# Prequin Securities Lending Product Snapshot

### Welcome to Prequin Securities - your non-conforming lending solution.

#### With both balance sheet and off-balance sheet funding capability and experience, we can provide a funding solution for a diverse range of borrowers across residential, commercial, and industrial property sectors.

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| **POLICY EFFECTIVE 1 NOV 2014** | **MAX LOAN AMOUNT** | **MAX LVR** | **LOAN TERMS** |
| Residential | $2.25 m | 75% | < 3 years |
| Residential Non-Metropolitan | $2.25 m | 65% | < 2 years |
| Industrial | $2.25 m | 65% \* | < 2 years |
| Commercial | $2.25 m | 65% \* | < 2 years |
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\**Commercial and industrial: 65% stand alone, 70% considered with collateral security*

**Key Features**

* Non-code regulated loans only
* No LMI
* Competitive establishment fees
* Every transaction is assessed on its individual merits - credit impairment considered
* Cash out for ATO debts, working capital, payout 2nd mortgage and creditors
* Fast settlement - even faster decisions
* Direct access to decision makers

***Prequin Securities Pty Ltd ACN 164 275 290***

# Lending Guide and Rates

### Effective from 1 July 2015

Up to $2.25 million per loan or $3.0 million per obligor

* Non conforming- non code regulated
* Residential, commercial and industrial lending
* LVR’s up to 75%
* No LMI
* Fast settlement – even faster decisions
* Loan amounts above $1.5m considered on request

We understand that every borrower, and therefore every loan, will be **different.**

That’s why we provide a range of lending solutions to suit a **broad spectrum of lending needs,** with **capacity and experience** in residential, industrial, and commercial lending.

**Contact us today**

Phone: 1300 306 701

Web: [www.prequinsecurities.com.au](http://www.prequinsecurities.com.au/)

Email: [enquiries@prequinsecurities.com.au](mailto:enquiries@prequinsecurities.com.au)

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| **Overview Prequin Securities Lending Solutions** | | | |
| **Maximum loan amount** | Up to $2.25 million per loan or $3.0 million per obligor. | | |
| **Maximum LVRs** | Residential  Residential Non-Metropolitan Industrial  Commercial |  | 75%  65%  65%  65% |
| **Notes:** Residential: Max LVR 70% - Units in a complex of more than 4 stories. Max LVR 60% - Vacant land (residential zoning only).   1. **Commercial & Industrial:**   Max LVR 65% | | |
| **Loan terms** | **Security Types**  Residential  Residential Non-Metropolitan Industrial  Commercial | **Loan Terms**  <3 years  < 2 years  < 2 years  < 2 years | |

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| **Key Features** | |
| **Security locations** | Post code categories 1 & 2 are acceptable |
| **Interest payments** | Fixed rate, interest only.  Interest is payable monthly in advance, or in advance for the term of the loan. |
| **Pre-payment of interest** | May be required. |
| **Serviceability** | **Residential Security**:  All borrowers are required to complete a financial declaration as to their income which demonstrates that they are able to meet the loan repayments without hardship.  Further verification of financial circumstances may be required including: accountant’s letter; and/or tax returns; and/or financial statements; and/or bank statements; and/or cash flow forecasts.  **Industrial, Commercial, Security:**  All borrowers are required to complete a financial declaration as to their income which demonstrates that they are able to meet the loan repayments without hardship.  Further verification of financial circumstances may be required  including: accountant’s letter; and/or tax returns; and/or financial statements; and/or bank statements; and/or cash flow forecasts. |
| **Commission** | We do not pay commission to introducers. Introducers with an executed brokerage agreement from the borrower may have the brokerage deducted and paid at settlement\*.  \*Conditions apply |

