

# CABERNET FlexCom

## SMSF LOAN



### 80% Max LVR

UPDATED: 20 August 2024

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 (including NDIS) or refinance an existing SMSF to a better rate.

<b>Description:</b>	Corporate trustees Only. Purchase a commercial security or refinance an existing SMSF loan.	<b>Application Fee:</b>	\$550 (payable at settlement)
<b>Loan Amount: Residential:</b>	Minimum: \$ 50,000 Maximum: \$3,500,000 (to 70% Metro) Maximum: \$3,000,000 (to 80% Metro)	<b>Valuation Fees:</b>	At Cost: Quote Required.
<b>Loan to Value Ratio:</b>	80% max LVR Metro & Major Regional (including NDIS).	<b>Solicitor Fees:</b>	At Cost: Approx. \$1,300 plus outlays.
<b>Term:</b>	Min. 5 years Up to 29.92 years (359 months). Max. 25 years [300 months] for NDIS.	<b>Lender Protection Fee (LPF):</b>	Not applicable to 80% LVR.
<b>Repayment type:</b>	Variable Rate P&I or Interest Only (max 5 yrs). 1- 5, 7 and 10 year fixed rate options available. Note: Interest Only is not available for NDIS.	<b>Annual Fee:</b>	\$395 pa
<b>Redraw:</b>	Not Available for SMSF loans.	<b>Monthly Fee:</b>	No Monthly Fees.
<b>100% Offset Fee:</b>	Available on variable and Fixed Rate loans (fee free).	<b>Settlement Fee:</b>	\$495
<b>Split Loans:</b>	Up to 6 splits allowed for SMSF (no fee at loan application stage). Can have variable & fixed rate splits.	<b>Account Variation Fee :</b>	\$250
<b>100% Offset:</b>	Optional 100% Offset available on both fixed and variable rates – fee free. Can be added or withdrawn at any time.	<b>Rate Lock Fee:</b>	\$495 Valid for 90 days, NON-REFUNDABLE.
<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). There is no rate loading for corporate trustees on SMSF loans.	<b>Discharge Fee:</b>	\$2,200 plus 3 <sup>rd</sup> party costs. (ERF: Early Repayment Fee is n/a)
<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>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>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>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. Please refer to the list on Page 3. <b>NDIS is acceptable security [max. 12 bedrooms].</b>		
<b>Unacceptable Purposes or Securities:</b>	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. Please refer to the list on Page 3.		
<b>Additional Assessment Requirements:</b>	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).		
<b>IMPORTANT:</b>	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

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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 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 \$3,500,000, 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.
6. NDIS properties with more than 12 bedrooms.

## 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 \$3,500,000.
4. Maximum loan term 359 months.
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.

## Acceptable Securities:

- ✓ Commercial – Torrens Title, Strata Title – 80% P&I | 75% IO
- ✓ Industrial – Owner Occupied or Leased – 80% P&I | 75% IO
- ✓ Industrial – Tenants – 80% P&I | 75% IO
  
- ✓ Retail – Owner Occupied or Leased – 80% P&I | 75% IO
- ✓ Retail – Torrens Title, Strata Title – 80% P&I | 75% IO
- ✓ Retail – Tenants – 80% P&I | 75% IO
  
- ✓ Residential ≥ 3 or more on one title – 80% P&I | 75% IO
- ✓ NDIS Residential [max. 12 bedrooms] – 80% P&I
- ✓ Medical/Dental Suites – 80% P&I | 75% IO
- ✓ Serviced Apartments – 75% P&I | 70% IO
- ✓ Display/Exhibition Homes – 75% P&I | 70% IO
  
- ✓ Childcare Centre – 70% P&I | 65% IO
- ✓ Boarding Houses – 70% P&I | 65% IO
- ✓ Strata Retirement Units – 70% P&I | 65% IO
- ✓ Student Accommodation – 70% P&I | 65% IO
  
- ✓ Strata Offices & Showrooms (minimum area 30 m2)
- ✓ Retail outlets (e.g. shops, restaurants)
- ✓ Industrial Units/Factories
- ✓ Mixed Residential & Commercial Use

## 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