

# Ocean Diamond Construction Residential Loan



## 80% MAX LVR

UPDATED: 9 September 2024

The Ocean Construction loan is perfect for applicants who wish to build a home for either owner occupied or investment purposes. The loan is available for full doc or Altdoc circumstances, provided the client intends to build on the land within a 3-month period.

<b>Loan Purpose:</b>	Construction of Owner-Occupied or Investment property with maximum 2 dwellings on one title.	<b>Application Fee:</b>	1.25% of the loan amount payable at settlement.
<b>Loan Amount:</b>	Min: \$ 100,000 Max: \$2,000,000 [65% LVR] \$2.0m Max: \$2,000,000 [70% LVR] \$1.5m Max: \$1,750,000 [75% LVR] \$1.25m Max: \$1,500,000 [80% LVR] \$1.0m <b>Cat 1 Locations</b> <b>Cat 2</b>	<b>Legal Fees:</b>	At Cost Approx. \$500 – Individual borrowers.
<b>Loan Requirements:</b>	2 years full financials & NOA's (self-employed) 2 latest payslips & employment letter / contract (employees) <u>Altdoc Loans:</u> Accountants Declaration or 6 months ATO lodged BAS Statements	<b>Valuation Fee:</b>	At Cost. As a guide only, assume approx. \$330 – properties to \$1m (metro) \$550 – properties to \$2m (metro)
<b>LVR:</b>	80% maximum LVR (Loan to Value Ratio).	<b>Progress Payments:</b>	Allow \$1,520 (5 Progress Payments \$800 + \$720 Processing Fee).
<b>Term:</b>	Maximum: 30 years [1 Year Int Only + 29 years P&I]	<b>Additional Requirements:</b>	Contract of Sale (purchase) Fixed Price Building Contract Council approved plans & specifications Building / planning permits
<b>Interest Rate Type:</b>	Variable rates available. (Fixed Rates are not available).	<b>Processing Fee:</b>	Not Applicable.
<b>Repayments:</b>	Interest Only during the construction period.	<b>Title Insurance:</b>	\$145 Loans to \$600k; \$260 if >\$600k
<b>Extra Repayments:</b>	Additional repayments may be made at any time without penalty for loans in individual names.	<b>Lenders Mortgage Insurance (LMI):</b>	Not Applicable.
<b>Repayment Frequency:</b>	Weekly, Fortnightly or Monthly. Direct Debit from nominated bank account.	<b>Settlement Fee:</b>	0.20% of loan amount.
<b>Cash Out:</b>	Not available.	<b>Risk Fee:</b>	Not Applicable
<b>Redraw:</b>	Available on Variable rates only (post construction).	<b>Loan Splits:</b>	No splits allowed during construction period.
<b>Locations:</b>	Cat 1 & 2 metro locations	<b>Annual Fee:</b>	Not Applicable.
<b>Acceptable Securities:</b>	Standard residential blocks in metro areas. Maximum 2 dwellings on one title.	<b>Monthly Fee:</b>	Not Applicable.
<b>Unacceptable Securities:</b>	Triplex or townhouses (refer Multi Construction option).	<b>Discharge Fees:</b>	\$450 plus funder's legal costs.
<b>Offset Account:</b>	Not available.	<b>Early Repayment Fee (ERF):</b>	2.0% ERF of original loan balance applies to Company /Trust borrowers if the loan discharges in the first five (3) years. [ERF does not apply to principal reductions].
<b>ABN   GST</b>	Must have minimum 2 year ABN for Diamond Altdoc or 12 mths ABN for Emerald Altdoc applications. GST as required.	<b>ERF Waiver:</b>	ERF can be waived if Application Fee is increased by 0.25%
<b>Points of Difference:</b>	Construction rate applies during the period of construction, which then reverts to the applicable qualifying product. Interest Only (IO) for the first 12 months, reverting to Principal & Interest (P&I) for the remainder (29 yrs). Credit impairment can be considered, especially for life events. ERF can be avoided with an increased Application Fee of 0.25% (Company / Corporate Trustee borrowers). Rates and fees are subject to change without notice - refer to your Allstate Manager for confirmation of current rates and fees.	<b>Redraw:</b>	Available on builds with max 2 dwellings only.

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 who require a secured loan of between \$100,000 and \$2,000,000, repayable over a term of up to 30 years to finance the construction of residential property for either their principal place of residence or for investment purposes (with a maximum of two dwellings on one title):

1. The ability to borrow up to 80% of the value of the property
2. The flexibility of a variable rate
3. The option of principal and interest or interest only repayments
4. Access to redraw;

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 because it allows them to make unlimited additional repayments to reduce interest payable. These funds remain accessible to the consumer.

## 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 for more than two dwellings on one title
2. Require a loan to finance the acquisition of established property
3. Have material adverse credit; and
4. Are seeking to borrow through a self-managed superannuation fund.
5. Require a 100% Offset account.

