

# Shared Equity Option

Boost your borrowing power to give you a greater choice of homes in a wider range of suburbs.

The Shared Equity Option allows you to borrow up to 25% of the purchase price as an interest-free and repayment-free loan.

## Are you eligible?

To be eligible for the Shared Equity Option you will need to:

- Meet the requirements of a HomeStart primary loan
- Have a net household income of less than \$100,000
- Not available with the Advantage Loan
- Buy an established property or build a home for you to live in

## How does it work?

The Shared Equity Option is a secondary loan, taken out with a primary HomeStart loan. You can borrow up to 25% of the purchase price or property valuation, whichever is lower.

The Shared Equity Option cannot be greater than your primary loan and is capped at a maximum of \$200,000.

Rather than charging interest on the additional funds, HomeStart Finance will share in a portion of any gain or loss in property value when you sell your home. Or you can choose to pay off the Shared Equity Option by making additional lump sum repayments of \$10,000 or more.

## Loan features

- Borrow up to 25% of the purchase price
- No monthly loan repayments
- No interest payable
- HomeStart shares in part of the gain or loss in property value upon sale

## Can I make voluntary repayments?

You can make voluntary repayments of \$10,000 or more to the Shared Equity Option, on top of the minimum repayments to your primary loan, at any time.

You can also make voluntary repayments to your primary loan while you have the Shared Equity Option.

## Can I pay out my primary loan before my Shared Equity Option?

Yes, you can retain the Shared Equity Option for as long as you like. It does not need to be paid out until you either sell the property or refinance.

## How does the final payment on my Shared Equity Option work?

Your final payment will include the loan balance plus a portion of the gain or loss in property value when you sell. If you refinance, HomeStart will share in the property valuation gain, but will not share in any loss. You can find out further information on how the final payment is calculated on our Shared Equity Option key features document.

### Shared Equity Option example:

Purchase Price	\$400,000
Maximum Total Loan at 98% LVR	\$392,000
Shared Equity Option loan of 25% of Purchase Price	\$100,000
Final Primary Loan	\$292,000
Monthly Repayment	\$1,718

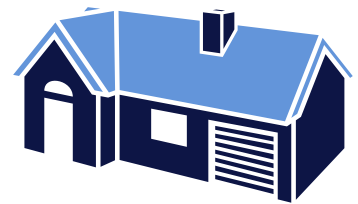
### Example

For example, in the below scenario, by taking a Shared Equity Option loan the purchase price of your home could increase by **\$100,000\*** without increasing monthly repayments.

\*Based on 98% LVR. Maximum HomeStart Home Loan may vary as it is based on individual circumstances. Shared Equity Option is available in metro Adelaide and some regional centres. Shared Equity Option must not exceed 25% of the lesser of the purchase price or property valuation. Shared Equity Option is not available for land-only purchases.

Purchase price without SEO  
**\$300,000**

Monthly repayment is \$1,729



Purchase price with a 25% SEO loan  
**\$400,000**

Monthly repayment is \$1,718



### Contact us

1300 636 878

homestart.com.au

 HomeStart



Government of South Australia