

BMM Equity Finance Mortgage™

BMM's EFM loan is used in conjunction with a traditional Adelaide Bank home loan and is designed to help improve home affordability and lower repayments:

- Available to owner occupiers who have a deposit of at least 5 per cent (no genuine savings required)
- For purchase or refinance of existing home loan(s)
- Adelaide Bank provide an interest free loan up to 20% of the purchase price in exchange for 40% of the capital gain of the property
- Perfect for borrowers looking to buy a more expensive property who cannot afford repayments if they were to borrow maximum amount with a traditional home loan

	Equity Finance Mortgage (EFM)	Traditional Home Loan	
		Term Loan and 100% Offset	HomeLine Line of Credit
Loan Purpose	Available for purchase or re-finance. Owner Occupied only		
Product and Interest Rate Options	No Interest charged on the EFM portion of the loan. Instead you pay a share of any increase in the value of property when the EFM is repaid	Variable Rate and Fixed Rates available	Variable Rate and Fixed Rates available
Loan Amounts	Minimum \$15,000 Maximum \$400,000 where total borrowings are <85% LVR \$210,000 where total borrowings are > 85% LVR	Minimum \$100,000 Maximum \$1.5M where total borrowings are <85% LVR \$790,000 where total borrowings are >85% LVR	
	Combined: \$1.9M where total borrowings are <85% LVR Combined: \$1M where total borrowings are >85% LVR Maximum loan amounts dependant on security location and LVR		
Loan Term	Up to 25 years	Up to 30 years	
LVR	10%, 15% or 20% only	Up to 80% LVR	
	Maximum LVR for the combined EFM and Traditional Home Loan is 90% LVR		
LMI	Required for the EFM when the LVR for the combined EFM and Traditional Home Loan is >85%		
Repayment Options	No Repayments on EFM portion of loan	Principal and Interest Repayments	
Repayment Frequency	No Repayments on EFM portion of loan	Weekly, fortnightly and monthly	

Extra Repayments	Not Applicable	Extra Repayments can be made at any time	
Redraw	Not Applicable	Yes, minimum of \$500	Access available funds at any time
Split Loans	Not Available	Available	
Fixed Rates	Available	Available	

Loan Amount and LVR

<85% LVR = Combined Maximum of \$1.9M

(Adelaide Bank Standard Loan portion \$1.5M and EFM max. \$400K)

>85% LVR = Combined maximum of \$1M

(Adelaide Bank Standard loan portion max \$790K and EFM max \$210K)

Combined minimum loan amount \$115K

(Adelaide Bank Standard Loan min \$100K and EFM min \$15K)

Borrowing amount is restricted by postcode

Lenders Mortgage Insurance (LMI)

Required on the EFM portion (max. 20% of the loan when the total combined LVR > than 85% (PMI only). *LMI schedule available upon application*

LMI premium can be capitalised to a maximum combined LVR of 90%
No genuine savings are required to satisfy mortgage insurer

Loan Terms

Combined Adelaide Bank and EFM loan term is 25, although the ABL component of the loan is available up to 30 years

Loan Purpose and Borrower Type

Owner Occupied only (investment unavailable)

Purchase, Refinance and Home Improvements

Individuals Only, no companies or trusts

Maximum of 2 borrowers, must be less than 65 years of age

Cash Out

Available, there is no restriction to the percentage of cash out for either the Adelaide Bank and/or EFM loans. *Cash out must be for personal purposes only*

Security Type

Acceptable:

- Standard Residential property – House, Unit, Villa or Townhouse
- Property must be less than 2.5Ha
- Inner City High Density considered to a maximum 70% LVR (subject to postcode restrictions). Maximum exposure in any high density development, unit or group subdivision is restricted to 20%
- New properties in established suburbs

Excluded:

- Vacant Land or Construction
- Apartments less than 40 square metres in living area

Security Location

Most metropolitan and major country centres are considered (subject to postcode restrictions) except for ACT, SA and WA

Servicing Requirements

Income/Employment:

Must be in current position for 6 months and not subject to probation.

Overtime accepted after 12 months with employer

PMI calculator used to calculate serviceability

Credit History:

Applicants with a poor financial position unacceptable

Fees

Establishment

- \$495, includes one standard valuation to \$250
- Lender's legals borrower paid
- Additional Valuations
- \$250 each, standard vals only. Properties over \$300,000 or in remote areas may incur additional fees

Application Fee

- **\$500 payable at settlement**

Processing/Contract Fee

- \$160 payable at settlement

Early Repayment

- **Adelaide Bank Portion of Loan**

1% of loan amount 0-1yr, 0.75% 1-2yrs, 0.50% 2-3yrs, 0.25% 3-4yrs.

Partial Discharge

- **EFM Portion of Loan**

\$275 Discharge Fee + Valuation Costs regardless when loan is discharged