

AMP Bank – Lending quick reference guide

Please refer to your Business Development Manager for greater details. Please refer to the Bank's "Features at a Glance" for information on our loan products.

Applicant types	Individual	<ul style="list-style-type: none"> – Must be over 18, and be: <ul style="list-style-type: none"> – Permanent residents or citizens of Australia or New Zealand, OR – Non-residents (refer below for restrictions in lending to non-residents) – Borrowers who are permanent residents or citizens but are residing overseas must provide an Australian address (not PO Box) for services of notices (such as C/o a solicitor, accountant or family member) and have loan repayments taken from an Australian domiciled bank account – NZ borrowers must be living and working in Australia
	Company	<ul style="list-style-type: none"> – Incorporated in Australia – All directors of the company are required to provide personal limited guarantees for any loans provided – Loans to Superannuation Funds are only acceptable (under the AMP SuperEdge Home Loan package see page 11)
	Trust (individual or company)	<ul style="list-style-type: none"> – Unit and discretionary trusts formed in Australia – Loans must be in the name of trustee in their capacity as trustee of the trust – Adult beneficiaries are required to provide their Consent and Indemnity
	Guarantors	<ul style="list-style-type: none"> – Must have one of the following relationships with the borrower: <ul style="list-style-type: none"> – Partner of the borrower (eg spouse, de facto) – Where individuals are borrowing and security is owned by the company, guarantors/directors must be identical to borrowers – Where a company is borrowing and security is not owned by the company, guarantors/directors must be identical to title holders – Where a trust is borrowing and security is not owned by the trust/trustee, guarantors must be an adult beneficiary of the trust – No outside (third) parties – The Bank will require the guarantor to obtain independent legal advice and may require them to obtain independent financial advice
	Non-residents	<ul style="list-style-type: none"> – Non-resident borrowers must: <ul style="list-style-type: none"> – Be currently residing in Australia – Provide written evidence of Foreign Investment Review Board (FIRB) approval – Maximum LVR 80% up to \$500,000 or 75% up to \$750,000 – Security offered must be in Zone 1 locations – For joint borrowings to purchase a residential property where one borrower is a citizen or permanent resident of Australia and their spouse/de facto is a non-resident the non-resident restrictions do not apply.

Full doc loan characteristics	Term	<ul style="list-style-type: none"> – Maximum loan term 30 years for housing/investment/personal purposes – Maximum interest only term is 10 years
	Minimum loan amount	– \$40,000
	Maximum loan amount	<ul style="list-style-type: none"> – Maximum total customer borrowings for new business is \$2.5 million – Maximum total customer borrowings for existing business is \$3 million – Maximum loan amount per separate stand-alone loan is \$2 million – Maximum Line of Credit is \$2 million – Maximum interest only component cannot exceed \$2.5 million
Acceptable purposes	Housing	<ul style="list-style-type: none"> – Purchase new or existing residential dwelling for owner occupation or investment – Construct new residential dwelling for owner occupation or investment, or an extension or renovation to an existing property that requires council approval – Refinance existing residential dwelling
	Personal	<ul style="list-style-type: none"> – Debt consolidation - maximum 5 debts (home loan and 4 unsecured debts) – Personal use (eg holiday, motor vehicle purchase) – Investment (eg purchase shares)
	Cash out policy	<ul style="list-style-type: none"> – 0 - 85% LVR - No limit to cash out component – >85% - 90% LVR - Cash out component limited to 20% of the security value
Business loans	Characteristics	<ul style="list-style-type: none"> – Maximum loan term 30 years – Maximum interest only term is 10 years (Initial interest only period must not exceed 5 years) – Maximum loan amount is \$500,000 – Maximum LVR is 90%
	Acceptable purposes	<ul style="list-style-type: none"> – Purchase established business (serviceability cannot be reliant on income from the business being purchased) – Refinance of business loans (applicant must be owner of the business for a minimum of 2 financial years) – Purchase of plant and equipment for the business – Purchase of shares and investment bonds in the business name
Acceptable security properties	All residential properties	<ul style="list-style-type: none"> – Residential owner occupied/investment properties fully serviced by power, water, utilities and road access – Must be zoned residential, rural residential or rural – Maximum land area 40 hectares (100 acres)
	Rural residential properties	– Must not be income producing
	Vacant residential land	– Land size not to exceed 2.2 hectares (5 acres). No cross-collateralisation of securities. Must be stand-alone security only. Not available for debt consolidation.
	Residential unit blocks on separate titles	<ul style="list-style-type: none"> – Maximum 4 units per borrower in any one development – Maximum total aggregate concentration of 25% in any one development up to a maximum of 10 units
	Residential unit blocks on one title	– Maximum 4 units and 65% LVR up to \$1 million
	“Off the plan purchases”	– As per standard policy

