

Product Information

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How does the Standard HomeStart loan work?

HomeStart loans do not have a pre-determined term, the number of years it takes to repay a HomeStart loan will fluctuate with interest rate changes and the instalment amount, which is set by the annual review of the initial instalment amount. Over the course of the loan the full amount of principal and interest will be repaid; so a HomeStart loan can be considered as a principal and interest loan with some special features, including the repayment safeguard and capitalisation.

Repayment and Loan Calculations

The calculation of the monthly loan repayment or loan amount is based on applying a multiple/divisor which is currently:

- 160 for a Low Deposit Loan
- 170 for all other primary loans

a) Calculating the primary loan repayment:

Primary Loan amount ÷ loan multiple = monthly repayment

Examples: Standard Loan of \$250,000 = $\$250,000 \div 170 = \$1,470.58$ per month
 Low Deposit Loan of \$250,000 = $\$250,000 \div 160 = \$1,562.50$ per month

b) Calculating the primary loan given a repayment amount:

Given repayment amount per month × loan multiple = primary loan

Examples: Repayment of \$1,500.00 × 170 = \$255,000 Standard Loan amount
 Repayment of \$1,500.00 × 160 = \$240,000 Low Deposit Loan amount

Repayment Safeguard

With most loans, HomeStart determines the initial instalment amount based on the customer's financial situation and typically adjusts their instalment amount once a year in line with inflation; this is referred to as the 'Repayment Safeguard'. With the Repayment Safeguard, the repayment amount is reviewed annually and adjusted in line with inflation on the anniversary of the final drawdown of the loan – this is called the Annual Instalment Review. Generally, the repayment will not vary when interest rates change. The Annual Instalment Review will continue to occur during a fixed interest rate term.

Capitalisation

Capitalisation refers to the situation where the interest debited to the loan is greater than the monthly instalment, and the difference is added to the outstanding balance of the loan – which means in this circumstance the loan balance will increase.

Because the Repayment Safeguard means the repayment amount typically doesn't change with interest rates, there could be times when a customer's loan capitalises.

While the above HomeStart loan features are available, where possible, applicants should be encouraged to maintain loan repayments at an amount at least covering their interest cost – this will prevent the loan balance from capitalising.

Repayment Options

Minimum monthly repayments are due on the last business day of each month and may be paid:

- Weekly – a quarter of the monthly repayment
- Fortnightly – half of each monthly repayment
- Bi-monthly – half of the monthly repayment on any 2 nominated days of each month; or
- Monthly – full repayment on any nominated day of each month.

The first repayment is due on the last business day of the month following the final drawdown on the loan and HomeStart's preferred method of payment is via Direct Debit or BPay.

Assessable Income

Assessable income for the purpose of calculating product eligibility must include all available household income deemed acceptable, as outlined in Appendix B of the Lending Policy. Income deemed acceptable must not be excluded from any calculations for the purposes of maintaining income below product eligibility limits.

Construction Applications

For construction applications, repayments are required on the date on which the following occurs first:

- The last day of the month following the month the loan is fully drawn; or
- The last day of the month following 12 months after the first drawdown.

Please note first draw down for a construction loan also covers any land settlement.

Interest Rate

Variable Rate

The standard rate is a variable rate unless the borrower chooses a fixed or split rate. A change to the variable rate does not typically adjust the repayment for a capital indexed loan. However, change in interest rates may increase or decrease the loan term.

Fixed Rate

The fixed rate of interest that applies is the HomeStart fixed rate applicable on the date of the first and final drawdown, with exception of partially funded loans where the fixed rate is applied at final drawdown (this may vary according to product). The rate reverts to a variable rate at the end of the fixed term, whether it is for 1, 2 or 3 years, unless the borrower chooses to renew the fixed rate term.

Split Rate

Borrowers may elect to split their loan into 2 separate amounts, between the fixed and the variable rate. The fixed rate that applies is the fixed rate applicable on the date of the first and final drawdown. Then total loan must be a minimum of \$50,000 and each portion of the split facility must have a minimum of \$20,000. The fixed portion reverts to a variable rate at the end of the fixed term, whether it is for 1, 2 or 3 years, unless the borrower chooses to renew the fixed rate term.

Break Costs

Break costs may be applicable if the fixed interest rate loan:

- Is repaid prior to the expiration of the fixed rate term;
- Is reverted to a variable rate prior to expiration of the fixed rate term; or
- If voluntary payments in excess of \$10,000 are made within a one year period, from commencement of the fixed rate contract.

Home Equity (Top-Up) Loan Instalment Calculation Method

HomeStart requires customers to be able to service their existing loan instalment to be eligible for Home Equity (Top-Up) Loans. HomeStart will take into account the greater of the existing loan instalment or the total loan balance (including credit arrears) divided by the standard loan multiple (currently set at 170).

1. Primary loans

1.1 Standard Product criteria

Product criteria	Standard product criteria for HomeStart Loan, Graduate Loan & Low Deposit Loan
Eligibility criteria	- Applicants must be 18 years of age or over; - Applicants must be an Australian citizen, have permanent residency status or have any acceptable class of visa¹; - The property to be used as security for the loan must be located in South Australia; - HomeStart is required to be the first mortgagee on all properties used as security for HomeStart loans; - Property must be applicants Principal Place of Residence and applicants must not own any other property in addition to this security; and - Refer to Lending Policy for full details of assessment requirements.
Repayment	Principal and Interest
Availability of secondary/deposit and fee assistance products²	Advantage Loan Shared Equity Option Starter Loan
Availability of loan options	Home Equity Loan
Maximum loan	\$950,000
Minimum loan	- Standard Variable Rate loan: \$10,000 - Split rate loan: total loan must be a minimum of \$50,000 and each portion of the split facility must have a minimum of \$20,000
Pricing	- Standard Variable Rate - Fixed rate (1, 2 or 3 years) - Split rate Note: - In case of Low Deposit Loan, 1% interest rate loading applies in the first 12 months of the loan - Fixed rate reverts to variable rate at the end of fixed term unless borrower enters a further fixed rate term
Voluntary repayment	- Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment (limited to \$10,000 per annum if taken under Fixed Interest Rate before fixed rate break costs may apply) - Additional regular payments are acceptable on primary loans when Advantage Loan, Shared Equity Option Loan and Starter Loan applies.
Redraw option	✓ Variable rate loan / variable rate loan if taken with Advantage, Shared Equity Option Loan and Starter Loan ✗ Fixed rate loan ✗ On the fixed rate portion of a split loan Note: - No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy - Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw - Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)
Fees	HomeStart Finance - Rates & fees

¹ Please see Lending Policy (visa categories)

