SMSF Fact Sheet

Product Information

Version 1.0

SMSF Product Specifications

Loan Purpose	Purchase or refinance of an acceptable investment residential property only
Minimum Loan Size	$100,000
Maximum Loan Size	$2.0M - 70% LVR (Cat 1) or $1.5M - 80% LVR (Cat 1) $1.50M - 65% LVR (Cat 2) or $1.25M - 70% LVR (Cat 2) or $1M - 80% LVR (Cat 2) $1M - 65% LVR (Cat 3) or $500K - 70% LVR (Cat 3)
Applicant Type	Corporate Trustee borrowers only
Acceptable Security Types	• Residential houses • Townhouses • Unit • Apartments • Villa • High density securities. A maximum of 4 or 25% exposure of a development (whichever is the lowest applies) at maximum 70% LVR
SMSF Documentation	• Established SMSF – 12 months SMSF bank statements evidencing regular member contributions. • New/ recently established SMSF – 12 months superannuation statements for all the SMSF beneficiaries from their current industry fund/ retail fund. • 2 years tax returns and full financial accounts for the SMSF, if available.
Income Documentation (SELF EMPLOYED)	• Last two years bank account statements, or current industry or retail fund statements to be rolled over, evidencing member contributions and cash / investments. • Last 2 years Business trading financial statements and tax returns confirming profitable trading after superannuation payments have been made. • Last 2 years personal taxation returns & ATO Assessment notices for all members/guarantors.
Income Documentation (PAYG)	2 most recent payslips showing superannuation contributions
Esay Refinance	Loan tenure and repayment behaviour are key determinants when assessing well established SMSF refinance applications. As a result, a reduced set of auxiliary documentation will be accepted for all SMSF refinance applications from ADI's and tier one nonbank lenders with a minimum of 12 months tenure and good repayment behaviour. A well-established SMSF easy refinance application must meet the below eligibility criteria. • Loan was settled over 12 months ago with clean repayment conduct on this loan. • Credit Report for borrower, Guarantors, and any associated entity to be clean with nothing adverse evident. • Security currently tenanted and has been rented for 9 out of the last 12 months. • Satisfactory benefit to borrower with a lower interest rate and new P&I repayments must be lower than the existing P&I repayments. • LVR must be less than or equal to 80%. If all the above criteria are met, then a full servicing assessment is not required to be undertaken. Rental income for well-established SMSF refinance applications must be supported with a minimum of 12 months CMA bank account statements along with current rental statement and/or Rental Lease Agreement. Refer to Easy Refinance Checklist for Eligibility Criteria and required Verification Documents.
Minimum Fund Position	N/A
Liquidity	N/A

SMSF Product Features

Loan Term	15 - 30 years
Repayment Types	• Principal & Interest • Interest Only (1 - 5 Years)
Offset	Not Available
Additional Repayments	Yes
Redraw	No
Split Loans	Not Available
Fees	Application Fee - $0 Legal Fees - From $770 (Excludes disbursements & other charges) Valuation Fee – At Cost (ordered and payable upfront) Settlement Fee - $0 Annual Fee -$0
Transaction Facilities	Internet Banking

SMSF Key Policy Summary

Key Product Information

Policy Information

Self-Managed Super Funds (SMSF)
All self-managed superannuation funds must comply with the Superannuation Industry (Supervision) Act 1993 (SIS Act) as amended.

The aim of the SIS Act and Regulation is to provide a framework for trustees and auditors for the management of all superannuation funds, including SMSF's.

Trustee for Complying Self-Managed Super Fund (SMSF)
The borrower is the SMSF trustee, which holds the beneficial interest in the security property.

Acceptable Borrowers
- Trustee for Complying Self-Managed Superannuation Fund (SMSF). The SMSF Trustee(s) must be a trustee company (where all beneficiaries must be directors and Shareholders of the trustee company), on behalf of a SMSF.
- The SMSF is the beneficial owner of property.
- The Property Trustee is the legal owner of property. The Property Trustee must be a company (and must be a different company to the SMSF company trustee).
- The SMSF must have fewer than five members.
- For SMSF with one member:
- The member of the fund must be the sole director of the company.

Personal Guarantees from all SMSF Beneficiaries:
- Direct limited recourse mortgage and guarantee from the property trustee.
- For the trustee company(s), the directors and shareholders are required to provide unconditional joint and several personal guarantees.

The SMSF Trustee must hold a beneficial interest in the security property and must have a right to acquire the property from the property trustee and is permitted to borrow in accordance with all the relevant legislative requirements and any associated regulations.

