

UNEMPLOYED LOANS FOR HOMEOWNERS – NCCP (CODED)

(OFTEN SECURED BY 1ST OR 2ND MORTGAGES – BORROWERS ARE NOT: COMPANY DIRECTORS, ABN HOLDERS OR FAMILY TRUSTEES. BORROWING IS IN PERSONAL NAMES FOR NON-BUSINESS PURPOSES)

Situation (Actual)

Client contacted Robert at Equity Lenders advising of her situation (June 2018)

- Client owned an unencumbered home in Sydney together with an investment property in Sydney that had a small loan against it
- Wished to sell the investment property and invited real estate agents to appraise the property in preparation for sale. Real estate agents advised the Client to undertake minor renovation to greatly improve the chances of securing a higher price and to attract more buyers
- Builders confirmed pricing to be mid-to-high \$100k and allow several months to undertake. An equity release was required due to no savings
- Agent advised Client to allow \$20-30k for marketing expenses which she didn't have available
- Client was advised by all private lenders she approached using a Google search that they were unable to assist due to loan requirement being for consumer purposes. They could only assist if the borrower was a Company Director, Family Trustee or an ABN holder. Client did not wish to purchase a company or a family trust etc
- Client had determined at least \$200k in the hand was required to undertake the renovations, pay for the marketing expenses and provide funds for unforeseen expenses that the builder may identify because of the home being located in an older area of Sydney
- Clients only source of income was from rent received from the investment property. Wasn't eligible for unemployment benefits, pensions etc and didn't have another income stream

Solution

Robert secured a private lender on the terms the Client was seeking

- An Equity Lenders panel lender was able to assist the Client with a loan secured by 2nd mortgage against the investment property
- The loan term could not be longer than 60 days however the Client could seek further 60-day terms
- No valuation was required by the panel lender resulting in a fee saving to the Client of around \$1,100 in addition to several days of waiting
- No financial information of any sort was available and wasn't a requirement
- Loan amount provided to the Client was \$200k in the hand. The fees and interest were included in the loan to ensure minor renovation works were completed and property listed on the market for an appropriate selling period. This ensured the Client could achieve the highest possible price!

Outcome (for this particular Client)

Loan term 60-days with rollovers ✓ No Valuation required ✓ Immediate loan approval decision ✓ Fees and interest included in the loan ✓ No requirement for a Company, Family Trust or ABN ✓