

Parent Equity Home Loan.

Fact sheet.

One of the biggest barriers you face when buying a house is saving for a deposit. However, with our parent equity option, all you need is a parent willing to “guarantee” part of your loan – usually around 20%¹ of your total loan amount – and that does away with the need for a deposit from you.

What does this mean for parents? It means that, by going guarantor with our parent equity option, you can make buying a home more achievable for your child.

Key Features	<p>A Parent Equity Home Loan allows borrowers, especially first home buyers, to:</p> <ul style="list-style-type: none"> • Borrow up to 100% of the purchase price of an owner-occupied or investment residential property¹; • Borrow up to 100% of the combined land and building contract price when purchasing vacant land and constructing a new home¹; • Borrow up to an additional 10% of the purchase price to help with associated costs such as stamp duty and/or immediate structural improvements; • Avoid the need to pay for Lender’s Mortgage Insurance (LMI) or reduce the amount of LMI that is required. <p>Of course this depends on how much your family member is willing to guarantee, and you must be able to afford the repayments for the amount you wish to borrow.</p>																
Other things that matter	<p>Limited Guarantee: Your family member’s guarantee and supporting mortgage over their residential property is limited to the difference between the amount you borrow and 80% of the value of the property¹ you are purchasing. Of course, your family member can choose to guarantee a lesser amount.</p> <p>Releasing the Guarantee: The guarantee and supporting mortgage is released once the outstanding balance is below 80% of the value of the property¹. This will happen as the balance of the loan is repaid and if the property value increases.</p> <p>Eligible Family: The guarantee and additional security must be provided by your parent(s), in-law(s) or step-parent(s).</p> <p>Affordability: Both the borrower(s) and the guarantor(s) are assessed on affordability and must be able to demonstrate the ability to repay. For the guarantor, this is only assessed against the amount of the guarantee.</p> <p>Repayment Options: Parent Equity Loans require principal and interest repayments to ensure the balance outstanding is decreasing.</p> <p>Home Loan Options: You can choose from a range of fully-featured home loans offering competitive variable or fixed interest rates² to purchase or build a residential property. Loans cannot be used for debt consolidation or business purposes.</p>																
An example	<table border="0"> <tr> <td>Purchase Price³</td> <td style="text-align: right;">\$300,000</td> </tr> <tr> <td>Borrow 100% of the purchase price</td> <td style="text-align: right;">\$300,000</td> </tr> <tr> <td>plus associated costs (up to 10% of the purchase price), say</td> <td style="text-align: right;">\$20,000</td> </tr> <tr> <td>Loan amount</td> <td style="text-align: right;">\$320,000</td> </tr> <tr> <td>80%¹ of the purchase price is</td> <td style="text-align: right;">\$240,000</td> </tr> <tr> <td>Loan amount</td> <td style="text-align: right;">\$320,000</td> </tr> <tr> <td>less 80% of the purchase price of the home</td> <td style="text-align: right;">\$240,000</td> </tr> <tr> <td>The family member’s guarantee is for⁴</td> <td style="text-align: right;">\$80,000</td> </tr> </table> <p>The maximum amount we will lend you to purchase a home depends on the amount you can afford to repay and, without Parent Equity, the value of the property.</p> <p>Without Parent Equity, we may lend up to 90% of the value of the property⁵, which means you would still need a 10% deposit plus the funds required to cover associated purchase costs⁶ and fees.</p> <p>In addition, as the loan is for more than 80% of the value of the property, Lenders Mortgage Insurance would be required and can be quite expensive⁷.</p>	Purchase Price³	\$300,000	Borrow 100% of the purchase price	\$300,000	plus associated costs (up to 10% of the purchase price), say	\$20,000	Loan amount	\$320,000	80% ¹ of the purchase price is	\$240,000	Loan amount	\$320,000	less 80% of the purchase price of the home	\$240,000	The family member’s guarantee is for⁴	\$80,000
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We always encourage family members to obtain independent legal and financial advice before they agree to give guarantees in relation to Parent Equity Home Loans.

¹ Subject to the property location and licensed valuation. ² Interest Only Loans, All-In-One Account and some rate types are excluded. ³ Example assumes the purchase price is the market value of a metropolitan residential property. ⁴ Plus interest and costs. ⁵ For owner-occupied loans, inclusive of any capitalised LMI and is subject to approval by us and the LMI Insurer. ⁶ Purchase costs may include government stamp duty, transfer fees and other expenses such as fees to conveyancers/solicitors. These will vary depending on the location and value of the property being purchased. ⁷ If required, LMI may be capitalised and added to the loan but the overall LVR cannot exceed 90%.

Eligibility criteria, terms, conditions, fees, charges and normal lending criteria apply. Full details are available on request and will be included in our loan offer.

Beyond Bank Australia Ltd ABN 15 087 651 143 AFSL Australian Credit Licence 237856
Address: GPO Box 1430 Adelaide SA 5001, 100 Waymouth Street, Adelaide SA 5000
Phone 13 25 85 **Fax** 08 8231 3060
Web www.beyondbank.com.au **Email** contactus@beyondbank.com.au