

The SMSF Home Loan Guide



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How lenders view SMSF lending

Amount of superannuation we need to buy a property?

- This depends on advice given by the financial planner.
- Some lenders don't have a minimum requirement, however, will need to see at least **5% of the property value** leftover in cash after settlement.
- Some lenders may need at **least three months of repayments** leftover.

Superannuation contributions?

- If PAYG, last two payslips are sufficient evidence of contributions.
- If self-employed, at least two years of evidence. However, exceptions can be provided on a case-by-case basis.

Maximum Age at Loan Expiry?

- This can vary depending on lender's policies.
- Some lenders can go to as high as **90 years of age**.
- Some lenders don't have any expiry age.
- This is because the 'exit strategy' to repay the debt is either sale of assets or pay down loan debt.

Client Scenario - PAYG

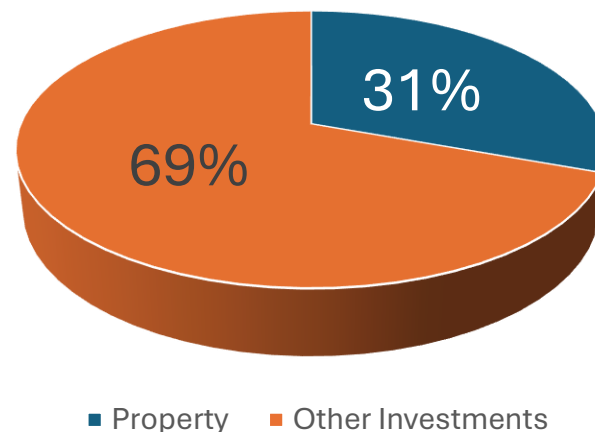
Applicant's aged 55 and 49

PAYG Full-Time applicants

\$450,000 of Superannuation Funds

PURCHASE OVERVIEW	Client Scenario
Property Value	\$525,000
Base Loan	\$420,000
LMI	\$0
Total Loan	\$420,000
LVR	80.00%
PURCHASE COSTS	
Deposit	\$105,000
Stamp Duty (VIC)	\$26,570
Legal	\$3,000
Mortgage Rego Fees	\$2,000
Adjustments	\$1,000
TOTAL	\$137,570
FUNDS AVAILABLE	
Male SMSF	\$370,000
Female SMSF	\$80,000
TOTAL	\$450,000
SURPLUS	\$312,430
5% Liquidity Test	\$26,250
\$560 per week rent	\$29,120
Rental Yield	6%

- Property purchase in Mildura, Victoria.
- Only 20% deposit required to complete purchase.
- Rest of SMSF will be used for other investments and insurances.
- 30-Year Loan Term



Client Scenario: Self-Employed

Both applicant's aged 38

Male applicant Self-Employed. Company director for 18 months, prior sole trader for 6 years.

\$192,000 of Superannuation Funds

PURCHASE OVERVIEW	Client Scenario
Property Value	\$440,000
Base Loan	\$290,000
LMI	\$0
Total Loan	\$290,000
LVR	65.91%
PURCHASE COSTS	
Deposit	\$150,000
Stamp Duty NSW	\$21,470
Legal	\$3,000
Mortgage Rego Fees	\$2,000
Adjustments	\$1,000
TOTAL	\$177,470
FUNDS AVAILABLE	
Required SMSF Funds	\$192,000
TOTAL	\$192,000
SURPLUS	\$14,530
\$420 per week rent	\$21,840
Rental Yield	5%

- Property purchase in Thurgoona, NSW.
- Director Payslips used as income verification for the male applicant.
- Exception provided for \$192,000 of SMSF funds to be used for purchase.
- Application lodged to approval = 4 days

Next Steps?

