SMSF Loan Product Summaries

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st.george
Good with people. Good with money.

Product Name:	Super Fund Home Loan	
Product Website:	http://www.stgeorge.com.au/	
Loan to Value Ratio:	72% where the trustees of the SMSF are individuals 80% where the trustee of the SMSF is a company	
Property Types:	Residential ☑	Commercial ☒ Rural ☒
Minimum / Maximum Loan Amounts:	Minimum: $100,000	Maximum: $2,000,000
Interest Rates:	Variable rate: 7.80%	1 year fixed 7.59%. 2 year fixed 7.64% 3 year fixed 7.84% 4 year fixed 8.24% 5 year fixed 8.34%
Fees:	Loan establishment fee	$1,500
	Bank legal fees	$615
	Ongoing loan fees:	$12 per month
	Other fees:	Settlement fee: $100 Fee per guarantee: $205 Valuation fee: $500
Cost of a $300k loan:	Initial: $3,125	1 year (interest & fees): $23,544
Repayments:	Interest only – up to 15 years	Principal & Interest – up to 30 yrs
Offset Available:	100% offset available on variable interest loans	
Serviceability:	• Contributions, other income and expected rental income included • 80% of rental income included in serviceability calculation • 80% of other income from previous two years included • Existing SMSFs will need to provide previous two years of SMSF accounts and annual returns • Where SMSF is new last two years worth of retail / industry super fund statements showing contributions will be required • Last two years personal income tax returns required where personal guarantees are needed • Actual fees or $2000 minimum administration fee included in serviceability calculations – whichever is higher	
Personal Guarantees:	Not required if serviceability can be established from SMSF investment earnings and expected rental income. Required where there is a reliance on contributions	
Company as Trustee:	**SMSF:** Individuals or Company	**Custodian:** Must be a company
Solicitors Used:	Kelly & Co	
Our Comments:	• Preferred SMSF lender for residential loans • St George have specialist staff who work in the SMSF loan area • St George SMSF Loan Calculator - EvolveMySuper	

evolvemysuper.com.au

Product Name:	Bank Bill Business Loan	
Product Website:	http://www.westpac.com.au/	
Loan to Value Ratio:	65% for commercial; 80% for residential; 50% for rural	
Property Types:	Residential ☑	Commercial ☑ Rural ☑
Minimum / Maximum Loan Amounts:	Minimum: $250,000	Maximum: $5,000,000
Interest Rates:	Variable rate: Base rate: 5.58% + margins Currently 8.00% to 8.58% total	Fixed rates not available.
Fees:	Loan establishment fee	1% of loan or $2,000 minimum
	Bank legal fees	$2,420
	Ongoing loan fees:	$35/ month for commercial $10/ month for residential
	Other fees:	n/a
Cost of a $300k loan:	Initial: $5,420	1 year (interest & fees): $25,860
Repayments:	Interest only – up to 10 years	Principal & Interest - Commercial – 15 years - Residential – 25 years
Offset Available:	No	
Serviceability:	• 75% to 85% of the rental income considered • 85% of contributions included • Two years of contributions to be verified from SMSF or retail / industry fund statements • Business accounts also required where related party will be leasing the property if commercial • 1.5 times interest cover required	
Personal Guarantees:	Required	
Company as Trustee:	**SMSF:** Required	**Custodian:** Required
Solicitors Used:	Gadens	
Our Comments:	• Preferred lender for commercial properties • Currently also very competitive with residential SMSF loans • Westpac has dedicated specialists in the SMSF loan area • Gadens have very specific requirements in regards to the correct contract and custodian / holding trust details • Gadens will often require an amendment to the SMSF trust deed in relation to trustee indemnity • Interest rate margins depending on customer risk level (i.e. existing level of gearing, type of property etc)	

National Australia Bank

Product Name:			
Product Website:	www.nab.com.au		
Loan to Value Ratio:	70% for commercial; 80% for residential; 65% for rural		
Property Types:	Residential ☑	Commercial ☑	Rural ☑
Minimum / Maximum Loan Amounts:	Minimum: $20,000	Maximum:	
Interest Rates:	Variable rate: 7.67% for residential properties (standard variable rate) Depends on customer risk for commercial properties		
Fees:	Loan establishment fee	1% of loan for commercial $600 for residential	
	Bank legal fees	$2,500 approx – NAB should quote before proceeding	
	Ongoing loan fees:	$10 per month for residential Line fee on commercial - varies	
	Other fees:		
Cost of a $300k loan:	Initial: $3,100	1 year (interest & fees): $24,450	
Repayments:	Interest only - Commercial 15 years - Residential 5 years	Principal & Interest - Commercial 15 years - Residential 30 years	
Offset Available:	No		
Serviceability:	• 60% of expected rental income included • Return on super fund investments assessed at 4.5% - regardless of actual return or contributions • Three years of returns to be provided		
Personal Guarantees:	Required from members		
Company as Trustee:	**SMSF:** Required	**Custodian:** Required	
Solicitors Used:	NAB in house legal		
Our Comments:	• Seems to be the luck of the draw in regards to who in the NAB legal team you end up dealing with – some people are better at handling SMSF loans than others • Very long turnaround time to get approval • The line fee on commercial loans is a killer		