The Property Trustee, which holds the legal interest in the security property on trust for the SMSF Trustee, must meet all the relevant legislative requirements and any associated regulations.

All beneficiaries of the SMSF must be a personal guarantor on the loan and must meet all the relevant legislative requirements and any associated costs. Copies of all trust deeds must be submitted with the application.

Independent Legal Advice
SMSF borrowers and guarantors are to obtain independent legal and financial advice to determine suitability for their own circumstances. Evidence of the advice must be obtained prior to settlement. For refinances where the SMSF and guarantors can provide evidence that independent legal and financial advice has previously been obtained for the loan being refinanced, or alternatively, provide a signed Statutory Declaration that such advice was obtained and no changes have arisen in relation to the SMSF structure, this would be considered acceptable.

Security
Acceptable title includes the following:
- Freehold Land
- Torrens Title
- Strata Title
- Common Law Title
- Community Title (if the development has been fully completed)
- Crown leasehold land in the ACT with a lease term at least 5 years longer than the loan term.

Must have zoning/town planning classification of 'residential', rural residential, 'rural living' or equivalent type where residential is a permitted use.

Properties zoned Commercial / Industrial and/ or use is commercial/ industrial are unacceptable. Commercial zoned properties that contain residential apartments within the same development where residential is a permitted use, may be considered under exception".

Unacceptable title includes the following:
- Company Title
- Stratum Title
- Mining Leases
- Crown Lease (except for ACT)
- Leasehold Properties
- Native Title
- Moiety Title (SA)
- Purple Title (WA)
- Limited Title

Acceptable Forms of Security:
All properties must be:
- A minimum of 50sqm in living area excluding parking / balconies/courtyards (must have a separate bedroom)
- A maximum land area of 2.5 hectares
- Of good quality, well presented, and free of defects.
- Readily saleable.
- Compatible with prevailing styles in the security location.
- Established high rise dwellings acceptable.

Acceptable Security Types:
- Residential houses
- Townhouses
- Unit
- Apartments
- Villa
- High density securities (i.e. complex > 50 apartments). A maximum of 4 or 25% exposure of a development (whichever is the lowest applies). Maximum 70% LVR.

High Density Units/Apartments:
- Apartments/ units in a complex with more than 50 apartments are considered high density units/apartments.
- Maximum 70% LVR only.

Serviceability Assessment
Serviceability is to be minimum 1.00:1 required.

"Off the Plan". These include:
- Those purchased during construction.
- Those purchased at the completion of construction in an 'off market' transaction between the developer (or their agent) and the purchaser (i.e., not at public auction/sale).

Off the plan developments are acceptable where both the development is to be completed and the loan settles within 3 months. A full valuation report is obtained prior to approval of the loan confirming the property is now complete.

If the 'On Completion' value is higher than the original purchase price and the contract of sale was signed more than 12 months ago, BNK will rely on the valuation. However, the loan amount cannot exceed the original purchase price.

If the 'On Completion' value is lower than the purchase price, BNK will rely upon the valuation for LVR purposes.
Restricted to Category 1 locations only.

Ongoing Expenses
For an existing SMSF that has been established for a period longer than 12 months and has accountant prepared financial statements then the actual expenses as detailed in the financial statements for the latest financial year are to be used. Running costs associated with the property (eg: building insurance, tenant insurance, capital works, depreciation etc) are not costs associated with running the SMSF.

Division 293 Tax and Excessive Contributions Tax are to be included as an expense of the SMSF, if applicable

For newly established SMFS's a letter from the client accountant or financial planner advising of the estimated annual running expenses is to be obtained and used for servicing.

The higher of either the accountant or financial planner letter or $2,000 is to be used.

Easy Refinance Well Established SMSF
Loan tenure and repayment behaviour are key determinants when assessing well established SMSF refinance applications. As a result, a reduced set of auxiliary documentation will be accepted for all SMSF refinance applications from ADI's and tier one nonbank lenders with a minimum of 12 months tenure and good repayment behaviour.

A Well Established SMSF easy refinance application must meet the below eligibility criteria.
1. Loan was settled over 12 months ago with clean repayment conduct on this loan.
2. Credit Report for borrower, Guarantors, and any associated entity to be clean with nothing adverse evident.
3. Security currently tenanted and has been rented for 9 out of the last 12 months.
4. Satisfactory benefit to borrower with a lower interest rate and new P&I repayments must be lower than the existing P&I repayments.
5. LVR must be less than or equal to 80%.

If all the above criteria is met, then a full servicing assessment is not required to be undertaken.

Rental income for well-established SMSF refinance applications must be supported with a minimum of 12 months CMA bank account statements along with current rental statemen and/or Rental Lease Agreement.