² Please note, the Advantage Loan cannot be taken with the Shared Equity Option

1.2 Product Specific Criteria

Criteria	Standard HomeStart Loan	Graduate Loan	Low Deposit Loan
Preamble	The Standard HomeStart Loan is ideal for borrowers who want to buy an established home, purchase land, a newly completed home, construct a home or refinance an existing home loan. Note: where a Construction Loan, Refinance Loan or Land Loan is to be used, additional criteria and different maximum LVR's will apply. Refer to loan options for further details.	The Graduate Loan can be used to buy a home, purchase land and construct a home with a smaller deposit. It is available to borrowers who have a Certificate III/IV, Diploma (including Advanced Diploma), Bachelor Degree (including Honours), Masters or a higher qualification through a university, TAFE or another Registered Training Organisation. Currently employed Technical College graduates and selected essential works are also eligible. Note: where a Construction Loan is to be used, additional criteria and different maximum LVR's will apply. Refer to 'Loan Options' section for further details.	The Low Deposit Loan can be used to buy a home with a smaller deposit. It may be suitable for borrowers who have evidence of savings and wish to buy an established or newly completed property within the South Australian metropolitan area.
Eligibility criteria	- Applicant must meet the standard product criteria - Limited paid default amount (\$1,000) may be allowed - Delegated Lending Authority (DLA) will be required to approve loans with paid (above \$1,000) and unpaid defaults.	- Applicant must meet the standard product criteria - Applicants must have a clear credit history – no adversity, rectified or unrectified, should be listed on the applicant's current Equifax credit report (no paid or unpaid defaults, court judgements or history of bankruptcy) - At least one applicant must have proof of a Certificate III/IV (Trade Certificate pre-2002), Diploma (including Advanced Diploma), Bachelor Degree (including Honours), Masters or a higher qualification from a TAFE, university or another Registered Training Organisation provided in the form of an official academic transcript or parchment. The holder of the relevant qualification must meet HomeStart's employment eligibility criteria - Currently employed Technical College graduates and front line police officers, fire fighters and permanent defence force personnel are also eligible for the Graduate Loan, even if they don't have a Certificate III. Police officers must be sworn in state or federal officers (or in training at the Police Academy). Fire fighters must be employed with the South Australian Metropolitan Fire Service (MFS) and defence force personnel must be a permanent member of the Australian Defence Force, employed in the Army, Navy or Air Force. - Applicants holding an overseas qualification must be working in their field of expertise or have a certificate of recognition of prior learning and acknowledgement from an Australian professional association (in the applicants area of expertise)	- Applicant must meet the standard product criteria - Applicants must have a clear credit history – no adversity, rectified or unrectified, should be listed on the applicant's current Equifax credit report (no paid or unpaid defaults, court judgements or history of bankruptcy)
Availability of loan options	- Refinance (lower LVR apply) - Internal Refinance - Land Loan - Construction (lower LVR apply)	- Refinance - Internal Refinance - Land Loan - Construction (lower LVR apply)	- Refinance - Internal Refinance - Land Loan - Construction (lower LVR apply)
Loan grade parameter	Application risk grade 1 – 5	Application risk grade 1 – 5 with minimum Application Risk Grade (ARG) of 750	Application risk grade 1 – 4

Maximum LVR	Metro	Cat 1	Cat 2	Cat 3	Cat 4	Cat 4A	Metro	Cat 1	Cat 2	Cat 3	Cat 4/4A	Metro	Cat 1	Cat 2	Cat 3	Cat 4/4A
	95%	95%	95%	95%	95%	95%	98%		98%	98%	98%	97%	Low Deposit loans are not available in non-metro categories.			
	1. In the case of discharged bankrupts, the maximum LVR is reduced by 10% in each category (refer to Lending Policy for specific details) 2. Refer to HomeStart Lending Policy to determine the appropriate lending category 3. Different maximum LVR's apply for construction and refinance loans – refer 'Loan Options' section						1. In the case of discharged bankrupts, the maximum LVR is reduced by 10% in each category (refer to Lending Policyfor specific details) 2. Refer to HomeStart Lending Policy to determine the appropriate lending category 3. Different maximum LVR's apply for construction loans – refer 'Loan Options' section					1. In the case of discharged bankrupts, the maximum LVR is reduced by 10% in each category (refer to Lending Policyfor specific details) 2. Refer to HomeStart Lending Policy to determine the appropriate lending category				
Debt consolidation	Available with Refinance option only. Maximum amount is \$20,000.						Not available					Not available				

2. Loan options

2.1 Refinance loans

Customers may wish to access the refinance facility offered at HomeStart. This option can be accessed when a customer wishes to refinance an existing home loan held by another financial institution.

2.1.1. Addition/Deletion of a borrower

In the event that a borrower wishes to add an additional borrower or delete a borrower from the loan, advise the borrower that the loan must be refinanced with a full loan assessment undertaken as per a new application to refinance a loan. The borrower will be required to pay the applicable fees and will require the services of a conveyance to attend to the transfer of ownership.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan or Seniors Equity Loan - HomeStart requires a copy of the latest council and water rate notices (a copy of these documents must be kept on the loan file) - Applicants must provide evidence of the last 6 consecutive months of home loan statements and must prove a satisfactory repayment history (a copy of these must be kept on the loan file) - Applicant must provide evidence of debts to be repaid - If business debts, the applicant must provide the evidence that the business has ceased trading <i>If due to marital/defacto separation, the applicant must also provide:</i> - HomeStart will proceed to full approval provided we receive a draft copy of the Minutes of Order from the Federal Circuit Court of Australia or the Family Court of Australia, or a copy of a Binding Financial Agreement / Consent Order; or a Statutory Declaration from the non-purchasing party advising the amount they will accept and acknowledging that they are relinquishing their interest in the property in its entirety. HomeStart will not provide pre-approval for a loan to be refinanced as a result of a relationship breakdown / divorce <i>Settlement specific:</i> - Debts being refinanced must be paid out at settlement directly to the creditor - Funds to pay out refinanced debts must not be paid to the borrower	
Repayment method	Principal and Interest	
Availability of primary products	✓ Standard HomeStart Loan ✗ Low Deposit Loan	✗ Graduate Loan ✓ Seniors Equity Loan
Availability of Secondary/Deposit and Fee Assistance products	✓ Advantage Loan ✓ Shared Equity Option	✗ Starter Loan
	✗ Internal Refinance	✓ Home equity
Availability of loan options	✗ Land loan	✓ Construction³

Loan grade parameters	Application risk grade 1-5						
Maximum LVR		Metro	Category 1	Category 2	Category 3	Category 4	Category 4A
	Principal and Interest	90%	90%	85%	80%	75%	70%
	Seniors Equity Loan	Refer to Maximum LVR table for Seniors Equity Loan					
	Refinance Shared Equity Option	90%	90%	Not available			
Maximum loan	No secondary loan		With Advantage Loan			With Shared Equity Option	
	\$950,000						
Minimum loan	- Standard Variable Rate loan: \$10,000 - Split rate loan: total loan must be a minimum of \$50,000 and each portion of the split facility must have a minimum of \$20,000						
Pricing	- Standard Variable Rate - Fixed rate (1, 2 or 3 year) - Split rate						
Voluntary repayment	- Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment (limited to \$10,000 per annum if taken under Fixed Interest Rate before fixed rate break costs may apply) - Additional regular payments are acceptable on primary loans when Advantage Loan, Shared Equity Option Loan and Starter Loan applies.						
Redraw option	✓ Variable rate loan / variable rate loan if taken with Advantage Loan, Shared Equity Option Loan and Starter Loan ✕ Fixed rate loan ✕ On the fixed rate portion of a split loan Note: - No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy - Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw - Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)						
Debt Consolidation	Consumer debt consolidation is permitted. The amount of consumer debt consolidation is limited to a maximum amount of \$20,000						
Fees	HomeStart Finance – Rates & fees						

³ Refinancing is allowed only where the funding includes construction on the land

2.2 Internal Refinance loans

The internal refinance of a loan occurs when an existing HomeStart borrower requests to change the existing composition of a loan (a change in ownership in title particulars constitutes a refinance).

