Allow extra for outlays.
<b>Term:</b>	Up to 30 years.	<b>Lenders Mortgage Insurance:</b>	Not Applicable.
<b>Repayment type:</b>	Variable Rate P&I or Interest Only (max 5 yrs).	<b>Settlement Fee:</b>	\$120
<b>Borrower:</b>	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).	<b>Title Insurance:</b>	From \$150 (depends on loan size)
<b>Mortgagor:</b>	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.	<b>Processing Fee:</b>	n/a.
<b>Guarantors:</b>	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.	<b>Redraw:</b>	Not Available for SMSF loans.
<b>Guarantors Advice:</b>	SMSF Trustee borrowers and guarantors must obtain independent legal and financial advice and proof of such advice must be retained on the loan file.	<b>Annual Fee:</b>	\$ Nil – no annual reviews.
<b>Acceptable Securities:</b>	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. Apartments must be >50sqm in size including balcony and is in a building of 9 stories or less and previously tenanted or else it will be classed as off the plan.	<b>Monthly Fee:</b>	\$15.00 per month
<b>Unacceptable Purposes or Securities:</b>	Construction Loans or Bridging Finance. Equity Release, Cash Out, Debt Consolidation or Home Improvements. Purchase/Refinance of properties occupied by SMSF beneficiaries or related parties. Non-Arm's length transactions. Purchases from a related party of the SMSF Trustee/s. Purchase or refinance of owner-occupied property.	<b>Discharge Fee:</b>	\$1,350 + solicitors costs.
<b>Additional Assessment Requirements:</b>	No minimum liquid assets or minimum SMSF balance requirements. Confirmation of current investment strategy developed by a suitably qualified individual. Last 2 years SMSF Statements (refinances only), Last 2 payslips for PAYG (if applicable). We do not require receipt of Auditor, Financial Advisor or Legal Sign Off of the SMSF	<b>Early Repayment Fee (ERF):</b>	3 months interest if discharged within 5 years.
		<b>IMPORTANT NOTICE:</b>	Conditions Apply. All fees include GST. Rates, fees & policies subject to change without notice.

Allstate Home Loans Pty Ltd

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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 over the age of 18 where applicants are PAYG or self-employed. This product is likely to meet the needs of consumers looking for a loan amount of \$150,000 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 residential property for investment purposes in their SMSF or refinance an existing SMSF home loan:

1. The ability to borrow up to 80% of the value of the property
2. The flexibility of a variable 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.

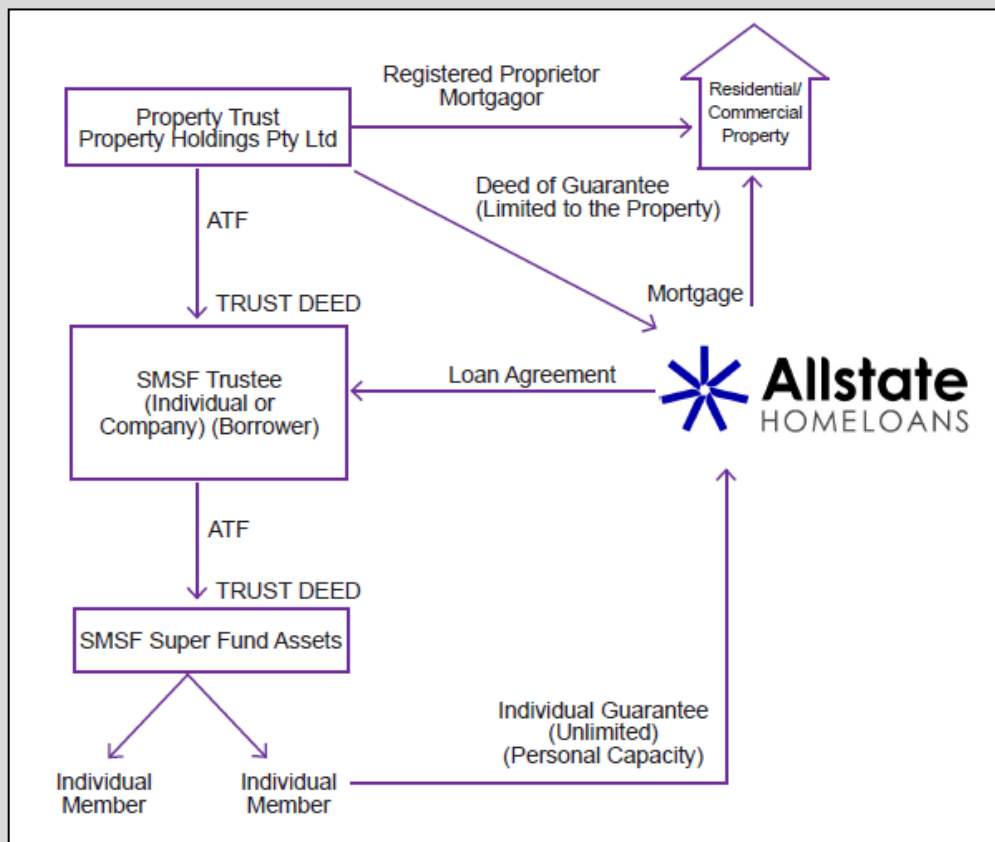
Whilst there may be fluctuations to variable interest rates, we have assessed this Product as being consistent with the likely objectives, financial situation and needs of consumers in the target market.

## 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. Have material adverse credit; and
3. Are seeking to borrow for an owner-occupied property, or investment property outside of their SMSF.
4. Require an Offset account with an SMSF loan.

## SMSF Structure



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