

# Property Share Fact Sheet

## Description

Property Share is an easy to manage home loan option which allows friends to purchase a property together but keep their finances separate. It helps both first time buyers and investors get into the property market sooner. Property Share can be taken with our Home/Investment Home Loans and Line of Credit, where the specific features and benefits of the chosen loan type will apply accordingly.

## How does it work?

**Example:** Nick and Sue, and James are friends who currently rent a house together. They want to buy a house together but want to keep their finances separate.

- James takes a loan for \$250,000 in his name (one loan facility)
- Nick and Sue take out 2 loans totalling \$250,000 in their name (one loan facility)



	Nick and Sue	James
<b>Deposit</b>	\$20,000	\$20,000
<b>Loan facilities</b>	<ul style="list-style-type: none"> <li>• \$200,000 - 3 Year Fixed Rate Home Loan</li> <li>• \$50,000 Line of Credit</li> </ul>	<ul style="list-style-type: none"> <li>• \$250,000 - Standard Variable Rate (SVR) Package</li> <li>• Interest Only</li> </ul>
<b>Guarantor</b>	James	Nick and Sue
<b>Features and benefits</b>	<ul style="list-style-type: none"> <li>• Property Share allows for borrowers to purchase the one property utilising separate loan facilities. <b>Note: A maximum of 2 loan facilities per security is allowed where each loan facility may have multiple borrowers. Borrowers can split their loan facility to best suit their needs as per the example above.</b></li> <li>• Each loan facility is secured against the same property.</li> <li>• Flexibility to structure own loan facility as desired - each loan facility can be for different amounts, with different loan types, duration and payment structures that best suit the individuals' requirements. For example, the ability to manage own special repayments (payments beyond required repayments) and redraws (withdrawals) and to have separate off-set accounts, transaction accounts and lines of credit.</li> </ul>	
<b>Loan to Valuation Ratio (LVR)</b>	LVR is calculated on the combined debt and LMI (where applicable) will be split proportionately and capitalised to each loan.	
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>• All applicants must be owners of the property (no third party guarantors).</li> <li>• Applicants must prove servicing for their own loan facility.</li> <li>• Customers must guarantee each others' loan/s (security support only).</li> <li>• It is mandatory that customers seek independent legal advice of their choice before entering into a Property Share arrangement. A source of independent legal advice is PodProperty who can supply co-ownership agreements through the internet. Refer to podproperty.com.au for details.</li> <li>• Customers must sign a Property Share Statutory Declaration (003-020).</li> </ul>	

<b>Applicable loan options</b>	Property Share is available on all Home and Investment Home Loans and Lines of Credit, including Low Docs. Package benefits may apply.
<b>Excluded loan options</b>	Property Share is <b>not</b> available on: <ul style="list-style-type: none"> <li>Equity Unlock Loan for Seniors</li> </ul>
<b>Maximum LVR</b>	95% - (97% after Lenders Mortgage Insurance (LMI) is added to the loan amount). Conditions apply.
<b>Package savings*</b>	<ul style="list-style-type: none"> <li>Tiered variable interest rate savings apply depending on your total home lending balance.</li> <li>Save 0.15% p.a. on Fixed Rate Loans.</li> </ul>
<b>Fees and charges</b>	<ul style="list-style-type: none"> <li>Refer to current schedule of fees and charges.</li> <li>A Security Guarantee fee will be payable on each loan.</li> </ul>

**For all other features relating to Property Share, please refer to the Fact Sheets for the specific loan option that the Property Share applies to.**

## Some things to keep in mind and discuss with your Legal Adviser

There are a number of important considerations that customers should think about before applying for a loan under Property Share. Several of the considerations are listed below. Depending on your circumstances, there may be other considerations.

### Change in life circumstances

- What happens if one party defaults on loan?
- What happens if one party becomes ill or unemployed?
- What happens if either party moves interstate or overseas?

### Sale of property

- How long will the property be kept?
- How will any capital gains be split?
- Can one party buy the other party out?
- If only one wants to sell, who will pay the selling cost?

### Property ownership

- How will the ownership of the property be split?
- What happens if the property is damaged or cannot be occupied?
- If you intend to let the property, who will manage it and collect the rents?
- What happens if you cannot find a tenant for the property?

### Maintaining the property

- How will ongoing property maintenance costs be split between parties?
- Who will pay if one person is responsible for damage to the property or contents?

### Renovating

- Can renovations be done to the property?
- Who will pay for the renovations?
- What kinds of renovations are allowed?

### Insurance

- In addition to mandatory Building Insurance, what other insurance should be taken out (such as contents insurance, loan protection insurance etc)?

### Recording our agreement

- How will our agreement be recorded?
- Should we have a formal agreement drawn up to cover these and other considerations?

### Things You Need to Know:

- \* To be eligible for a package, you must have an initial 'total home lending balance' of at least \$150,000 and pay the annual package fee of \$350, debited to any Commonwealth Bank transaction account or Commonwealth Bank Credit Card. Tiered variable interest rate savings apply depending on your total home lending balance (details found in the package benefits fact sheet) and terms and conditions are available on application. Customers with Low Doc Home Loans where the amount of the loan exceeds 60% of the value of the security property, as determined by us, are not eligible to apply for packages.
- Applications for finance are subject to Bank's normal credit approval.
- Full terms and conditions will be included in our loan offer. Fees and charges apply.