For example:

- Currently there is only a primary loan and the loan will be refinanced to include an Advantage Loan or Shared Equity Option Loan
- The amount of an existing Advantage Loan or Shared Equity Option Loan is being increased.

The Internal Refinance loan aims to assist existing HomeStart borrowers in circumstances such as:

- The long-term loss of income where payment of current repayments cannot be maintained, and the composition of the loan, if changed, would enable them to maintain home ownership.
- An internal refinance with the addition of a secondary loan cannot be for the purpose of cash out.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan - Applicant must be an existing HomeStart borrower; and - The security property must be owner occupied						
Repayment method	Principal and Interest						
Availability of Primary products	✓ Standard HomeStart Loan × Graduate Loan × Low Deposit Loan × Seniors Equity Loan						
Availability of Secondary/Deposit and Fee Assistance products	✓ Advantage Loan × Starter Loan ✓ Shared Equity Option × Breakthrough Loan ⁴						
Availability of loan options	✓ Refinance ✓ Home equity ✓ Construction × Land loan						
Loan grade parameters	Application risk grade 1 – 5						
Maximum LVR		Metro	Category 1	Category 2	Category 3	Category 4	Category 4A
	Principal and Interest	90%	90%	85%	80%	75%	70%
	Shared Equity Option	90%	90%	Not available			
Maximum loan	No secondary loan		With Advantage Loan		With Shared Equity Option		
	\$950,000						
Minimum loan	- Standard Variable Rate loan: \$10,000 - Split rate loan: total loan must be a minimum of \$50,000 and each portion of the split facility must have a minimum of \$20,000						
Pricing	- Standard Variable Rate - Fixed rate (1,2 or 3 year) - Split rate						
Voluntary repayment	- Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment (limited to \$10,000 per annum if taken under Fixed Interest Rate before fixed rate break costs may apply) - Additional regular payments are acceptable on primary loans when Advantage Loan, - Shared Equity Option Loan and Starter Loan applies						

⁴ Breakthrough Loan has been discontinued from 1 December 2017.

Redraw option	✓ Variable rate loan / variable rate loan if taken with Advantage Loan, Shared Equity Option Loan and Starter Loan ✗ Fixed rate loan ✗ On the fixed rate portion of a split loan Note: • No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy • Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw • Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)
Debt Consolidation	Not available
Fees	HomeStart Finance – Rates & fees

2.3 Construction loan⁵

The construction loan can be used for building a new home.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the primary loan option chosen - A licensed builder must be engaged to construct the home - Construction loans where a parapet wall is involved will only be considered as a turnkey option (funds will be advanced on completion only) - Borrowers must provide a building pack which should include all plans and specifications. - HomeStart requires that all works be included in the fixed price contract between the borrower and the builder. HomeStart will not permit the removal and replacement of any item which forms part of the builder's normal specifications (e.g., oven, internal painting or hot water service). At its absolute discretion, HomeStart may consent to the following works being undertaken by outside contractors: - Floor coverings - Concrete or paved perimeter paths and driveway - Air-conditioning Note: All quotes must be for supply and installation by the same contractor and loan funds will not be released to pay for deposits. Payments will only be made to the outside contractor who provided the original quote used in completion of the valuation and loan approval. If, in exceptional circumstances, the original contractor is unable to complete the works a 'like for like' quote must be obtained. Any increase in cost is to be met by the borrower and any surplus funds resulting from a reduced cost will only be repaid to the loan. - Hammerhead blocks will only be accepted if there is a fixed price contract inclusive of connection of all services to the dwelling from the service points.
Construction loan specific requirements	<u>Property insurance:</u> All builders are required to be licensed and adequately covered with homeowner's indemnity and construction insurance. The insurance cover must be sighted and held on the loan file prior to any funds being paid to the builder. Prior to the final drawdown of the loan, the borrower must provide a copy of building insurance with HomeStart noted as an interested party. <u>Settlement specific:</u> - The borrower must contribute the total deposit at land settlement - Where FHOG is to contribute to the deposit, Revenue SA will not pay until the first footings draw - In the event that FHOG is to contribute to the deposit, the amount available at land settlement may not be the full minimum deposit. The maximum HomeStart can advance at land settlement is 100% of land value - The first drawdown would normally be for the purchase of the land
Progress payments	- A soil report must be carried out prior to commencement of building - The borrower must sign off on each progress payment (a form provided by the builder requesting payment must be signed by the borrower to authorise payment and verify the completion of the particular state of building work) - Valuation requirements specify that the following progress inspections are required to be carried out at the following stages: - At slab/footings stage; and

⁵ If the borrower has an existing HomeStart land loan, the land loan has to remain in place until final completion of construction (please see 2.4 Land loan for more information).

	○ Brickwork/roof cover stage ○ Practical completion • Prior to the final drawdown at completion stage: ○ Evidence must be included in the loan file that a final inspection by the Panel Valuer has been undertaken and confirmed that all work detailed on the contract is fully completed; ○ That the borrower has provided a signed authority stating that they are satisfied that all work detailed in the contract has been fully completed and that payment may be made to the builder						
Documents required	• Fixed quote building contract* • Builder's insurance certificate details • Quotes for minimum standards of housing* • Council approval (refer to home lending policy) • Building specifications and/or plans* • Schedule of works* • Engineers certificate (when applicable) • Any other contract variations and costing* *send to valuer						
Repayment method	• Principal and Interest						
Availability of Primary products	✓ Standard HomeStart Loan ✗ Low Deposit Loan ✓ Graduate Loan ✗ Seniors Equity Loan						
Availability of Secondary/Deposit and Fee Assistance products	✓ Advantage Loan ✓ Shared Equity Option ✓ Starter Loan						
Availability of loan options	✗ Refinance ✗ Internal Refinance ✓ Home equity ✗ Land loan						
Loan grade parameters	Application risk grade 1-5						
Maximum LVR		Metro	Category 1	Category 2	Category3	Category 4	Category 4A
	Standard loan ⁶	92%	92%	92%	92%	92%	92%
	Graduate Loan	95%	95%	95%	95%	95%	95%
	If the LVR inclusive of interest exceeds: 95% for standard application; or 98% for Graduate applications of the —"on completion valuation" a 1%pa surcharge will apply for the first 12months						
Maximum loan	\$950,000						
Minimum loan	• Standard Variable Rate loan: \$10,000 • Split rate loan: total loan must be a minimum of \$50,000 and each portion of the split facility must have a minimum of \$20,000						
Pricing	• Standard Variable Rate PLUS a 1%pa surcharge if the LVR inclusive of interest exceeds the maximum LVR for primary loan chosen • Fixed rate (1, 2 or 3 year), only available once loan is fully drawn • Split rate, only available once loan is fully drawn						
Voluntary repayment	• Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment (limited to \$10,000 per annum if taken under Fixed Interest Rate before fixed rate break costs may apply) • Additional regular payments are acceptable on primary loans when Advantage Loan, Shared Equity Option Loan and Starter Loan applies						

⁶ Non-Graduate first home buyers constructing a new home with a Partner Builder have a maximum LVR of 98%.

