

Interest rates effective 10 March 2020

Description :

The Retirees Access Home Loan is a variable rate reverse mortgage loan specifically designed to assist those who have reached, or are nearing, retirement age and own their home.

You are able to borrow against the equity in your home and the balance of the loan is paid by your estate or when the property is vacated or sold. This is a very specific type of loan and special conditions apply.

We recommend that applicants discuss their intentions with their family and also investigate if the Loan may impact on any Government support payments, entitlements or other benefits.

We recommend that you obtain financial advice before applying for this product. Independent legal advice must be obtained before settlement of the loan will proceed.

Purpose :

Any suitable purpose which includes personal use of cash for everyday living or things such as home renovations, an overseas holiday or a new car. The reverse mortgage can also be used to refinance an existing mortgage.

A reverse mortgage cannot be used for business purposes or against a property in a retirement village.

Interest rate and Comparison rate:

Principal & Interest	
Interest Rate	Comparison Rate
5.22% p.a.	5.28% p.a.

Features & benefits :

- Enables retired or semi retired people to access the equity in their home
- You can borrow up to 40% of the value of your property, or \$400,000 (whichever is lesser) depending on your age & the value of the property
- Receive the funds in one lump sum & use the money for any purpose
- Enables borrowers to remain in their home while being able to maintain a more comfortable lifestyle in retirement

Eligibility criteria :

- The sole applicant and in case of a joint application, the youngest borrower, must be 60 years of age or older.
- In the case of multiple applicants, all applicants must be 60 years of age or older and hold title to the property either as joint tenants or tenants in common.
- At least one of the applicants or an approved resident must reside in the property (except where the property is an investment property or holiday home).
- Eligibility also depends on the property's value (which G&C will determine) and its location.

Minimum loan :

No minimum loan amount

Maximum loan :

The maximum amount available to borrow is assessed on the age of the youngest borrower and the loan to value ratio.

The value of the property is assessed and then, based on the valuation, the borrower may be eligible for the following amounts:

- 60 - 64 Years - \$200,000 or 15% of the value of the property, whichever is lower
- 65 - 69 Years - \$250,000 or 20% of the value of the property, whichever is lower
- 70 - 74 Years - \$300,000 or 25% of the value of the property, whichever is lower
- 75 - 80 Years - \$350,000 or 35% of the value of the property, whichever is lower
- 80+ Years - \$400,000 or 40% of the value of the property, whichever is lower

Valuations :

A valuation of the property offered for security is required to be conducted at the time of application. Fees apply.

Limited amount repayable :

You or your estate cannot end up owing more than the value of the mortgaged property provided the terms and conditions of this loan have been met.

Interest :

Interest is calculated daily and charged to the loan account monthly.

Repayments :	Regular loan repayments are not required. However, you are free to make voluntary repayments of any amount (and redraw these amounts, for a fee) or repay the loan via lump sum repayments at any time at no extra cost or penalty. Provided you are not in default, the loan will be repaid when: (a) the mortgaged property is sold on your death or death of the last borrower; (b) the mortgaged property ceases to be your principal place of residence or that of the last surviving borrower; or (c) in case of an investment property or holiday home, on the death of the last surviving approved resident.
Interest offset facility :	No
Redraw facility :	Yes, minimum redraw amount of \$100 and \$30 service fee applies.
Approved Resident :	Yes
Fees and charges :	Refer to Fees & Charges brochure for current fees applicable
Increase/top up loan :	Subject to Maximum Loan criteria
Investment Property as Security :	Yes
Equity in your home :	The amount you borrow from your Retirees Access Home Loan and compound interest charged to the loan, will affect the amount you receive from the sale of the property (known as the equity in your property) should you ever need to sell it. Your equity in the property is likely to vary over time as both the market value of the property varies and the balance of the loan account increases.
Your Centrelink payments (Pension) :	We recommend that you discuss your situation and potential Retirees Access Home Loan with Centrelink or the Department of Veteran Affairs to understand any impacts on entitlements.
Other occupiers of your property :	If you are living with someone who is not a borrower and the loan becomes repayable because you die or cease to permanently reside in the property, they will have to move out and live somewhere else.
Your family :	The loan may affect your capacity to leave an inheritance to your children or other family members. You should discuss this with your family.