

# PROPERTY SHARE FACT SHEET.

Property Share is an easy to manage home loan option which allows borrowers 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 Viridian 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 \$240,000 in their name (one loan facility).

	Nick and Sue	James
<b>Purchase Price (inc. costs such as stamp duty)</b>	\$540,000	
<b>Deposit</b>	\$30,000	\$20,000
<b>Loan Facilities</b>	<ul style="list-style-type: none"> <li>• \$190,000 – 3 Year Fixed Rate Home Loan</li> <li>• \$50,000 Viridian 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 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</li> <li>• Each loan facility is secured against the same property</li> <li>• Flexibility to structure separate loan facilities as desired – each loan facility can be for different amounts, with different loan types, duration and payment structures that best suit the individuals' needs. For example, the ability to manage own additional repayments (repayments beyond required repayments) and redraws (withdrawals) and to have separate offsets, transaction accounts and lines of credit.</li> </ul>	
<b>Loan to Valuation Ratio (LVR)</b>	LVR is calculated on the combined debt and Lenders' Mortgage Insurance or Low Deposit Premium (where applicable) and 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>• Each borrower must sign a Property Share Statutory Declaration (003-020).</li> </ul>	
<b>Loan Options</b>	Included loan options: Home and Investment Home Loans and Viridian Line of Credit, including Low Docs. Excluded loan options: Equity Unlock for Seniors.	
<b>Loan Purpose</b>	Eligible purposes: Owner occupied housing, investment housing, personal needs, personal investment and off the plan purchases. Excluded purposes: Business purposes, internal refinances, land or bridging loans and building/construction loans.	

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

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

### Change in life circumstances

- What happens if one party defaults on the 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 the agreement be recorded?
- Should there be a formal agreement drawn up to cover these and other considerations?

### Things You Need to Know:

- 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
- This fact sheet has been prepared by the Commonwealth Bank without considering your individual objectives, financial situation or needs. You should consider its appropriateness to your circumstances and consider seeking professional advice relevant to your individual needs before making a decision based on this information. You should also obtain professional, financial and taxation advice specific to your individual needs
- Applications for finance are subject to the Bank's normal credit approval
- Full terms and conditions will be included in our loan offer
- Fees and charges are payable, refer to our fees and charges brochure
- This fact sheet is subject to change without notice.