Redraw option	✓ Variable rate loan / variable rate loan if taken with Advantage Loan, Shared Equity Option Loan and Starter Loan ✗ Fixed rate loan ✗ On the fixed rate portion of a split loan Note: • Redraw is not available during the construction period • No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy • Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw • Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)
Debt Consolidation	• Not available
Fees	HomeStart Finance – Rates & fees

2.4 Land loan

The Land loan option enables borrowers to purchase land.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan, any additional criteria as required by the secondary loan option chosen, - The security property must have a land use code of: - Residential; or - Rural residential; or - Vacant land (for residential use only); - The land size cannot exceed 2 hectares (5 acres/20,000 sq m);					
Repayment method	Principal and Interest					
Availability of Primary products	✓ Standard HomeStart Loan ✗ Graduate Loan ✗ Low Deposit Loan ✗ Seniors Equity Loan					
Availability of Secondary/Deposit and Fee Assistance products	✗ Advantage Loan ✗ Starter Loan ✗ Shared Equity Option					
Availability of loan options	✗ Refinance⁷ ✗ Home equity ✗ Internal Refinance ✓ Construction loan					
Loan grade parameters	Application risk grade 1 – 5					
Maximum LVR	Metro	Category 1	Category 2	Category 3	Category 4	Category 4A
	95%	95%	95%	95%	95%	95%
	- In the case of discharged bankrupts, the maximum LVR is reduced by 10% in each category (refer to Lending Policy for specific details) - Refer to country location guide to determine the appropriate lending category					
Maximum loan	\$950,000					
Minimum loan	Standard Variable Rate loan: \$10,000					
Pricing	Standard Variable Rate					
Voluntary repayment	Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment					
Redraw option	✓ Variable rate loan Note: - No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy - Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw - Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)					
Debt Consolidation	Not available					
Fees	HomeStart Finance – Rates & fees					

⁷ Land only refinance loans are not allowed. Refinancing is allowed only where the funding includes construction on the land.

2.5 Transportable and kit homes

A transportable home is defined as a home pre-built away from the land that would be subject to the mortgage and transported to the security site (typically by a semi-trailer) where it is then connected to services (plumbing for water, sewerage and electricity). A second hand transportable home is not acceptable for HomeStart's security purposes.

Eligibility criteria	Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the Construction loan option
Transportable and kit home specific requirements	<u>Property insurance:</u> - In addition to standard insurance requirements, the borrower or builder must be fully insured for both the transportation and set-down of the transportable home - Insurance cover must be sighted and appropriately noted on the loan file prior to loan approval - The building contract must stipulate who provides the insurance - As soon as the transportable home is on the site, the borrower must provide a copy of their building insurance prior to advancing funds for the dwelling <u>Settlement specific:</u> - Under no circumstances will funds be advanced until formal council approval is held on file and the home is affixed to the land - Once the transportable home is fixed to the land (or construction commences) payment and site inspections must occur as per the standard construction loan <u>FHOG specific:</u> - FHOG will not be paid until the home is affixed to the land and service connected - Funds are only available once council approval is held
Repayment option	Please refer to 2.3 Construction loan for more information
Availability of Primary products	
Availability of Secondary and Deposit and Fee Assistance products	
Availability of loan options	
Loan grade parameters	
Maximum LVR	
Maximum loan	
Minimum loan	
Pricing	
Voluntary repayment	
Redraw option	
Debt Consolidation	
Fees	

2.6 Home Equity Loans/Top-Up Loans

The Home Equity loan (Top-Up Loans) enables existing HomeStart borrowers with equity in their home to access further funding for the following purposes and are limited to \$20,000 unless justified by circumstances.

- Housing related expenses – home modifications, repairs and maintenance
- Non-housing related expenses– purchase of a motor vehicle or urgent repairs required to support employment medical treatment, debt consolidation including council and water rates. Debt consolidation will only be considered once over the life of the loan and funds must be disbursed directly to the debtor.

Please note that fixed rate loans do not have access to Home Equity loans. As an alternative the original fixed loan contract may be converted to the variable rate contract which may incur additional costs including but not limited to break cost.

Irrespective of the method undertaken the following product specifications apply:

Eligibility criteria	• Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the primary loan option chosen • Must be an existing HomeStart customer • Borrowers require a minimum 12 months satisfactory repayment history • No history of repeated dishonours within the past 12 months • Equifax report must be clear of any impairment (i.e. no defaults, judgements etc) since settlement of the HomeStart loan • No caveats or charges on the Certificate of Title • All other responsible lending criteria must be met • Copy of council and water rates and current building insurance policy • Please refer to Home Equity Loan Pre-Qualification Checklist⁸ for full assessment requirements					
	<u>For the purpose of home improvements:</u> • Where the loan relies on proposed improvements to the property to meet LVR requirements, the valuer is to be provided with adequately prepared quotes, specifications and appropriate plans • Drawdown of the loan is to be made progressively and on invoice, until satisfactory completion of all improvements • Improvements must be constructed in a professional manner by licensed persons and in accordance (if applicable) with local council requirements and/or where required by law • Copies of local council approval(s) are required where appropriate • A copy of the Builder's risk insurance should be obtained if applicable					
	<u>Settlements – Invoices required</u>					
	<u>Housing Related expenses</u> • Customers will not be required to provide invoices for home improvement expenses up to a \$20k limit. Invoices will be required for all works if the amount exceeds \$20k. • The exception to this is that if the tangible value of the work being undertaken is required to increase the property value to maintain LVR.					
	<u>Non-Housing related expenses</u> • Customers will not be required to provide invoices for non-housing related expenses up to the maximum limit of \$20k (including debt consolidation).					
	<u>Debt Consolidation</u> • All debt consolidation loans must be repaid in full and closed. The payout amount is to be forwarded direct to the financial institutions together with any relevant closure letters signed by the borrowers.					
Repayment method	<u>Security:</u> • If there is a second registered mortgage held over title, a deed of priority is required					
	• Principal and Interest					
	Metro	Category 1	Category 2	Category 3	Category 4	Category 4A

⁸ Refer to R/21/1209283

Maximum LVR	90%	90%	85%	80%	75%	70%
Valuation Required ⁹	Category		Valuation required		Valuer general acceptable	
	1		Lend to 90%		Lend to 80%	
	2		Lend to 85%		Lend to 75%	
	3		Lend to 80%		Lend to 55%	
	4		Lend to 75%		Lend to 50%	
	4A		Lend to 70%		Lend to 45%	
Maximum loan	The Home Equity loan is a further advance on the borrower's existing HomeStart loan and the total resultant loan(s) balance must not exceed \$950,000					
Minimum loan	Standard Variable Rate loan: \$5,000					
Voluntary repayment	- Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment (limited to \$10,000 per annum if taken under Fixed Interest Rate before fixed rate break costs may apply) - Additional regular payments are acceptable on primary loans when Advantage Loan, Shared Equity Option and Starter Loan applies					
Redraw option	✓ Variable rate loan / variable rate loan if taken with Advantage Loan, Shared Equity Option Loan and Starter Loan ✕ Fixed rate loan ✕ On the fixed rate portion of a split loan Note: - No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy - Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw - Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)					
Home Equity loan with Breakthrough Loan/Shared Equity Option	- Further advances are permitted for customers with a Breakthrough Loan/Shared Equity Option Loan however; the calculation of home equity loan availability will take into consideration the portion of capital growth that is applicable to the Breakthrough Loan/Shared Equity Option Loan. This portion will be quarantined from the amount of equity available to the customer. - Funds advanced will be debited to the primary loan with the Breakthrough Loan/Shared Equity Option remaining unchanged.					
Debt Consolidation	Debt consolidation is permitted, only once in the life of the loan and up to the value of \$20,000.					
Fees	HomeStart Finance – Rates & fees					

