

SmartSuite Commercial



AdelaideBank
It's personal

Our products are simple to understand. The flexibility of two different income verification methods is designed to meet the growing needs of the small commercial property investor or business operator. In addition to traditional fully verified loan solutions, Adelaide Bank offers an alternative funding solution for investors, with the Simple Doc (Lease-Doc) product.

Key benefits

- Loan terms up to 25 years
- LVR of up to 75% to \$1 million on Full-Doc
- Set and forget - No Scheduled Reviews for total aggregate lending <\$900,000
- Cash out options for business or investment purposes (not working capital)
- Full-Doc up to \$5 million
- Suits owner occupiers and investors
- Interest only options up to 5 years (maximum 3 years when LVR is over 70%)
- Variable or fixed interest rates
- Simple-Doc (Lease-Doc) a stand-alone investment loan facility up to \$2 million (max LVR 65%)
- Residential property can be used to secure commercial funding

Product overview	
Loan purpose	<ul style="list-style-type: none">• Purchase a commercial property for owner or investment use• Refinance an existing commercial loan• Release equity for business or investment purpose (Working Capital is not acceptable)
Eligibility	<ul style="list-style-type: none">• Natural persons – permanent residents or citizens of Australia, living and working in Australia• Sole Proprietorships and Partnerships – loan must be in the name of the natural persons or company, not held established in the name of the business• Companies (limited by shares) – must be an Australian domiciled entity; personal guarantees to be taken from company Directors• Trusts – the name of the trustee borrowers must be in their own right and trustee for the trust (we only accept discretionary, family or unit trusts) <p>(Not available for individual borrowers who are purchasing, refinancing or raising equity solely for either owner occupation or residential investment)</p>
Products	<ul style="list-style-type: none">• Full Doc – a fully featured traditional commercial loan secured by commercial or residential properties• Simple Doc – a Lease-Doc product for investors seeking a simplified assessment and a standalone facility

The detail	
Repayment type options	<ul style="list-style-type: none"> Principal and Interest Interest Only (Refer to 'SmartSuite Commercial Products' for maximum Interest Only period for each product)
Interest rate options	<ul style="list-style-type: none"> Variable rate Fixed rate terms of 1-5 years
Additional repayments	<ul style="list-style-type: none"> Variable Rate – extra repayments can be made at any time without penalty Fixed Rate – maximum of \$20,000 per annum in excess of normal repayments is permitted, after which break costs may apply
Redraw	Redraw available – free electronic redraw for amounts over \$500; manual redraw requests \$50
Loan terms	5 - 25 year terms
Minimum loan amount	\$150,000
Maximum aggregate exposure	\$6 million for total product suite
Full recourse loan	Yes
Loan splits	Available (\$100 per split)
Repayment options	<ul style="list-style-type: none"> Monthly repayments must be made prior to or on the anniversary date of settlement (irrespective of any additional repayments) Any loans settled on the 28th, 29th, 30th or 31st of the month will have repayments due on the 28th of the month Weekly or fortnight repayments are also permitted Repayments must be made via a direct debit
Loan statements	Bi-annually in June and December
Phone/Online banking	Available
Rate conversion	<ul style="list-style-type: none"> Convert to a fixed rate at any time (loan variation fee of \$150 is payable) Applications will be made effective from the monthly anniversary date and must be received a minimum of 14 days before the monthly due date At the end of the fixed term, re-fix immediately at no charge, or revert to the SmartSuite Commercial benchmark variable rate
Fees	<ul style="list-style-type: none"> Application fee – tiered based on loan value: <ul style="list-style-type: none"> Loans <\$900,000 – \$500 fee Loans \$900,000+ – 0.50% of loan amount Service fee - \$25 monthly Deferred establishment fee – 1.5% of the contracted loan amount if the loan is discharged within 48 months of settlement (For information on other fees, see SmartSuite Commercial Fees and Charges Guide)

The detail (cont.)

Annual Reviews

Scheduled reviews are based on Total Assessed Exposure (T.A.E)*:

- <\$900,000 – no Annual Review required
- Between \$900,000 and \$1 million – Short Form Review required (a)
- >\$1 million – Full Review required (b)

(a) Short Form Review:

- Contact made with client to update personal details
- A valuation may be required each 3 years**

(b) Full Review:

- Contact made with client, update all details
- Valuation required every 3 years**

*T.A.E. aggregate of all loans for any borrower and/or borrower group

**Valuation costs to be borne by Adelaide Bank

Acceptable security properties

A range of property types are acceptable as security including:

- Commercial property (including offices)
- Industrial property (including warehouses and workshops)
- Retail property (including shops)
- Residential property

Note:

- All security properties must be multi-use
- Specialised security is not acceptable
- Registered first mortgage only (no second mortgages)
- Maximum of 3 properties for any one loan

Unacceptable security types:

- | | | |
|--------------------------------------|--|-----------------------------|
| - Abattoirs | - Marinas | - Sawmills |
| - Bed & Breakfast | - Mills | - Schools |
| - Boarding Houses | - Nightclubs and Pubs | - Service Stations |
| - Breweries | - Nursing Homes | - Services Apartments |
| - Brick Works | - Places of Worship | - Speculative Developments |
| - Brothels | - Powder Coating Businesses | - Sporting Centres |
| - Caravan Parks | - Properties above snow line | - Student Apartments |
| - Cemeteries | - Properties under 50 square metres | - Tanneries |
| - Child Care Centres | - Purpose Built Premises | - Theatres/File Studios |
| - Clubs | - Quarries | - Theme Parks |
| - Construction Sites | - Reception Centres | - Time Share |
| - Contaminated Sites | - Residential Properties > 10 Ha in Size | - Truck/Car Wash Businesses |
| - Foundries | - Resorts | - Vineyards/Wineries |
| - Funeral Parlours | - Retirement Villages | - Wrecking/Smash Repairs |
| - Gasworks | - Roadhouses | |
| - Hotels/Motels | - Rural Property | |
| - Ice Works/Cold Stores | | |
| - Laboratories | | |
| - Land Banks/Speculative/Vacant Land | | |

Acceptable security locations

- Capital cities and major regional centres (Major regional centres are generally defined as populations over 100,000)
- For residential securities, standard Adelaide Bank residential location policy applies

Refer to the SmartSuite Commercial Location Guide for more details –

http://www.brokers.adelaidebank.com.au/downloads/COM_location_guide.pdf

Product overview	Full Doc	Simple Doc
Maximum loan to value ratio (LVR)	75%	65%
Maximum loan amount / LVR	\$5 million (<70% LVR) \$1 million (<75% LVR)	\$2 million (<65% LVR)
Maximum Interest Only Period	5 years (<70% LVR) 3 years (<75% LVR)	5 years
Minimum Debt service coverage ratio	1.50x for owner occupiers/ investors	1.00x for investors based on rental income from security properties
Income verification (PAYG - refer to SmartSuite Commercial income matrix)	Refer to SmartSuite Commercial income matrix	<ul style="list-style-type: none"> • Applicant's declaration that the facility is within their ability and capacity to service and that they can meet reasonable living expenses without undergoing substantial hardship • Copy of an existing lease, with a term of no less than 12 months remaining from Formal Approval • For corporations/ self- employed, a declaration of solvency is required
Other documents required	<u>Companies/self-employed:</u> Last 6 months statements for: <ul style="list-style-type: none"> • Business Trading Account • Personal banking account if applicant is PAYG • All mortgage debts to be refinanced • Borrowers loan(s) secured by the primary or personal residence by the borrower or guarantor 	Last 6 months statements for all mortgage debts being refinanced