

# Fact Sheet(s) on loans secured by 2nd Mortgage(s)

**Equity**Lenders.com.au is your intermediary with arrangements in place to provide you with loans from Australia's leading private lenders secured by **2nd Mortgages** and offered to:



Homeowners and property owners with an existing bank loan, non-bank loan or private loan on property(s) that require an equity release secured by 2nd mortgage(s)



**What you need to consider before making a decision on which lender assists you with your loan requirements especially if you can't afford to wait - We give you options!**

We offer loans from providers including: **Mortgage Managers, Direct Lenders & Combo Lenders**

**Mortgage Managers** manage funds on behalf of private individuals, SMSF Trustees, family offices and Managed Fund Providers. Their loans are tailored to individual situations. Their objective is to provide generous investor returns on a long-term basis

**Direct Lenders** operate Pooled Mortgage Funds on behalf of Mum & Dad investors and SMSF's wanting a regular income stream. Their objective is to provide investor returns on a short-term basis

**Combo Lenders** are Direct Lenders that administer their own funding lines and Mortgage Manage funds on behalf of private individuals. Their objective is to provide returns to their own funding line and their lenders on both a short-term and long-term basis



## Benefits of using a Mortgage Manager

Interest rates are lower i.e from 14.95% per annum compared to 24% per annum

Longer loan terms i.e up-to 7 years

Loan amounts are lower for borrowers seeking smaller loans i.e from \$30,000

Mortgage Managers often hold licencing to offer NCCP loans for non-business purposes

Unused interest as a result of early loan repayment may be refunded on case-by-case basis



## Drawbacks of using a Mortgage Manager

Loan decisions and offer letters can take 24-48 hours or longer for due-diligence

Always require a valuation i.e full, kerbside, desktop to be undertaken on security property

1st Mortgagee Formal Debt Confirmation IS required prior to loan being funded and often requires a minimum of 7 days and longer. Allow several weeks to receive confirmation

Credit checks may be undertaken on the borrower(s) at mortgage managers discretion



## Benefits of using Direct Lenders

Loan decisions and offer letters within 1-2 hours in most situations

Depending on Lvr, valuations not required or desktop valuations undertaken in house

Approval to settlement times are often 48-96 hours for borrowers requiring fast funds

No credit checks

1st Mortgagee consents and deeds of priority are NOT required prior to loan being funded



## Drawbacks of using Direct Lenders

Interest rates are higher i.e 24% per annum compared to up-to 14.95% per annum

Lender fees are higher i.e \$4,950 compared to \$2,995 offered by Mortgage Managers

Unused interest as a result of early loan repayment is not refunded



## Benefits of using Combo Lenders

Interest rates are determined on a case-by-case basis to win the business

Fees are negotiable to win the business



## Drawbacks of using Combo Lenders

1st Mortgagee Formal Debt Confirmation IS required prior to loan being funded and often requires a minimum of 7 days and longer. Allow several weeks to receive confirmation

Additional fees for risk may apply, higher interest rates for risk may apply, require documentary evidence of funds use, restrictions on location, land area, security type, Lvr

# Private Loan secured by Reg'd 2nd Mortgage(s)

**EquityLenders**

Effective as at: 19/02/2019

## Lender: CG

<b>About this lender</b>	Is a <b>Combo Lender</b> providing their own funds and a Mortgage Manager offering funds from high net worth individuals, Managed Funds, Super Funds (SMSF's) and family offices
<b>Strengths of this lender</b>	Low interest rates, long-term loans, NCCP licence for Code loans, unused interest refunded*
<b>Weaknesses of this lender</b>	Indicative Quote takes up-to 8 hours or more, approval of loan to settlement typically 21 days+. Lender require 1st Mortgagee Debt Confirmation before settlement proceeds, credit
<b>Interest Rate (Resi)</b>	From 14.95%* p.a to 21%^   *based on min 6-month term. ^ based on less than 6-month term
<b>Interest Rate (Comm'l)</b>	From 14.95%* p.a to 21%^   *based on min 6-month term. ^ based on less than 6-month term
<b>Principal &amp; Interest</b>	Yes, P&I repayments (balloon or no balloon option). Note: Interest rate is reduced by up-to 1% p.a when making monthly loan repayments (not capitalised into the loan)
<b>Interest Payments</b>	Borrower can request a tailored repayment solution
<b>Loan Term (Minimum)</b>	1-2 months
<b>Loan Term (Maximum)</b>	Up-to 24 months for NCCP (Code) loans & up-to 84-months for non-NCCP loans
<b>Rollover Term(s)</b>	Available subject to acceptable loan repayment history per request
<b>Suitability</b>	Purchase, Refinance, Equity Release*, Construction   *may require documentary evidence
<b>Max LVR Residential</b>	Up-to 75% and lender decides if using forced-sale or market value of property/s
<b>Max LVR Commercial, Industrial &amp; Retail</b>	Up-to 75% and lender decides if using forced-sale or market value of property/s
<b>Max LVR Vacant Land</b>	Up-to 75% and lender decides if using forced-sale or market value of property/s
<b>Min Loan Amount</b>	\$30,000 for Business Use
<b>Min Loan Amount</b>	\$30,000 for Personal Use
<b>Max Loan Amount:</b>	Up-to \$750,000 on case-by-case basis
<b>Acceptable Borrowers - Business</b>	Company, Corporate Trustee, Family Trust, Individual^ and ABN Holder with business bank account*   *ABN holders require an event-based exit strategy i.e property sale. ^ Requires documentary evidence of funds use. Expect lender to call
<b>Acceptable Borrowers - Personal Names (NCCP)</b>	Yes. e.g signed agency agreement confirming property is being marketed for sale
<b>Loan Purpose - Business</b>	Any worthwhile business or investment purpose
<b>Loan Purpose - Personal</b>	Any worthwhile consumer or investment purpose (NCCP)
<b>Eligible Security</b>	Residential, Commercial, Industrial, Retail & Vacant Land
<b>Rural Property &amp; Land?</b>	Yes
<b>Eligible Locations</b>	Australia-wide including Capital Cities, Major Coastal Areas and Major Regional Areas
<b>Construction</b>	Yes to max \$3,000,000 with drawdowns to 65% lvr GRV net of GST including fees and interest
<b>Establishment Fee</b>	\$2,995 or 2.2% of the loan amount - whichever is the greater and included in the loan amount
<b>Equity Lenders P/L Fee</b>	\$2,995 or 2.2% of the loan amount - whichever is the greater and included in the loan amount
<b>Lending Manager Fee</b>	From \$1,000 incl of GST (if applicable) based on loan amount and included in the loan amount
<b>Urgent Settlement Fee</b>	N/A
<b>Commitment Fee</b>	Lender does not have a commitment fee
<b>Valuation Fee</b>	From \$300 + GST (Desktop) and from \$600 + GST (Full). Lender will quote and fee is payable upfront to the lender
<b>Legal Fee</b>	From \$1,500 + GST + Disbursements and is included in the loan amount
<b>Valuations</b>	50% of valuation fee may be returned for good loan conduct upon discharge. BYO valuations accepted in unserviced areas as per lender approval
<b>Joint and Several Guarantees</b>	All third-party security providers, all directors (particularly shareholder directors) of the borrowing entity, any corporate shareholder of the borrowing entity
<b>Documentation</b>	Completed Equity Lenders application pack + rates notices + ID's + bank statements