⁹ The valuation used must be no more than 2 years old

3. Reverse Mortgages

3.1 Seniors Equity Loan

The Seniors Equity Loan is a reverse mortgage for people aged 60 years and over. Borrowers can elect to receive their loan as;

- Lump sums – e.g. to use for renovating, upgrading their car, or to pay an accommodation bond for a co-owner;
- Refinance
- A combination of the above

'No Negative Equity Guarantee'

Where the loan balance becomes repayable on the death of the last borrower, HomeStart will accept payment from the proceeds of the sale of the property as full repayment of the loan balance. This means the customer will not be liable to pay any shortfall to HomeStart (i.e. any difference between the sale proceeds received for the property and the loan balance).

However this provision does not apply in the following cases:

- Where there is a sale of the property arising from default; or
- If the property is sold for an amount less than the most current valuation held by HomeStart; or
- If the property is sold on terms and conditions which are not "arms length" and customary to such sales.
- If the property is no longer occupied as the principal place of residence (other than upon death or moving to long-term aged care).

In some cases, there will be a necessity to pay HomeStart for any shortfall between the net sale proceeds for the property received by HomeStart and the loan balance.

Consultants must:

- Explain the implications of the loan terms and conditions
- Provide and fully explain the ASIC MoneySmart Reverse Mortgage Calculator outcomes (printed from the [MoneySmart](#) loan calculator) to the borrower (a signed copy of the outcomes must be placed on the loan file)
 - While doing a demonstration on possible scenarios based on the customers' situation, consultants must input the following information:
 - Age of the youngest borrower
 - Interest rate on the loan: HomeStart's interest rate for Seniors Equity Loan
 - Establishment cost – leave blank
 - Value of the home
 - Assumed annual increase or decrease in home value: +2.5% p.a.
 - Initial lump sum value: HomeStart Seniors Equity Loan quote 'requested loan amount' (including HomeStart's loan fees for Seniors Equity Loan)
 - Ongoing monthly payment – nil
 - Years of monthly payment – nil
- Customers must also sign a HomeStart Seniors Equity Loan calculator quote output (a signed copy of the quote must be placed on the loan file)
- Provide a Reverse Mortgage Information Statement and Disclosure about reverse mortgages document to a customer prior to a preliminary assessment or an unsuitability assessment
- Ensure (in the case of debt consolidation) that a file note is held to confirm an explanation has been given to the borrower of the consequences relating to consolidating debt with no scheduled repayment i.e. likelihood of balance increasing
- A reverse mortgage may affect customers' pension or other Government entitlements. Customers' should be advised to contact the Department of Human Services (Centrelink) on 132 300 to talk to a Financial Information Service Officer about how their pension may be affected. Customers must sign a Seniors Equity Loan key features and a signed copy must be placed on the loan file.

Eligibility criteria	- The borrower's current debt commitments must be entered in Loanworks to establish a satisfactory commitment level and (lifestyle habits etc) Application Risk Grade score; confirmation is only required to be placed on the loan life if the debt is being repaid from loan proceeds - Applicants must be an Australian citizen, have permanent residency status or have any acceptable class of visa - If there are multiple applicants, the youngest applicant must be at least 60 years old - The property must be located in the metropolitan South Australia or lending category 1 or lending category 2 - Maximum property value to be used is \$1,500,000 even if the property valuation suggests the property is valued higher - The security property must be owner occupied. Tenants in Common is an unacceptable form of ownership for Seniors Equity Loan - Borrowers may not own other property 3 months bank statements are required from the customer to ensure that spending habits are reasonable in context of their income and lifestyle. These statements are required to be held on file for record - Consultants must collect evidence that council rates and water rates are up to date - A formal valuation is required irrespective of the Capital Value of the property. - HomeStart requires a registered first mortgage over the security property.	
Repayment method	Regular payments are not required The loan is to be repaid in full when: - The last borrower vacates the property - The last borrower is deceased (as per 'no negative equity guarantee') - The security property is sold HomeStart reserves the right to hasten repayment under the following circumstances: - Default action on council rates or water rates; - Property is not adequately maintained; - Valid insurance policy is not maintained; and/or - Security property is abandoned	
Availability of Secondary/Deposit and Fee Assistance products	✗ Advantage Loan ✗ Shared Equity Option	✗ Starter Loan
Availability of loan options	✓ Refinance ✗ Internal Refinance ✗ Construction	✓ Home equity ✗ Land loan
Loan grade parameters	Not applicable	
Maximum LVR	The maximum loan amount is determined by the age of the youngest borrower and the amount of equity the borrower has in their home. The property must be located in metropolitan South Australia or lending category 1 or lending category 2. See below: Maximum LVR table for Seniors Equity Loan.	
	Age of the borrower	Maximum LVR
	60	5%
	61	6%
	62	7%
	63	8%
	64	9%
	65	10%
	66	11%
	67	12%
	68	13%
	69	14%
	70	15%
	71	16%
	72	17%

	73	18%
	74	19%
	75	20%
	76	21%
	77	22%
	78	23%
	79	24%
	80	25%
	81	26%
	82	27%
	83	28%
	84	29%
	85	30%
	85+	30%
	1. LVR is dependent upon the age of the borrower (in a joint application, the youngest applicant must be 60 years old) 2. A further valuation may be required when the LVR reaches or exceeds 50% 3. Refer to country location guide to determine the appropriate lending category	
Maximum loan	Dependent on age of youngest applicant The maximum borrowing amount is 30% of the value of the property (at 85 years of age)	
Minimum loan	\$5,000	
Pricing	• New loans: SEL rate • Old loans (from 1/7/2008 to 23/05/2016): HomeStart Standard Variable Rate plus 0.5% • Old loans (pre 1/7/2008): HomeStart Standard Variable Rate • Fixed and split interest rates are not available on this loan	
Accessing funds	The loan amount may be drawn: • In a lump sum payment; or • Ad-hoc payments; or • A combination of the above	
Voluntary repayment	• Voluntary repayments can be made at any time and for any amount	
Redraw option	• Available	
Debt Consolidation	• Consumer debt consolidation is permitted	
Fees	HomeStart Finance – Rates & fees	