Acceptable security properties (cont)	Unacceptable property types include (but not limited to)	<ul style="list-style-type: none"> – Apartments with less than 45m² living area (excluding balconies and car accommodation). (For good quality properties located in a desirable and high demand capital city metropolitan location, the minimum living area is 40 m²). – Properties with land area greater than 40 hectares (100 acres) – National Rental Assistance Scheme (NRAS) properties – Converted hotels/motels/places of worship – Properties with any commercial/industrial content or purpose – Relocatable homes – Specialised properties (eg student accommodation, “Over 55s” dwellings, hostels, boarding houses, etc) – Studio apartments, or apartments with management rights/serviced apartments – Properties subject to a rental guarantee (display homes, State and Federal Government properties acceptable) – Properties located in flood zones with greater than 1:100 year frequency – Any property located on an island that is not accessible by road
Acceptable title	Types	<ul style="list-style-type: none"> – Torrens/Strata/Old Law/Common Law – Company/Community
	Restrictions	<ul style="list-style-type: none"> – Company Title only acceptable for existing borrowers⁽ⁱⁱ⁾, located in Zones 1 and 2 and with no LMI applicable – Only Crown Leasehold acceptable with a minimum duration of the approved loan term plus 15 years
Insurance	Building insurance	<ul style="list-style-type: none"> – Full replacement insurance is required, noting AMP Bank Limited as mortgagee. All title holders must be on building insurance policy.
LVRs with LMI	Zone 1	<ul style="list-style-type: none"> – ⁽ⁱ⁾Maximum 90% for any acceptable purpose up to \$850,000 P&I or IO – Maximum for business purpose \$500,000 at 90% LVR P&I or IO
	Zone 2	<ul style="list-style-type: none"> – ⁽ⁱ⁾Maximum 90% for any acceptable purpose up to \$600,000 P&I or IO
	Zone 3	<ul style="list-style-type: none"> – ⁽ⁱ⁾Maximum 90% for any acceptable purpose up to \$450,000 P&I or IO
	Zone 4	<ul style="list-style-type: none"> – Considered on a case by case basis. LMI required regardless of LVR.
LVRs without LMI	Zone 1	<ul style="list-style-type: none"> – Maximum 80% up to \$1.5 million – Maximum 75% up to \$1.75 million with one Zone 1 security or 80% with multiple Zone 1 securities – Maximum 70% up to \$2 million with one Zone 1 security or 80% with multiple Zone 1 securities
	Zone 2	<ul style="list-style-type: none"> – Maximum 80% up to \$1 million – Maximum 75% up to \$1.25 million – Maximum 70% up to \$1.75 million – Maximum 65% up to \$2 million
	Zone 3	<ul style="list-style-type: none"> – Maximum 80% up to \$500,000 – Maximum 75% up to \$1 million – Maximum 65% up to \$1.75 million – Maximum 60% up to \$2 million

(i) Maximum LVR for existing customers⁽ⁱⁱ⁾ where the purpose is to:

- Purchase an owner occupied property with 95% plus capitalised LMI premium
- Purchase an investment property with 95% including capitalised LMI premium

Subject to approval – stand alone security only

(ii) An existing customer is someone who has held an AMP Bank mortgage for a minimum of 6 months.