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| **Securities** | |
| **Primary security** | Registered first mortgages over Residential, Industrial and Commercial zoned properties in acceptable security locations. |
| **Additional security** | **Company and Trust:**  Security interest over all company and trust assets, together with personal guarantees by directors and/or key shareholders |
| **Unacceptable securities** | The following are generally considered unacceptable security:   * Restricted/specialised use, including re-locatable or kit homes and time share or serviced apartments and resorts * Flood prone areas or areas affected by power lines, railway lines, highways and other infrastructure issues * Stratum title, mining lease, Crown Lease (except ACT)   or leasehold interests   * Securities affected by Native Title, Heritage Orders or restrictive covenants * More than 4 or 20% of units in any single development (other than where 100% of the development is available as security) * Residual or developer stock where the unsold portion of the project exceeds 15% of the total number of units (other than where 100% of the development is available as security) * Partially completed dwellings where the incomplete construction component is more than 20% of the total construction cost * Properties with selling periods greater than 6 months * Exotic or unacceptable designs * Housing for seniors and/or disabled * Studio apartments <55m2 * Luxury / premium properties representing top 10% of properties in that particular market |

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| **Main Fees and Charges** | |
| **Application fees** | **Residential and Residential Non-Metropolitan Security:**  An establishment fee of 2.2%, with:   1. 0.5% payable on acceptance of the indicative proposal up to a maximum of $5000, and 2. The balance payable at settlement   The following fees will be charged at settlement as applicable:   * An impairment fee of 0.5% where the credit rating is A or lower * A funding fee of 0.4% where the loan amount is equal to or greater than $1 million   **Industrial and Commercial Security:**  2.50% of the loan amount will be payable in two installments, with:   1. 0.50% (up to a maximum of $5,000) payable on acceptance of the indicative proposal, and 2. The balance payable at settlement |
| **Valuations** | Valuations are required for all security properties. All valuations are to be instructed by us.  The estimated valuation cost will be payable by the borrower and due on acceptance of the indicative proposal. |
| **Legal documentation and fees** | All loan and security documents will be prepared by solicitors instructed by us. All our legal costs are payable by the borrower upon acceptance of the letter of offer as follows:   * For loans less than $1 million - $1,250 * For loans over $1 million - $1,750   In addition there will be costs for searches (title, planning & solvency), settlement fees, lodgment fees, registration fees, deliveries, stamp duties and any other additional work.  Additional fees will apply for company or trust borrowers. |
| **Early   repayment   fees** | 1.5% of the loan amount for each 12 months or part 12 months of the unexpired term.  . |
| **Interest Rates** | Please refer to current interest rates pricing. |

**Credit Matrix**

This matrix is used as a guide to determine the interest rate and max LVR that will apply to a particular borrower. Further adjustments may be made based on other information as part of the completed loan application.

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|  | **AAA** | **AA** | **A** | **BBB** | **BB** |
| Paid defaults | Nil | Up to 2 or $6k | Up to 3 or $25k paid within the last 12 months | Up to 5 or $50k paid within the last 12 months | No limit |
| Paid judgments or writs | Nil | Nil | Up to 3 or $25k paid within the last 12 months | Up to 5 or $50k paid within the last 12 months | No limit |
| Unpaid defaults | Nil | 2 or $2k more than 6 months ago | Up to 2 or $10k | Up to 2 or $25k | Up to 5 |
| Unpaid judgments or writs | Nil | Nil | Up to 2 or $10k | Up to 2 or $25k | Up to 5 |
| Current mortgage arrears | Nil | 1 payment | 2 payments | 3 payments | No limit |
| Paid mortgage arrears (past 12 months) | Nil | 2 payments | 3 payments | 4 payments | No limit |
| Bankruptcy/ Insolvency Arrangement | Never | Discharged more than 3 years ago | Discharged more than 3 years ago | Discharged more than 12 months ago | Discharged less than 12 months ago |

**Settlements Required Under Two Weeks**

If settlement is required under two weeks, an additional fee of 0.50% of the loan amount will be payable at settlement and an additional 0.50% will be added to the interest rate.

**Making An Application**

In order for us to process your application you will need to include the following documents:

* Completed Prequin Securities Application for Mortgage Finance
* Minimum 6 months statements for all existing credit facilities of the borrower
* If loan is to assist a property purchase - copy of the purchase contract
* Other information as we may require

**IMPORTANT NOTICE**

The information provided in this product gu[ide is to be used as a guide and only by introducers accredited](http://www.providentcapital.com.au/broker) by Prequin Securities Pty Ltd ACN 164 275 290.

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