4. Secondary loans

4.1 Shared Equity Option

The Shared Equity Option (SEO) is a shared appreciation loan designed to increase a borrower's purchasing power without increasing their maximum loan repayments. The SEO can be used to help customers buy in an increased range of suburbs, to assist in purchasing a property that better suits their needs or aspirations or help them stay in their own homes when circumstances change (i.e. separation). Due to the structure of a SEO facility, it is important that consultants ensure customers understand what appreciation and depreciation could mean for them, as HomeStart will share any appreciation and depreciation in the property. But, HomeStart will only share in depreciation if the property is sold, not refinanced.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the primary loan option chosen - The property must be owner occupied by the applicant. A maximum tenancy period of 6 months at settlement is acceptable - Not available if the security property consists of a unit or apartment in a building greater than 3 levels including the ground floor. - If a valuation report indicates the existence of structural defects or environment issues that have the potential to impact upon HomeStart's risk, the decision to approve the SEO loan will be based on the content of the Structural Engineer's report - The security property must be located in metropolitan South Australia or Lending Category 1 (some geographical locations are excluded, refer to Lending Policy: Lending Categories Table) - If for the purpose of refinance, applicants must have a minimum equity of 10% at settlement - Net household income limit of \$120,000 for both singles and couples - A maximum purchase price limit of \$750,000 applies for SEO customers - Borrowers may retain up to \$40,000 of personal savings (retained savings includes all liquid assets, refer to Lending Policy: Appendix B Verifying Savings for more information) - HomeStart must hold a registered first mortgage over the security property for the primary loan * Delegated Lending Authority (DLA) is allowed on SEO ** SEO is not available where the vendor is Habitat for Humanity	
Repayment option	There is no instalment or fee payable on the SEO component of the facility. The SEO and primary loan must be paid in full when borrowers: - Refinance the loan with another lender - Sell the property¹⁰ A valuation will be required to establish the value of the shared proportion and the payout figure for the repayment of the SEO loan. HomeStart reserves the right to adjust for any significant deterioration in the standard of the property i.e. abuse to property or failure to maintain, which has a significant impact on the value of the property.	
Availability of Primary products	✓ Standard HomeStart Loan ✓ Low Deposit Loan	✓ Graduate Loan ✗ Seniors Equity Loan
Availability of Secondary/Deposit and Fee Assistance products	✗ Advantage Loan ✓ Starter Loan	
Availability of loan options	✓ Refinance (consumer debt¹¹) ✓ Internal Refinance (Except Breakthrough Loan) ✓ Construction	✓ Home equity ✗ Land loan
Loan grade parameters	Refer to relevant primary loan specifications	
Maximum LVR	- Maximum SEO loan must not exceed 25% of the purchase price or property valuation, whichever is lower - Refinance cannot exceed 90% LVR	

¹⁰ The borrower must lodge a discharge request in writing 30 days prior to their intention to payout the loan balance and/or discharge the mortgage (the borrower must specify whether their intention is to repay the whole of the loan or Shared Equity Option loan portion).

¹¹ DLA will be required.

	Maximum LVR does not include Starter Loan amount, if applicable
Maximum loan	- Combined loans (i.e. primary and SEO loans) must not exceed \$950,000 - SEO loan must not exceed 25% of the purchase price or property valuation, whichever is lower - Maximum SEO loan of \$200,000 - SEO loan cannot be greater than the primary loan
Minimum loan	SEO loan must be at least 5% of the purchase price or property valuation, whichever is lower
Pricing	There is no interest charged to the SEO. However, borrowers must share equity appreciation when the loan is repaid or refinanced (refer to appreciation share section).
Refinance	While customers are free to refinance their loans to another lender at any time, HomeStart will not share any capital loss. Loss will also not be shared in the event of Restructure (Internal Refinance), Partial Discharge, Repaid in Full scenarios. In these circumstances the face value of the SEO will be required to be repaid. Loss will be shared when there is an actual sales involve or in event of Mortgage in Possession (MIP).
Loan term	- There is no specific loan term - The SEO can remain indefinitely after the primary loan has been repaid in full. However, the primary loan account must remain open for the life of the debt for future loan management.
Voluntary repayment/ Adjustments to HomeStart's share of appreciation gain	- The percentage of HomeStart's share of appreciation will be adjusted when the borrower makes a payment (minimum of \$10,000) to the SEO. - Note: Prior to a voluntary repayment being made, a valuation by an approved licensed HomeStart panel valuer must be undertaken to establish the proportion of total payment between HomeStart and the customer.
Redraw option	Available – (applicable only to the primary loan component)
Debt Consolidation	- Available with Refinance option only. Delegated Lending Authority (DLA) will be required to approve debt consolidation of up to \$20,000. - All debt consolidation loans must be repaid in full and closed. The payment amount is to be forwarded direct to the financial institutions together with any relevant closure letters signed by the borrowers.
Home Improvements	- Allowed. - However, HomeStart will not make any adjustments to the SEO facility to reflect the increased capital value or reduce HomeStart's share of appreciation gains.
Valuations	- The security property will be valued by a licensed HomeStart panel valuer prior to formal approval of the loan and, - Prior to the SEO being repaid (to establish HomeStart's share of appreciation gains)

Appreciation share	HomeStart Finance will not share any loss in capital value where the customer wishes to refinance the facility, or partial discharge or repaid in full scenarios. In other circumstances (i.e., sold, MIP) appreciation and depreciation would be shared in the following manner:		
	HomeStart's share of appreciation/depreciation is: <i>% of SEO compared to the lessor of property price/value</i>		
	EXAMPLE of the effect of appreciation and depreciation		
	Property value increases		Property value decreases on sale of property
	<i>Value of the property at payout of loan</i>	\$450,000	<i>Value of the property upon sale</i>
	<i>Less value of the property determined at the time of creation of this credit contract</i>	\$400,000	<i>Less value of the property determined at the time of creation of this credit contract</i>
	Appreciation		Depreciation
	Shared Equity Option	\$100,000	Shared Equity Option
	HomeStart's share of increase \$50,000 x 25%	\$12,500	HomeStart's share of loss \$50,000 x 25%
	Your share of 'appreciation gain'	\$37,500	Your share of 'depreciation'
	Amount required to payout Shared Equity Option		Amount required to payout Shared Equity Option
	Shared Equity Option	\$100,000	Shared Equity Option
	Shared Equity Option percentage 25% (i.e. \$100,000 divided by \$400,000)	25%	Shared Equity Option percentage 25% (\$100,000 divided by \$400,000)
	HomeStart's share of \$50,000 gain	\$12,500	HomeStart's share of \$50,000 loss
	Share Equity Option payout (i.e. \$100,000 plus \$12,500)	\$112,500	Shared Equity Option payout amount (i.e. \$100,000 minus \$12,500)
Property maintenance	- The borrower is to keep the property maintained to a reasonable standard and is responsible for the full cost of maintenance. - HomeStart reserves the right to adjust for any significant deterioration in the standard of the property i.e. abuse to property or failure to maintain, which has a significant impact on the value of the property.		
Dispute resolution	Refer to Credit Contract Conditions document for further information.		