High density apartments	Definition	– ⁽ⁱⁱⁱ⁾ Unit developments with more than 10 units and located within a high density postcode
	Restrictions	<ul style="list-style-type: none"> – Maximum 90% LVR with LMI only for purchases of existing apartments greater than 6 months old. – Maximum 80% LVR for all other high density apartments. – Maximum 2 apartments per borrower in any one development – No rental guarantees
Valuations	Registered valuations	– Required on all residential securities
Credit check		<ul style="list-style-type: none"> – Completed on all individuals/companies/directors/guarantors – Must have a clean credit record, except: <ul style="list-style-type: none"> – Minor defaults will be considered as follows: <ul style="list-style-type: none"> – One default not exceeding \$500 – Paid prior to the loan application – Borrowers who are discharged bankrupts will be considered subject to: <ul style="list-style-type: none"> – Minimum 2 years discharged from bankruptcy – Maximum LVR 80% – If a credit check identifies the borrower(s) company is either under external administration or there is a petition, the application will only be considered if the company is not a borrower or an income source and we can confirm that the credit issue has been resolved – If the credit check shows directorships, shareholding or proprietorships of companies that AMP Bank does not hold financial information of then we will request an accountant letter stating either the business is trading profitably (ie has not recorded any losses over the last 2 financial years) or does not trade at all and has no liabilities or debts. If this is not obtained, 2 years financials for these companies will be required.
LMI	Provider	– Genworth
	Capitalisation of LMI premium	<ul style="list-style-type: none"> – Allowed on loans <= \$1 million. – ⁽ⁱ⁾For Full Doc loans the maximum LVR is 90% plus capitalisation of LMI premium
Refinance requirements	Loan statements	<ul style="list-style-type: none"> – Six months loan statements on all secured loans being refinanced must be provided. The most recent statement must be less than 30 days old from the date of application submission. – The Bank will not refinance any loan which has been subject to poor repayment conduct – For consolidation of personal debt a minimum of last account statement (within 32 days old at the time of application submission) for credit cards or unsecured facilities must be provided. – For unsecured facilities where latest loan statements are not available, transaction statements are acceptable in conjunction with last loan statements
Savings history requirements	Property purchase LVR <85%	– No supporting evidence of savings required. Borrowers should disclose evidence of savings in the asset position of the loan application form.
	Property purchase LVR >85% with savings	<ul style="list-style-type: none"> – Borrowers must contribute 5% of purchase price saved/held over a minimum 3 month period for the last 3 months – Acceptable forms of savings include: <ul style="list-style-type: none"> – Funds in bank accounts/term deposits – Shares – Equity in residential property – Sale proceeds from a residential property – Deposit paid for the property more than 3 months ago

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(ii) An existing customer is someone who has held an AMP Bank mortgage for a minimum of 6 months

(iii) Refer to Security Property Location Guide for high density postcode listing.

Income	PAYG income	<ul style="list-style-type: none"> – Minimum 6 months employment with current employer. If less than 6 months then minimum 12 months continuous employment within same occupation type or industry (12 months continuous employment means maximum of 1 break of up to 31 days in the 12 month period.) – Casual and contract employee must be with current employer for at least 12 months – Income evidence must be provided from: <ul style="list-style-type: none"> – Two consecutive computer generated payslips confirming at least 3 months YTD income with the employer and employees names. (Allow acceptance of emailed payslips as long as they contain (as a minimum) borrower name, employer’s name and ABN and year to date income.) The most recent payslip must be less than 30 days old at the date the loan was submitted. (Use the PAYG Income Assessor to calculate the income that can be used for serviceability), OR – Where the most recent payslip shows less than 3 months YTD income, we require two current payslips plus one of the following: <ul style="list-style-type: none"> – Latest year’s group certificate, OR – Latest year’s tax return and ATO notice of assessment, OR – The last payslip from last financial year showing at least 3 months YTD income, OR – An employment contract signed and dated that provides the employment conditions, OR – An employment letter that is dated within the last 30 days that provides the employment conditions. – Where borrowers do not receive payslips from their employer the following must be provided: <ul style="list-style-type: none"> – An employment letter that is dated within the last 30 days that provides the employment conditions, AND – 3 months bank statements showing salary credits that match the employment letter. The latest statement must be less than 30 days old. – If handwritten payslips or group certificates are provided they must be supported by the most recent year’s tax return and ATO notice of assessment – All probation periods must be completed – 80% of overseas income is acceptable as long as it is paid in one of the following currencies: <ul style="list-style-type: none"> – Canadian Dollar (CAD), Chinese Yuan (CNY), Euro (EUR), Great British Pound (GBP), Hong Kong Dollar (HKD), Japanese Yen (JPY), New Zealand Dollar (NZD), Singapore Dollar (SGD) and US Dollar (USD). – The conversion will be based on the day of the initial credit assessment and the Google currency convertor will be used. – Confirmation of income must be via a translated employment contract and the most recent 3 months bank statements showing the salary credits. All other standard employment and income policies are to apply. – Borrowers working for family/family companies must supply: <ul style="list-style-type: none"> – Two years’ tax returns, and – ATO assessment notices
	Salary packaging/vehicle allowance	<ul style="list-style-type: none"> – Applicable to PAYG employees only – Pre or post tax deductions on payslips will be excluded from income used in serviceability. AMP Bank may consider adding back deductions if they can be converted to cash at any time. – Salary package can be included for serviceability subject to an employment letter confirming it can be converted to cash at the borrower’s option – Vehicle allowance is acceptable for serviceability (lease or hire purchase payments must be included in assessment) – \$5K can be added to gross salary for borrowers that receive a fully maintained company car as a condition of their employment (to be confirmed by employment contract or employment letter)