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# Private Loan secured by Reg'd 2nd Mortgage(s)

**EquityLenders**

Effective as at: 19/02/2019

## Lender: AS

<b>About this lender</b>	Is a <b>Direct Lender</b> using their own funds making in-house decisions
<b>Strengths of this lender</b>	Application-to-offer in 1-2 hours, approval of loan to settlement timeframes i.e 48-72 hours*. No 1st mortgagee consent or deed of priority required prior to settlement, no credit checks
<b>Weaknesses of this lender</b>	Unused interest not refunded
<b>Interest Rate (Resi)</b>	Up-to 2% per calendar month (up-to 24% p.a)
<b>Interest Rate (Comm'l)</b>	Up-to 2% per calendar month (up-to 24% p.a)
<b>Loan Management Fee</b>	0.2% per month (up-to 2.4% p.a) if loan is in arrears and payable upon discharge
<b>Principal &amp; Interest?</b>	Not offered by lender
<b>Interest Payments</b>	Monthly in advance & capitalised into the loan within LVR guidelines
<b>Loan Term (Minimum)</b>	2-months
<b>Loan Term (Maximum)</b>	Up-to 12-months
<b>Rollover Term(s)</b>	0.5%, 1% & 1.5% of loan amount subject to acceptable loan repayment history upon request
<b>Suitability</b>	Refinance, Equity Release, Cashout
<b>Max LVR Residential</b>	Up-to 75% but typically 72.5% based on market valuation(s)
<b>Max LVR Commercial, Industrial &amp; Retail</b>	Up-to 65% based on market valuation(s)
<b>Max LVR Vacant Land</b>	Up-to 65% based on market valuation(s)
<b>Min Loan Amount:</b>	
<b>Company, Corporate Trustee, ABN Name</b>	\$50,000
<b>Min Loan Amount:</b>	
<b>Personal Name(s)</b>	\$200,000 and is non-code (NCCP)
<b>Max Loan Amount:</b>	\$5,000,000
<b>Acceptable Borrowers - Business</b>	Company, Corporate Trustee, Family Trust, ABN Holder or Individual
<b>Acceptable Borrowers - Personal Name(s)</b>	Loans in personal names are available to max 62-day loan terms and suitable for homeowners and property owners requiring short-term bridging loans
<b>Loan Purpose - Business</b>	Any worthwhile business or investment purpose
<b>Loan Purpose - Personal</b>	Any worthwhile consumer or investment purpose that doesn't exceed 62-day loan term
<b>Eligible Security</b>	Residential, Commercial, Industrial, Retail & Vacant Land
<b>Rural Property &amp; Land?</b>	Yes, major locations considered
<b>Eligible Locations</b>	Australia-wide including Capital Cities, Major Coastal Areas and Major Regional Areas
<b>Construction</b>	Not currently offered by lender
<b>Lender Establishment Fee</b>	\$4,950 or 2.2% of the loan amount - whichever is the greater and is included in the loan
<b>Equity Lenders P/L Fee</b>	\$2,995 or 2.2% of the loan amount - whichever is the greater and is included in the loan
<b>Lending Manager Fee</b>	N/A
<b>Urgent Settlement Fee</b>	From \$5,500 if applicable for same-day settlements payable to lender
<b>Commitment Fee</b>	Lender does not have a commitment fee
<b>Valuation Fee</b>	From \$500 + GST. Lender will quote if val is required and fee is payable upfront to the lender
<b>Legal Fee</b>	\$2,450 + Disbursements and is included in the loan in most cases. Purchasers pay upfront
<b>Valuations</b>	No valuation req'd if 50% lvr and lower, desktop valuation 50.01 to 60%, full valuation 60.01%+ instructed by lender. BYO valuations accepted if less than 3 months old
<b>Joint and Several Guarantees</b>	All third-party security providers, all directors (particularly shareholder directors) of the borrowing entity, any corporate shareholder of the borrowing entity
<b>Documentation</b>	Completed Equity Lenders application pack + rates notices + ID's + 1st Mortgagee request(s)

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