4.2 Advantage Loan

The Advantage Loan is designed to help low income earners achieve home ownership. The Advantage Loan is taken in conjunction with a primary loan and provides a loan top-up without incurring additional loan repayments.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the primary loan option chosen - Income limits apply and will determine the maximum loan amount - The borrower must borrow their maximum primary loan amount before they can access an Advantage Loan - Borrowers may retain up to \$20,000 of personal savings (retained savings includes all liquid assets, refer to Lending Policy: Appendix B Verifying Savings for more information) - The property must be owner occupied whilst the Advantage Loan exists. A maximum tenancy period of 6 months at settlement is acceptable - Borrowers may not own other property - Where the borrower owns another property which is to be sold, HomeStart will consider the application - Settlement of the property must be due on or before the settlement of the HomeStart loan	
Repayment option	- No monthly repayment required - All payments (prior to paying out the primary loan) are voluntary. The Advantage Loan will be charged interest from the date of settlement - Until the loan is repaid in full, or transferred to the primary loan, interest will continue to be charged at the subsidised interest rate - If/when the primary loan is paid in full, the Advantage Loan balance will be transferred to the primary Loan and will accrue interest at the primary loan interest rate.	
Availability of Primary products	✓ Standard HomeStart Loan ✓ Low Deposit Loan	✓ Graduate Loan ✗ Seniors Equity Loan
Availability of Secondary/Deposit and Fee Assistance products	✓ Starter Loan ✗ Shared Equity Option	
Availability of loan options	✓ Refinance ✓ Internal Refinance ✓ Construction	✗ Home equity ✗ Land loan
Loan grade parameters	Refer to relevant primary loan specifications	
Maximum LVR	Combined Loan must not exceed \$950,000	
Maximum loan	Net income per annum	Maximum Advantage Loan
	≤\$70,000	\$90,000
	\$70,001-\$75,000	\$80,000
	\$75,001-\$80,000	\$70,000
	\$80,001-\$85,000	\$60,000
	\$85,001-\$90,000	\$50,000
	\$90,001-\$95,000	\$40,000
	\$95,001-\$100,000	\$30,000
	\$100,001-\$105,000	\$20,000
	\$105,001-\$110,000	\$10,000
	\$110,000+	\$0

	Note: Combined loans (primary and Advantage Loans) must not exceed \$950,000	
Minimum loan	\$1,000	
Pricing	- Loans approved on or from 14 December 2021: 25% of the HomeStart Home Loan Standard Variable Rate - Loans approved on or before 13 December 2021: The interest rate charged is equivalent to an average Consumer Price Index (CPI) and is reviewed/adjusted quarterly - Interest is charged on the last day of the month - Until the loan is repaid in full or transferred to the primary loan, interest will continue to be charged at the subsidised interest rate - Primary loan interest rate will apply if the Advantage Loan is not fully repaid before full repayment of primary loan	
Loan multiple	Refer to relevant primary loan specifications	
Loan term	The Advantage Loan does not have to be repaid until the primary loan has been repaid in full - When the primary loan is repaid in full, the borrower must either repay the Advantage Loan balance or the Advantage Loan will be merged with the original primary loan - A converted loan will operate in accordance with the General Terms and Conditions of the respective primary loan - Loan repayments will be maintained at the same level as prior to paying out the HomeStart loan and continue to be indexed annually *The Advantage Loan must be repaid if the property is sold or refinanced by another home lender.	
Voluntary repayment	Permitted	
Redraw option	Not available	
Debt Consolidation	Available with refinance option only. The amount of consumer debt consolidation is limited to a maximum amount of \$20,000.	

5. Deposit and Fee Assistance loans

5.1 Starter Loan

The Starter Loan provides finance towards the upfront costs associated with buying a home. An initiative from the Government of South Australia and administered by HomeStart Finance, loans are subject to availability of funding from the Affordable Housing Fund.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the primary loan option chosen - Borrowers may not own other property. A maximum tenancy period of 6 months at settlement is acceptable - The approval will be given with an expiry of 4 months from the date of approval. The applicant must re-apply after expiry of the approval; however, re-approval will be subject to funding being available at that time - The borrower(s) are responsible for meeting normal HomeStart deposit criteria and amounts, along with any additional fees and charges associated with establishing the loan - The security property must be located in lending categories 1 – 4/4a - Eligibility is calculated on allowable net income¹² - Net household income limit of \$110,000 for both singles and couples - Borrowers may retain up to \$10,000 of personal savings (retained savings includes all liquid assets, refer to Lending Policy: Appendix B Verifying Savings for more information) - Starter Loan funds will be available to be drawn on the first drawdown (including construction loan) - The Starter Loan is aimed at everyone buying an established home or constructing a new home for owner occupation but specifically those with deposit who meet other credit criteria but not enough funds to cover other upfront costs such as stamp duty	
Repayment option	- No monthly repayment required - The Starter Loan is available for a maximum of 7 years. At the end of the 7 years, the loan is reviewed to determine if the outstanding balance on the Starter Loan is transferred to the primary loan balance (if not voluntarily repaid within 7 years). If not repaid within 7 years, refer to Loan Term section	
Availability of Primary products	✓ Standard HomeStart Loan ✓ Low Deposit Loan	✓ Graduate Loan ✗ Seniors Equity Loan
Availability of Secondary/Deposit and Fee Assistance products	✓ Advantage Loan ✓ Shared Equity Option	
Availability of loan options	✗ Refinance ✗ Internal Refinance ✓ Construction	✗ Home equity ¹³ ✗ Land loan
Loan grade parameters	Refer to relevant primary loan specifications	
Maximum LVR	- Combined loan must not exceed \$950,000 - The Starter Loan is not included in the calculation of the relevant maximum LVR - The maximum LVR is determined by the total of the primary loan plus any other secondary loan	
Maximum loan	Up to a maximum of \$10,000	
Minimum loan	\$3,000	
Pricing	There is no interest charged on the Starter Loan	

¹² Refer to Lending Policy to adjust salary sacrifice income to net income

¹³ If the borrower wishes to access further funds e.g. Home Equity loan, then the Starter Loan must be finalised and financed into the existing variable rate primary loan

Loan multiple	Refer to relevant primary loan specifications
Loan term	- The Starter Loan maximum loan term is 7 years - No repayments are required. Voluntary payments may be made at any time - At year 7 the Starter Loan will be reviewed and rolled into the borrower's primary loan and will operate in accordance with the general terms and conditions of the primary loan (refer to example) - If the rolling of the Starter Loan into the primary loan results in the LVR being too high, then the term of all or part of the Starter Loan will be extended (subject to approval of HomeStart) and reviewed annually from that date (or other frequency as agreed)
Loan term example	Example – impact of transferring Starter Loan into primary loan at the end of 7 years (84 months) assuming no voluntary repayments and instalments paid monthly¹⁴. Starting loan Property Price \$257,732 Graduate Loan Amount \$250,000 LVR 97% Modelled loan term: 245 Months Loan after seven years Loan Balance \$211,694 LVR 71.75% Transfer \$10,000 Starter Loan to primary loan New Balance \$221,694 New LVR 74.8% New modelled loan term: 254 months (an increase of 9 months)
Voluntary repayment	Permitted – repayments must be directed to the Starter Loan first to reduce the Starter Loan balance, unless the primary loan is capitalising
Redraw option	Not available
Debt Consolidation	Not available

¹⁴ Assumptions: Standard Variable Rate at 4.94% for life of the loan, CPI at 2.50% for life of the loan, capital appreciation at 2.00% for life of the loan, no voluntary repayments have been made to the Starter Loan or primary loan and Graduate Loan at 97% LVR

Appendix 1 Nunga loan¹⁵ – (Grandfathered product)