Income (cont)	Self-employed (sole trader/partnership/company/ trust income)	<ul style="list-style-type: none"> – Minimum self-employed period 2 years – All applicants (including directors and trustees) must provide personal/company tax returns for the previous 2 years and a minimum of one financial year's Tax Assessment Notice for each income source – Balance Sheets and Profit and Loss Statements must be provided for the previous 2 years – Income projections and cashflow forecasts or income from a business being purchased are not acceptable for serviceability assessment – When: <ul style="list-style-type: none"> – Income from the latest financial year has increased by less than or equal to 20% of the previous year, then the latest year's income is used – Income from the latest financial year is more than 20% of the previous year, then a maximum of 120% of the previous year's income is used – Income from the latest financial year is less than the previous year, the lower of the 2 figures is used
	Self-employed addbacks	<ul style="list-style-type: none"> – The following may be added back to the net profit figure: <ul style="list-style-type: none"> – Directors salary – Interest charges on any loan being refinanced – Superannuation payments in excess of legislative requirements – Non-occurring expenses – Amortisation of goodwill – 50% of depreciation (excluding short term items, such as computer equipment, etc) – Only the following distributions from a discretionary trust are allowed to be added back for serviceability: <ul style="list-style-type: none"> – Trustees distribution (Individual or Company) – Husband/wife or de facto of the trustee – Dependant children of the trustee
	Rental	<ul style="list-style-type: none"> – Evidence from: <ul style="list-style-type: none"> – Current lease or tenancy agreement, OR – Estimate of rental from AMP Bank valuation, OR – Estimate of rental in writing by letter from licensed real estate agent (must be less than 30 days old) – A current rental statement from a real estate agent (must be less than 30 days old) – If multiple sources of rental income verification are supplied (eg valuation report with rental noted and a lease agreement) the lowest figure will be utilised in serviceability – The following is acceptable for serviceability assessment: <ul style="list-style-type: none"> – 80% of the verified gross rental for residential properties – 80% of the verified gross rental for residential high density properties – 50% of verified gross rental for serviced apartments. Evidence by most recent 12 months rental statements provided by the managing agent. The most recent statement must be less than 30 days old. – 65% of the verified gross rental for commercial properties – Rental guarantees (eg for display homes) are not acceptable
	Guarantor income	<ul style="list-style-type: none"> – Not acceptable except in the case of directors/trustees as guarantors for company/trust borrowings or spousal guarantor – When director's/trustee's income is included a minimum surplus is required to be included in the assessment

