

# SmartSuite Commercial



**AdelaideBank**  
it's personal

A fully featured traditional commercial loan secured by commercial and/or residential property.

## Key benefits

- Loan terms up to 25 years
- Loan amounts up to \$1 million, LVR 75%
- Loan amounts up to \$5 million, LVR 70%
- Set and forget - no Scheduled Reviews for total aggregate lending up to \$900,000
- Cash out options for business or investment purposes (not for working capital or property investment)
- Interest only options up to 5 years (maximum 3 years when LVR is over 70%)
- Variable or fixed interest rates
- Residential property can be used to secure commercial funding.

Product overview	
<b>Loan purpose</b>	<ul style="list-style-type: none"><li>• Purchase a commercial property for owner operator</li><li>• Refinance an existing commercial loan</li><li>• Release equity for business or investment purpose (Working Capital is not acceptable)</li></ul>
<b>Eligibility</b>	<ul style="list-style-type: none"><li>• <b>Natural persons</b> – permanent residents or citizens of Australia, living and working in Australia</li><li>• <b>Sole Proprietorships and Partnerships</b> – loan must be in the name of the natural persons or company, not in the name of the business</li><li>• <b>Companies</b> (limited by shares) – must be a company incorporated in Australia; personal guarantees to be taken from company Directors <b>Note:</b> When a guarantee is to be taken from a company, additional checks are required to ensure the provision of the guarantee is in the guarantor company's own commercial interests (referred to as a corporate benefit). To ensure that corporate benefit requirements are met, where a guarantee from a company is sought, the directors of the guarantor / borrower company must provide a corporate benefit explanation, confirming how the guarantor company benefits.  The Bank may at its discretion require additional information to be provided. The required information may include (but is not limited to):<ul style="list-style-type: none"><li>- Directors and / or shareholders resolution / board minutes detailing the corporate benefit to the guarantor company; and</li><li>- Legal opinion that corporate benefit exists.</li></ul></li><li>• <b>Trusts</b> – 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)</li></ul> <p>(Not available for individual borrowers who are purchasing, refinancing or raising equity solely for either residential owner occupation or residential investment)</p>

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

## The detail (cont.)

### Annual Reviews

Scheduled reviews are based on the Total Aggregate Exposure (TAE) of all SmartSuite Commercial loans \*:

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

(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\*\*

\*TAE of all SmartSuite Commercial loans is the total of all SmartSuite Commercial loan limits for any borrower and / or borrower group, and excludes any Home Loans you have with us.

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

### 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](http://www.brokers.adelaidebank.com.au/downloads/COM_location_guide.pdf)

Product overview	Full Doc
<b>Maximum loan to value ratio (LVR)</b>	75%
<b>Maximum loan amount / LVR</b>	\$5 million ( $\leq$ 70% LVR) \$1 million ( $\leq$ 75% LVR)
<b>Maximum Interest Only Period</b>	5 years ( $\leq$ 70% LVR) 3 years ( $\leq$ 75% LVR)
<b>Minimum interest coverage ratio</b>	1.50 x
<b>Interest Rate Sensitivity</b>	The Debt Service Calculator will automatically include an Interest Rate Buffer of 3.00%
<b>Income verification</b>  (PAYG - refer to SmartSuite Commercial income matrix)	Refer to SmartSuite Commercial income matrix
<b>Declared Personal Living Expenses</b>	Where there is reliance on income from an individual Owner / Director / Partner, please ensure that Section 8 of the application form is completed. The total of the Declared Personal Living Expenses is to be entered into the Debt Service Calculator.
<b>Other documents required</b>	<u>Companies / self-employed:</u> Last 6 months statements for: <ul style="list-style-type: none"> <li>• Business Trading Account</li> <li>• Personal banking account if applicant is PAYG</li> <li>• All mortgage debts to be refinanced</li> <li>• Borrowers loan(s) secured by the primary or personal residence by the borrower or guarantor</li> </ul>