

Taurus Commercial SMSF

Product Features:

- Purchase of Commercial property, to be held on trust for the beneficiaries of the SMSF
- Refinance of an existing Commercial self-managed superannuation fund & capitalisation of refinance costs
- Up to 75% LVR (P&I) and (IO)
- Min. SMSF balance of \$250,000 ~ no set liquidity requirement
- No ongoing fees or regular property revaluations

Loan Amount

- Min loan amount \$100,000
- Max loan up to \$3M <65% LVR, \$2M >70% LVR, Max LVR 75%
- Fixed rates 1-5 years available on request

Loan Terms

- Minimum - 25 years
- Maximum - 30 years

Repayment Options

- Principal and Interest
- Interest Only Up to 5 years

Borrower

SMSF Trustees which hold the beneficial interest in the security property, has the right to acquire the property from the Property Trustee, and is permitted to borrow in accordance with the relevant legislative requirements (and any associated regulations).

Guarantors

Loans must be supported by personal guarantee/s for the full amount of the loan from all adult beneficiaries of the SMSF. Guarantees must be in accordance with the requirements of the relevant legislation.

Full income servicing and asset and liabilities details are required to be submitted for all guarantors.

Loan Purpose

Purchase of an investment property or the refinance of an existing Commercial SMSF loan. Purchase or refinance of owner-occupied property can be considered as long as a formal lease is put into place and other income in the SMSF into assessment.

Residential Property Exclusions

- Purchase or refinance of properties occupied by SMSF beneficiaries or related parties
- Purchases from a related party of the SMSF Trustee/s
- Non Arm's length transactions

Servicing Requirements

As at 24th April, Servicing Requirements listed below are required for all applicants

- Completed Business Impact Statement due to the Covid Pandemic
- Min 6 months bank statements required for principal servicing sources in all cases
- Current schedule of debtors and creditors for all business applicants
- Current ATO portals for all trading and asset providing entities

Evidence of sufficient income and cash/liquid resources to meet all commitments for next 6 months

Serviceability

- Interest Coverage Ratio (ICR) min. 1.50 x(SMSF income + net rent + contributions)
- Open to PAYG Investors
- Self-employed (min 2 years ~ preferred 5years+)

Exclusions

- Income derived from other assets is to be excluded
- Commercial property occupied by a beneficiary of the SMSF

Security

Loan must be secured by a commercial real property single acquirable asset.

- Commercial properties – Retail, industrial, office
- Located in an area with min population 50,000
- Some specialised security on a case-by-case basis will be considered

Documentation Requirements

- SMSF and Property Trust Deeds, Guarantees and Loan Agreement must comply with relevant legislative requirements including those which apply in relation to SMSF borrowing, the giving of security and the appointment of a nominee
- SMSF Trustee borrowers and guarantors must obtain independent legal and financial advice and proof of such advice must be retained on the loan file
- Guarantors financial position is to be verified as being able to meet the obligations under the guarantee
- AFS Licensed Advisor Statement of Advice (SOA) required, OR self-certification by qualifying “Sophisticated Investors”.

Fees	
Establishment	<ul style="list-style-type: none"> • Minimum 2.0% plus GST up to \$1.25M • 1.85% plus GST > \$1.25M • 50% of Total Establishment Fee includes Valuation, Document Preparation Fees (additional Legal fees may apply), Title Insurance and Settlement Fee (legal disbursements plus any variance to valuation fees to be met by borrower)
Ongoing	No monthly, annual fees or other recurring Fees. No regular property valuations.
Early Termination	Applies in first 5 years.