## Description of Product including Key Attributes

1. Variable interest rate.
2. Redraw is available on a variable interest rate.
3. Minimum loan amount \$100,000.
4. Maximum loan amount \$2,000,000.
5. Maximum loan term 30 years.
6. Maximum Loan to Valuation Ratio (LVR) is 80%.
7. Repayment options:
  - a. principal and interest for owner occupied
  - b. interest only for owner occupied to a maximum LVR of 80%; and
  - c. principal and interest and interest only for investment.
8. Repayment frequency for principal and interest repayments – weekly, fortnightly or monthly.
9. Repayment frequency for interest only – monthly.
10. Valuation fee is payable.

Note that exceptions may be made to the above on a case-by-case basis.

	Aldoc Checklist		Full Doc Checklist
Income:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Accountants Declaration (on letterhead) or 6 months ATO lodged BAS Statements <i>plus</i></li> <li><input type="checkbox"/> Self Employed Borrower Repayment Declaration</li> <li><input type="checkbox"/> Proof of rental income from real estate agent (if applicable).</li> <li><input type="checkbox"/> Letter from real estate agent advising the expected rent to be received and the address of the property.</li> <li><input type="checkbox"/> Written confirmation (email) from Accountant confirming wages paid to owners and capital purchases in the period for BAS statements provided (BAS only)</li> </ul>	Income:	<ul style="list-style-type: none"> <li><input type="checkbox"/> 2 years full Tax Returns and Business financials (self-employed); and</li> <li><input type="checkbox"/> 2 years full tax returns and Notice of Assessments for self employed</li> <li><input type="checkbox"/> Last 2 payslips &amp; employment letter / contract (employees)</li> <li><input type="checkbox"/> Full copy of Contract for the Salary Sacrifice Arrangement detailing deductions and copy of latest statement</li> <li><input type="checkbox"/> Proof of rental income from real estate agent (if applicable).</li> </ul>
Contracts:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Contract of Sale (purchase)</li> <li><input type="checkbox"/> Fixed Price Building Contract - standard progress payments</li> <li><input type="checkbox"/> Council approved plans &amp; specifications.</li> <li><input type="checkbox"/> Building / planning permits</li> <li><input type="checkbox"/> Builders All Risk insurance and BSA registration</li> <li><input type="checkbox"/> Certificate of insurance from BSA</li> <li><input type="checkbox"/> GST Declaration [where applicable]</li> </ul>	Contracts:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Contract of Sale (purchase)</li> <li><input type="checkbox"/> Fixed Price Building Contract – standard Progress payments</li> <li><input type="checkbox"/> Council approved plans &amp; specifications.</li> <li><input type="checkbox"/> Building / planning permits</li> <li><input type="checkbox"/> Builders All Risk insurance and BSA registration</li> <li><input type="checkbox"/> Certificate of insurance from BSA</li> <li><input type="checkbox"/> GST Declaration [where applicable]</li> </ul>
Proof of Ownership:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Rates notice for existing security.</li> </ul>	Proof of Ownership:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Rates notice for existing security.</li> </ul>
Broker Forms:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fact Find.</li> </ul>	Broker Forms:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fact Find.</li> </ul>
Identification:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fully completed Allstate Customer ID   KYC   VOI form with clear certified copies of ID for the category selected or</li> <li><input type="checkbox"/> Australia Post VOI Form</li> </ul>	Identification:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fully completed Allstate Customer ID   KYC   VOI form with clear certified copies of ID for the category selected or</li> <li><input type="checkbox"/> Australia Post VOI Form</li> </ul>
Statements:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Min. 6 months loan statement for existing loans being refinanced.</li> <li><input type="checkbox"/> Savings statements showing proof of funds to complete.</li> </ul>	Statements:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Min. 6 months loan statement for existing loans being refinanced.</li> <li><input type="checkbox"/> Savings statements showing proof of funds to complete.</li> </ul>
Other:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Stat Dec for Gifted Funds (if applicable).</li> <li><input type="checkbox"/> Copy of Certified Trust Deed (if applicable)</li> <li><input type="checkbox"/> Corporate Tree from Accountant (if multiple companies or Trusts).</li> </ul>	Other:	<ul style="list-style-type: none"> <li><input type="checkbox"/> Stat Dec for Gifted Funds (if applicable)</li> <li><input type="checkbox"/> Copy of Certified Trust Deed (if applicable).</li> <li><input type="checkbox"/> Corporate Tree from Accountant (if multiple companies or Trusts).</li> </ul>
Child Support (if applicable):	<ul style="list-style-type: none"> <li><input type="checkbox"/> Latest CSA assessment notice and</li> <li><input type="checkbox"/> 6 months bank statements confirming regular payments received.</li> </ul>	Child Support (if applicable):	<ul style="list-style-type: none"> <li><input type="checkbox"/> 6 months CSA assessment notice and</li> <li><input type="checkbox"/> 6 months bank statements confirming regular payments received.</li> </ul>