Income (cont)	Superannuation/annuity income	<ul style="list-style-type: none"> – Evidence from: <ul style="list-style-type: none"> – A statement of holdings dated within the last 6 months, AND – Confirmation of the current balance dated within the last 30 days, AND – Bank account statements dated within the last 30 days showing the payment amounts
	Permanent pensions	<ul style="list-style-type: none"> – Acceptable with evidence of permanent income amount: <ul style="list-style-type: none"> – Centrelink Age Pension – Centrelink Widow Allowance – Department of Veterans' Affairs - Service and Age Pension – Department of Veterans' Affairs - War Widow's or Widower's Pension – The following pension/benefit types are not acceptable: <ul style="list-style-type: none"> – All other Centrelink and Veterans' Affairs pension income types – Unemployment/sickness benefits – Non-permanent pensions – Workers' compensation – Accommodation/student allowance – Emergency benefits – Scholarship income – Disability Pensions – Maternity leave income
	Investment income	<ul style="list-style-type: none"> – Minimum 2 years investment/interest evidenced from previous 2 years' tax returns. Income assessment is the same as described in "Self-Employed" above. – Capital gains on sale of assets is not acceptable income
	Family allowance	<ul style="list-style-type: none"> – Family Tax Benefits Parts A, B and Large Family Supplement are acceptable for dependants under the age of 13 years, and verified by Centrelink documentation
	Child support	<ul style="list-style-type: none"> – Acceptable for dependants under the age of 13 years, registered with CSA and verified by the most recent 6 months' bank statements confirming payments
	Negative gearing	<ul style="list-style-type: none"> – Borrowers with TBE <= \$1.25 million: <ul style="list-style-type: none"> – 100% of the verified gross income for standard residential investment properties can be used for assessment purposes where primary LMI cover is not required and the total rental income is less than or equal to 50% of the total overall income. Where primary LMI cover is required gross rental income is as per "Rental" above. – Borrowers with TBE > \$1.25 million: <ul style="list-style-type: none"> – Gross rental income is as per "Rental" above. In addition to rental income interest costs applicable to loans for residential investment properties are to be calculated and this figure to be used to reduce the borrower's taxable income. The interest cost is to be included in serviceability as a non-taxable addback.
	Serviceability	Minimum surplus
Factored rate		<ul style="list-style-type: none"> – AMP Bank loan repayments are assessed using a margin of 1.5% above the actual loan rate with a minimum of 7.5%
Credit cards		<ul style="list-style-type: none"> – 3% of the credit card limit is included in serviceability (unless latest 2 statements are provided confirming that balance is cleared monthly)
Borrower living rent free		<ul style="list-style-type: none"> – Where a borrower is said to reside rent free with family/friends an amount of \$150 per week is to be included in the borrower's expenses. The notional rental expense is to be included for each applicant who is living rent free – The notional rental expense does not need to be included in servicing for owner occupied construction loans

Serviceability (cont)	Australian taxation office debts	<ul style="list-style-type: none"> – If a borrower has a debt payable to the Australian Taxation Office, AMP Bank require: <ul style="list-style-type: none"> – The repayments of the debt is to be included in servicing based on 10% pa interest rate, or – Obtain confirmation that the debt has been paid
	Margin loans	<ul style="list-style-type: none"> – Interest payments on Margin Loans are to be included and calculated at AMP Bank’s current standard variable rate based on the limit of the Margin Loan
	Overseas liabilities	<ul style="list-style-type: none"> – All overseas expenses and liabilities are to be included in serviceability at 100%. The conversion will be based on the day of the initial credit assessment and the Google Currency converter will be used
	Borrowers approaching retirement	<ul style="list-style-type: none"> – Evidence of an exit strategy is required to confirm the debt can be repaid without hardship when the borrower is approaching retirement age (>= 50 years old at the time of loan application) – If no exit strategy has been provided then the loan term must not exceed the expected age of retirement. AMP Bank will deem a customer’s retirement age to be 70 unless we are advised that a borrower is planning to retire prior to 70
Master limit loans	Assessment criteria	<ul style="list-style-type: none"> – The sum of limits of all splits (called sub-accounts) must be equal to the approved Master Limit – Maximum LVR with LMI is 90% – Not allowable on Construction loans – Master Limit expires after 10 years – Line of Credit must be primary split on all Master Limits – Serviceability assessment is to be based upon the factored interest rate of 1.5% above the actual Line of Credit rate with a minimum of 7.5% – Existing customers who wish to switch their current facilities to a Master Limit with no increase in the dollar value do not require a full financial assessment, however, must complete the Master Limit application form
Land loans	Maximum loan amount	<ul style="list-style-type: none"> – Zone 1 - \$600,000 – Zone 2 - \$400,000 – Zone 3 - \$200,000
	Maximum LVR	<ul style="list-style-type: none"> – Maximum LVR without LMI is 80% – Maximum LVR with LMI is 90% (Inclusive of capitalisation of LMI Premium)
	Restrictions	<ul style="list-style-type: none"> – Land size not to exceed 2.2 hectares (5 acres) – Must be zoned residential, rural residential or rural – Property must have all-weather road access and have electricity connected – No cross-collateralisation of securities, must be stand-alone security – Not available for debt consolidation – Construction Loan may be added as an extra split to the Land Loan, once construction is ready to commence