Bendigo Bank

Product Name:			
Product Website:	http://www.bendigobank.com.au/		
Loan to Value Ratio:	70% for residential; 60% for commercial; Rural on application		
Property Types:	Residential ☑	Commercial ☑	Rural ?
Minimum / Maximum Loan Amounts:	Minimum: $20,000	Maximum: Serviceability Dependent	
Interest Rates:	Variable rate: 8.49% for residential properties (standard variable rate) Higher interest on commercial properties depending on customer risk rating	Fixed rate: From 7.79% Refer to website for further information	
Fees:	Loan establishment fee	< $50,000 = $350 $50,000 t0 $250,000 = $750 $250,000 = 0.50% of loan	
	Bank legal fees	Quote provided on application. Expect approximately $3,000	
	Ongoing loan fees:	Service Fee - $10/month	
	Other fees:	Annual Review Fee – 0.25% to a maximum of $800/year	
Cost of a $300k loan:	Initial: $4,500	1 year (interest & fees): $27,090	
Repayments:	Interest only - Commercial 10 years - Residential 10 years	Principal & Interest - Commercial up to 25 years - Residential up to 25 years	
Offset Available:	No		
Serviceability:	• 75% of rental income • Previous super contributions		
Personal Guarantees:	Required where serviceability of loan reliant on future contributions to the SMSF		
Company as Trustee:	**SMSF:** Required	**Custodian:** Required	
Solicitors Used:	Hall & Willcox		
Our Comments:	• Guarantor (where applicable) to sign declaration agreeing not to indemnify themselves against the SMSF in the event of default • Acquisition of non-income producing property excluded, and also specialist commercial properties • Related party transactions and refinancing also not available • Accountant, Auditor and Solicitor letters to be provided to lender (bank provides template for the format)		

evolvemysuper.com.au

Product Name:		
Product Website:	http://www.bankwest.com.au/	
Loan to Value Ratio:	70% for residential; 60% for commercial	
Property Types:	Residential ☑ Commercial ☑ Rural ☒	
Minimum / Maximum Loan Amounts:	Minimum: $200,000	Maximum: Serviceability dependent
Interest Rates:	Variable rate: From 8.19% Influenced by individual customer risk rating	Check website for most up to date interest rates
Fees:	Loan establishment fee	1% of loan amount
	Bank legal fees	$2,000 to $2,500 approx – bank will provide quote prior to application
	Ongoing loan fees:	$35 per month maintenance fee
	Other fees:	n/a
Cost of a $300k loan:	Initial: $5,000	1 year (interest & fees): $24,990
Repayments:	Interest only - Commercial – n/a - Residential up to 5 years	Principal & Interest - Commercial 15 years - Residential 30 years
Offset Available:	No	
Serviceability:	• 100% of rental income assessed • Net rental income to cover 2 x interest • SMSF earnings on other investments (based on previous 2 years) is also taken into consideration • Loans under $1m bank will need previous 2 years of SMSF earnings, or 3 years if loan is more than $1m • 1.25 times interest cover required • Contributions taken into consideration where loan is principal and interest from day one	
Personal Guarantees:	Required from members	
Company as Trustee:	**SMSF:** Required	**Custodian:** Required
Solicitors Used:	Gadens	
Our Comments:	• Modified business loan product • Tough serviceability criteria • Costly upfront fees	

Product Name:			
Product Website:	http://www.anz.com/		
Loan to Value Ratio:	70% residential; 60% commercial		
Property Types:	Residential ☑	Commercial ☑	Rural ☒
Minimum / Maximum Loan Amounts:	Minimum: $250,000	Maximum: $3,000,000	
Interest Rates:	Variable rate: From 9.01% when secured by residential property Impacted by customer risk rating	Refer to website for up to date rates	
Fees:	Loan establishment fee	1% of loan amount	
	Bank legal fees	$2,000 to $2,400	
	Ongoing loan fees:	$187.50 per quarter	
	Other fees:		
Cost of a $300k loan:	Initial: $5,200	1 year (interest & fees): $27,780	
Repayments:	Interest only - Commercial 2 years - Residential 2 years	Principal & Interest - Commercial 15 years - Residential 15 years	
Offset Available:	No		
Serviceability:	• 1.5 times interest cover required • 80% of rental income included for serviceability • Lease must be in place		
Personal Guarantees:	Required from members		
Company as Trustee:	**SMSF:** Required	**Custodian:** Required	
Solicitors Used:	Gadens		
Our Comments:	• Financial advisor sign off required – borrower will incur additional fees for financial planner statement of advice • No special purpose commercial properties and no vacant or rural land • ANZ can be fussy in regards to who they will offer the product to – typically only existing customers		