The Nunga loan facilitates home ownership as an alternative for South Australian borrowers of Aboriginal or Torres Strait Island descent looking to purchase a home within metropolitan Adelaide and regional South Australia.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan - Completion and verification of form: "Confirmation of Aboriginal or Torres Strait Islander descent" - Rental history is not allowed as a substitute of the minimum savings requirement, genuine savings history is required - A building inspection is required for loans with an LVR which exceeds 80% - A buyers agent may be used at HomeStart's expense				
Repayment method	Principal and interest				
Availability of Secondary/Deposit and Fee Assistance products¹⁶	✓ Advantage Loan ✓ EquityStart loan ✓ Breakthrough Loan				
Availability of loan options	✗ Refinance ✓ Home equity ✗ Internal Refinance ✗ Land loan ✗ Construction				
Loan grade parameters	Application risk grade 1 -5				
Maximum LVR	Metro	Category 1	Category 2	Category 3	Category 4/4A
	97%	95%	90%	85%	75%
	- In the case of discharged bankrupts, the maximum LVR is reduced by 15% in each category (refer to Lending Policy for specific details) - Refer to country location guide to determine the appropriate lending category				
Maximum loan	No secondary loan	With Advantage Loan	With EquityStart loan	With Breakthrough Loan	With Wyatt Loan
	\$300,000				
Minimum loan	- Standard Variable Rate loan: \$10,000 - Split rate loan: total loan must be a minimum of \$50,000 and each portion of the split facility must have a minimum of \$20,000				
Pricing	- Standard Variable Rate - Fixed rate (1, 2 or 3 years) - Split rate - If at drawdown, the LVR is greater than 95% in metro, category 1; 90% in category 2; 85% in category 3; or 75% in category 4 - A 1%pa premium is applied for the first 12 months of the loan - Note: Fixed rate reverts to variable rate at the end of fixed term unless borrower enters a further fixed rate term				

¹⁵ The Product is discontinued from 03/06/2013. However, Aboriginal and Torres Strait Islanders are eligible for other HomeStart loan products as per standard rules and procedure.

¹⁶ Please note, the Advantage Loan cannot be taken in conjunction with an EquityStart Loan

Voluntary repayment	• Borrowers may choose to make a voluntary repayment at any time, either on a regular basis or as an ad hoc payment (limited to \$10,000 per annum if taken under Fixed Interest Rate) • Borrowers who have an Advantage Loan or EquityStart loan may pay up to \$100 per month in voluntary repayments to the Nunga loan • In case of capitalisation on the Nunga Loan (where a secondary loan or Deposit and Fee assistance loan is held) the voluntary payment may be increased to cover monthly interest charges (calculated at 31 days on the loan balance at the end of month prior to setting up voluntary payment) and rounded up to the next \$10
Redraw option	✓ Variable rate loan ✗ Fixed rate loan ✗ On the fixed rate portion of a split loan ✗ If Nunga loan is taken in conjunction with an Advantage Loan, EquityStart or Wyatt Loan Note: • No capitalisation of arrears should have taken place in the past 12 months or any type of notification of bankruptcy • Where the redraw amount is below \$1,000 borrowers may apply to stop a payment rather than request a redraw • Redraw fees apply and the amount must be within the available redraw balance (please refer to the Loan Administration Guidelines for further instruction)
Debt Consolidation	• Not available
Fees	HomeStart Finance - Rates & fees

Appendix 2 Wyatt Loan¹⁷ – (Grandfathered product)

The Wyatt Loan provides finance towards the deposit, fees and charges associated with buying a home. Loans are subject to availability of funding from the Wyatt Trust.

Eligibility criteria	- Applicants must meet the requirements of the Standard HomeStart loan and any additional criteria as required by the primary loan option chosen - Borrowers may not own other property. A maximum tenancy period of 6 months at settlement is acceptable - The HomeStart/Wyatt consent form must be completed and forwarded to the HomeStart Product Specialist for approval at the Application Started stage - Lenders will be notified of the outcome of the application and if approved an approval record number will be assigned to the consent form and a copy of consent form together with the approval letter/e-mail are to be placed on the loan file. - The approval will be given with an expiry of 4 months from the date of approval. The applicant must re-apply after expiry of the approval; however, re-approval will be subject to funding being available at that time - In addition to the deposit, the borrower(s) must provide evidence that they can meet all of the costs associated with establishing the loan including Government, conveyancing and other charges - The security property must be located in lending categories 1 – 4/4a - Eligibility is calculated on allowable net income and therefore the gross income (pre salary sacrifice) must be used to calculate the net income - Income limit applicable: - Couples/Singles with no dependents (50 years or over) \$47,500 - Single/couple with 1 dependent \$47,500 - Single/couple with 2 dependents \$52,500 - Single/couple with 3 or more dependents \$57,500 - One applicant must be a resident of South Australia for a minimum of 5 years, who intends to remain in South Australia (approval must be sought from the Wyatt Grants consultant via the HomeStart Product Specialist if this eligibility criterion is not met) - Borrowers may retain up to \$10,000 of personal savings - Wyatt funds will be available to be drawn on the first drawdown (including construction loan) - Borrower must not be in jail, on home detention or on remand at the time of application - The Wyatt Loan is aimed at: - Joint or single applicants with custody of children for at least 50% of the time - Applicants aged 50 years and over	
Repayment option	- No monthly repayment required - The Wyatt Loan is available for a maximum of 5 years. At the end of the 5 years, the outstanding balance on the Wyatt Loan is transferred to the primary loan balance (if not repaid within 5 years).	
Availability of Primary products	✓ Standard HomeStart Loan ✓ Low Deposit Loan	✓ Graduate Loan ✗ Seniors Equity Loan
Availability of Secondary/Deposit and Fee Assistance products	✓ Advantage Loan ✓ Shared Equity Option	✗ Starter Loan
Availability of loan options	✗ Refinance ✗ Internal Refinance ✓ Construction	✗ Home equity¹⁸ ✗ Land loan

¹⁷ This Product is discontinued from 29/11/2024.

¹⁸ If the borrower wishes to access further funds e.g. Home Equity loan, then the Wyatt loan must be finalised and financed into the existing variable rate primary loan

Loan grade parameters	Refer to relevant primary loan specifications
Maximum LVR	- Combined loan must not exceed \$750,000 - The Wyatt Loan is not included in the calculation of the relevant maximum LVR - The maximum LVR is determined by the total of the primary loan plus any other secondary loan
Maximum loan	\$12,000
Minimum loan	\$3,000
Pricing	There is no interest charged on the Wyatt Loan (if repaid within 5 years)
Loan multiple	Refer to relevant primary loan specifications
Loan term	- Wyatt Loan maximum loan term is 5 years - No repayments are required and any payment prior to paying out the primary loan is voluntary - At year 5 the Wyatt Loan will be reviewed and rolled into the borrower's primary loan and will operate in accordance with the general terms and conditions of the primary loan - If the rolling of the Wyatt Loan into the primary loan results in the LVR or debt service ratio being too high then the term of the Wyatt Loan will be extended (subject to approval of HomeStart and Wyatt Benevolent Institution) and reviewed annually from that date
Voluntary repayment	Permitted – repayments must be directed to the Wyatt Loan first to reduce the Wyatt Loan balance, unless the primary loan is capitalising
Redraw option	Not available
Debt Consolidation	Not available