Construction loans	Maximum construction loan amount with LMI	<ul style="list-style-type: none"> - Zone 1 - \$850,000 <=90% - Zone 2 - \$600,000 <=90% - Zone 3 - \$450,000 <=90%
	Maximum construction loan amount without LMI	<ul style="list-style-type: none"> - As per Full Doc Loan Characteristics
	Maximum LVR	<ul style="list-style-type: none"> - Maximum initial drawdown of vacant land value without LMI is: <ul style="list-style-type: none"> - Zones 1 and 2 - 80% - Zone 3 - 80% up to \$500,000, 75% up to \$1,000,000 - Maximum initial drawdown of vacant land value with LMI is 90% - Maximum LVR with LMI during construction and upon completion is 90%
	Loan assessment	<ul style="list-style-type: none"> - Construction of investment property: the future rental income can be included in serviceability - Construction of owner occupied property: the current rental expense, notional living expense or mortgage expense does not need to be included in serviceability <ul style="list-style-type: none"> - If the applicants intend on converting their existing owner occupied property to an investment property when the construction is completed, the future rental income can be included in servicing as long as the current debt against the property is included as an expense (if any)
	Conditions	<ul style="list-style-type: none"> - The loan amount required for construction must be established on a Construction Loan product (product cannot be combined with AMP Essential Home Loan or AMP SuperEdge package. - Construction must be completed within 12 months of loan approval - Maximum of 2 dwellings to be constructed per borrower at one time - The Bank will accept the lower of valuers estimate of improvements or the fixed price building contract figure - The Bank requires copies of: <ul style="list-style-type: none"> - Executed fixed price building contract - Council approved plans and specifications - Any variations to the fixed price building contract and/or additional quotations from a licensed contractor - Copy of the executed Contract of Sale - Builder's licence - Builder's all risk and indemnity insurance policy - Homeowners Warranty Insurance
	Exclusions	<ul style="list-style-type: none"> - No owner builders - No labour only contracts - No kit homes or relocatable dwellings - No properties that have been strata titled (eg townhouses/units) - No refinance of half-completed dwellings - No non-arms length relationships - No zone 4 properties - No spilt contracts
	Quantity surveyor	<ul style="list-style-type: none"> - For loan amounts >\$850,000 the Bank will appoint, at the borrowers expense, a quantity surveyor (QS) to prepare a report on the fixed price construction cost compared to the QS costing of the project