The Rock
BUILDING SOCIETY LIMITED

Product Name:	Super Option Loan	
Product Website:	http://www.therock.com.au/	
Loan to Value Ratio:	70% for residential (post code dependent)	
Property Types:	Residential ☑	Commercial ☒ Rural ☒
Minimum / Maximum Loan Amounts:	Minimum: $50,000	Maximum: $500,000
Interest Rates:	Variable rate: 7.99%	Refer to website for up to date schedule of rates
Fees:	Loan establishment fee	Property value < $1m = $600 Property value $1m plus = $275
	Bank legal fees	$1,850
	Ongoing loan fees:	$10 per month
	Other fees:	Deferred establishment fees in the first 4 years of the loan
Cost of a $300k loan:	Initial: $2,450	1 year (interest & fees): $24,090
Repayments:	Interest only - Commercial - n/a - Residential 5 years	Principal & Interest - Commercial – n/a - Residential 30 years
Offset Available:	Yes 100% (account must be in the name of the SMSF)	
Serviceability:	• 80% of rental income • 100% of contributions (less tax) • 100% of other SMSF income	
Personal Guarantees:	Required from members where contributions are relied upon for serviceability	
Company as Trustee:	**SMSF:** Individuals or Company	**Custodian:** Company required
Solicitors Used:	Unknown	
Our Comments:	• Information on their website provides further details on the loan product • Loan not available for commercial purchases, vacant land, property development etc	

CommonwealthBank

Product Name:	CBA SuperGear	
Product Website:	http://www.commbank.com.au/	
Loan to Value Ratio:	80% residential; 65% commercial; up to 65% rural	
Property Types:	Residential ☑ Commercial ☑ Rural ☑	
Minimum / Maximum Loan Amounts:	Minimum: $200,000	Maximum: Residential - $4m Commercial & Rural - $4.55m
Interest Rates:	Variable rate: 8.31% for residential 9.74% for commercial Customer risk premium may apply	Refer to website for up to date rates. Rate used is the BetterBusiness Loan rate.
Fees:	Loan establishment fee	0.8% of loan amount
	Bank legal fees	
	Ongoing loan fees:	Product maintenance fee - $85 per month
	Other fees:	Loan service fee: Residential - $8 per month Commercial – $32 -$80 per month Statement of Advice Fee
Cost of a $300k loan:	Initial: $2,400	1 year (interest & fees): $26,046
Repayments:	Interest only - Commercial – n/a - Residential – n/a	Principal & Interest - Commercial 15 years - Residential 30 years
Offset Available:	No	
Serviceability:	• 125% interest cover based on expected and actual SMSF income	
Personal Guarantees:	Required from members when LVR exceeds 50% for residential and 40% for commercial	
Company as Trustee:	**SMSF:** Required	**Custodian:** n/a – CBA provides their own custodian: *Premium Custody Services Pty Ltd*
Solicitors Used:	Internal CBA legal	
Our Comments:	• CBA is 'determined to be different' and this product definitely is when compared to its competitors • CBAs provides their own custodian, meaning even though your SMSF will be the beneficial owner of the property and receive all the rental income, the legal owner will be Premium Custody Services Pty Ltd until the loan is repaid • Financial planner Statement of Advice require – this service will incur additional costs to the borrower (not quantified above) • Property manager which is selected by the SMSF trustees must be approved by CBA	

Product Name:	SuperCredit		
Product Website:	http://www.liberty.com.au/		
Loan to Value Ratio:	80% for residential; 70% for commercial		
Property Types:	Residential ☑	Commercial ☑	Rural ☒
Minimum / Maximum Loan Amounts:	Minimum: $30,000 for residential $150,000 for commercial	Maximum: Dependent on serviceability	
Interest Rates:	Variable rate:	Unknown	
Fees:	Loan establishment fee	?	
	Bank legal fees	?	
	Ongoing loan fees:	?	
	Other fees:	?	
Cost of a $300k loan:	Initial: ?	1 year (interest & fees): ?	
Repayments:	Interest only - Commercial 5 years - Residential 5 years	Principal & Interest - Commercial 15 years - Residential 30 years	
Offset Available:	No		
Serviceability:	• 80% of rental income included • Contributions (less tax) can also be included		
Personal Guarantees:	Required from members		
Company as Trustee:	**SMSF:** Unknown	**Custodian:** Unknown	
Solicitors Used:	Unknown		
Our Comments:	• Statement of Advice required to be acquired from a financial planner as part of the application process • There is a $695 fee – however it is not know what this fee is for • Information contained on Liberty website and in the SuperCredit brochure is a little light on information		