Additional advances	Requirements	<ul style="list-style-type: none"> – Existing loans must be operating for at least 3 months and have a satisfactory loan repayment history (no arrears in the prior 3 months) – Only one additional advance permitted within any 3 month period
	Easy increases	<ul style="list-style-type: none"> – All applications must be on the AMP Bank Easy Increase application form – Existing PAYG borrowers only – Existing residential security only – Maximum Loan Amount \$100,000 with Total Bank Exposure not exceeding \$500,000 – Maximum 80% LVR – Existing loans must be operating for at least 3 months and have a satisfactory loan repayment history – Updated Credit Bureau check required on all borrowers. If any defaults lodged since last full credit assessment it does not qualify for Easy Increase. – Exclusions: <ul style="list-style-type: none"> – Land Loans, Construction Loans, Practice Finance Loans, AMPCI Loans – Vacant land security – Self-employed, company or trust borrowers – Loans that have been in arrears/overlimit for >30 consecutive days in the last 6 months
AMP SuperEdge Self managed super fund home loan	Borrower	<ul style="list-style-type: none"> – The borrower is the SMSF trustee as trustee for the superannuation fund
	Availability	<ul style="list-style-type: none"> – Available for all new and existing customers with a complying SMSF – Available to company trustees (non-trading only, where the company has been set-up for the sole purpose of being the SMSF trustee), or to individual/individuals as SMSF trustees
	Loan purpose	<ul style="list-style-type: none"> – Purchase of residential investment property by an SMSF – Refinance (dollar for dollar) of an existing SMSF loan held with another institution – Necessary repairs and maintenance on the security property
	Maximum LVR	<ul style="list-style-type: none"> – Maximum LVR of 80%
	Requirements	<ul style="list-style-type: none"> – Certificate of advice given by a financial adviser or accountant to the SMSF trustee – Certificate of legal advice to be completed and signed by the SMSF trustee – Certificate of legal advice given by a lawyer to each guarantor – Statutory declaration to be completed and signed by the SMSF trustee – Customers can apply for an AMP SuperEdge loan if: <ul style="list-style-type: none"> – They have a complying SMSF or plan to establish one prior to settlement of the loan – They want to use their SMSF fund to purchase a residential investment property (cannot be owner occupied) – The director(s) of a Corporate SMSF Trustee give personal guarantees for the borrowings – The security custodian (which must be a corporate trustee) also gives a guarantee for the SMSF trustees – If the SMSF trustee is a group of individuals rather than a company, the National Credit Code (NCC) will apply to the loan – They want an AMP SuperEdge loan to refinance (“dollar for dollar”) an existing SMSF loan in respect of the same residential investment property – The SMSF trust deed and security trust deed are in order.
	Minimum and maximum loan amount	<ul style="list-style-type: none"> – Minimum – \$100,000 – Maximum <ul style="list-style-type: none"> – Metropolitan areas (Zone 1) – \$750,000 – Regional areas (Zone 2) dependent on location – \$500,000 – Minimum split – \$10,000

AMP SuperEdge Self managed super fund home loan (cont)	Loan facility	<ul style="list-style-type: none"> – Repayments on either interest only or P&I basis – Fixed (1, 2, 3 or 5 year terms) and variable interest rate options. (Fixed Interest In Advance not available).
	SMSF trustee	<ul style="list-style-type: none"> – The SMSF trustee can be either a company or a group of individuals (ie natural persons) – Where a residential investment property is being acquired and the trustee of the SMSF is a company, the NCC will not apply to the loan. However, where a residential investment property is being acquired and the trustees of the SMSF are individuals, the NCC will apply to the loan.
	SMSF income - PAYG	<ul style="list-style-type: none"> – Full time and part time employees must demonstrate employment stability of a minimum of 12 months with current employer. If less than 12 months with current employer must demonstrate a minimum of 2 years continuous employment within the same occupation type. – Casual and contract employees must be with their same employer for at least 12 months – Income evidence must be provided from: <ul style="list-style-type: none"> – 2 consecutive computer generated payslips confirming at least 3 months YTD income. The most recent payslip must be less than 30 days old at the date the loan was submitted. It must show the employer and employees names and regular super deductions and YTD super deducted, OR – 2 recent payslips and history of contributions evidenced by: <ul style="list-style-type: none"> – 12 months super fund statements, or – Latest group certificate.
	SMSF income – self employed	<ul style="list-style-type: none"> – The minimum period of self employment is two years. – All applicants (including directors/shareholders and trustees) are required to provide their personal and company taxation returns (that have been lodged with the ATO) for the last two financial years – Income evidence must be provided from: <ul style="list-style-type: none"> – 2 years financials (personal and company) and Tax Assessment Notice, and – 12 months history of contributions evidenced by: <ul style="list-style-type: none"> – Super fund statements, or – Group certificate, or – SMSF tax return, and – Tax Assessment Notice.
	SMSF serviceability	<ul style="list-style-type: none"> – Combination of: <ul style="list-style-type: none"> – Maximum rental income of 80% for all rental properties held in the SMSF (refer to existing policy for further details on acceptable rental types and allowances) – Mandatory superannuation contributions (eg 9.5% SG) from PAYG members – Notes: <ul style="list-style-type: none"> – Where a new SMSF is being set-up, lender will take previous year's super contributions from the members' group certificate's and/or payslips – When assessing the amount of regular contributions to the fund, ensure that the contribution being utilised does not exceed the relevant thresholds: <ul style="list-style-type: none"> – Concessional \$30,000 – Concessional \$35,000 (50 years of age and over) – Non-concessional \$180,000 – All commitments such as existing mortgages, other than those being refinanced, are to be taken into account for assessment of an application – Income from interest/dividend earning investments to be assessed using a deeming rate of 3%; income derived from other assets is to be excluded. – Allowance for ongoing SMSF running expenses – Income derived from other assets EXCLUDED – Negative gearing benefits EXCLUDED – Depreciation add backs excluded

AMP SuperEdge Self managed super fund home loan (cont)	Guarantees	<ul style="list-style-type: none"> – Guarantees from the security custodian and each director of the SMSF trustee where the trustee is a company – Security Custodian: <ul style="list-style-type: none"> – Must be a company – Must not hold any other property under the security trust, ie: other than the one residential investment property named in the security trust deed – The legal title is held by the security custodian on trust (for the SMSF trustee) until the loan is repaid – Once the loan has been repaid, the SMSF trustee acquires legal ownership by having the property transferred from the security custodian – The arrangement above is documented in a security custodian trust deed
	Rights of recovery	<ul style="list-style-type: none"> – Bank’s or any other persons rights of recovery against the SMSF income and assets are limited to the residential investment property. Rights of recovery against the personal assets of the security custodian, directors of the SMSF trustee and the individual trustees (in their personal capacity) of the SMSF are not limited.
	Conditions	<ul style="list-style-type: none"> – Redraws not permitted – View only access – BankPhone and BankNet – 100% offset deposit account available against variable rate term loan only – Can only switch within the SMSF product set – Loans can be split within the SMSF product set
	Exclusions	<ul style="list-style-type: none"> – No switching to or from non-AMP SuperEdge loan products – No splitting with non-AMP SuperEdge loan products – No substitution of security – No top-ups or credit limit increases – No Master Limit or sub-accounts – No trading companies as SMSF trustees (however, non-trading companies that have been set-up for the sole purpose of being the trustee for an SMSF are permitted) – No related party purchases – No renovations/improvements to property (SMSF to use own funds) – No non-Australian resident borrowers – No internal refinances of existing investment loans – NB: Refinance of existing SMSF loan held with another institution permitted on dollar for dollar basis only – No purpose other than an investment in residential property permitted – No construction loans – Not for business purposes – Personal offset accounts are not available.

AMP SuperEdge Self managed super fund home loan (cont)	Security	<ul style="list-style-type: none"> – 1st RM over residential property held by the security custodian. No 2nd RM allowed, even when AMP Bank is the 1st RM (cannot be cross- collateralised with an existing AMP Bank loan). – The security custodian provides a guarantee as mortgagor and the Directors of a Corporate SMSF Trustee give personal guarantees of the borrowings. The guarantee given by the security custodian is always an unregulated guarantee (ie not regulated by the NCC) (as the security custodian is required to be a company). Rights of recovery against individual trustees of the SMSF trust in their personal capacity are not limited – Residential investment properties must be fully serviced by power, water, sewerage and have road access – Must be zoned residential or rural residential – Maximum land area 2.2 hectares (5 acres) – No replacement security is permitted before the AMP SuperEdge loan is repaid in full. In particular, the customer cannot substitute another residential investment property as security for the original residential investment property before the loan is repaid in full. – Unacceptable Securities: <ul style="list-style-type: none"> – No company title – No mixed security (ie part residential, part commercial) allowed – No vacant land – No serviced apartments – No display homes – No more than one residential unit on one title except for the purchase of an apartment with a separate car park on the same strata plan that contains a notice of restriction showing they cannot be sold separately – No “off the plan” purchases, unless occupation certificate or equivalent has been issued and the title and or strata have been registered – As above, no second mortgage or subsequent mortgages – Maximum exposure of no more than 4 units in any development for all AMP SuperEdge loans – No other charges of any kind over the property
	Valuation	<ul style="list-style-type: none"> – Valuations required for all AMP SuperEdge loans
	Existing customers	<ul style="list-style-type: none"> – Where the borrower currently has borrowings with AMP Bank that are not part of the SMSF product range, no SMSF borrowings can be made against the existing security – If an AMP SuperEdge loan is repaid in full and the residential investment property is either transferred to the SMSF trustee or sold, the customer can apply for a new AMP SuperEdge loan with another residential investment property as security.