# Prequin Securities

# Our ‘Select’ 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.

#### Our ‘Select’ range offers bespoke mortgage solutions for almost any worthwhile purpose.

|  |  |  |  |
| --- | --- | --- | --- |
| **POLICY EFFECTIVE 1 July 2016** | **MAX LOAN AMOUNT** | **MAX LVR** | **LOAN TERMS** |
| Residential | $5.0 m | 75% | < 2 years |
| Residential Non-Metropolitan | $2.0 m | 65% | < 2 years |
| Industrial | $2.5 m | 60% | < 2 years |
| Commercial | $2.5 m | 60% | < 2 years |
| Construction | $10.0m | 60% | < 2 years |

**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
* Larger loan sizes considered on their merits

# ‘Select’ Lending Guide and Rates

### Effective from 1 July 2016

Up to $15.00 million per loan or $15.0 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
* Each loan individually assed on its merits

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, commercial & construction 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)

|  |  |  |  |
| --- | --- | --- | --- |
| **Overview Prequin Securities ‘Select’ Lending Solutions** | | | |
| **Maximum loan amount** | Up to $10.0 million per loan or $15.0 million per obligor. | | |
| **Maximum LVRs**  **(*please note this is the maximum initial LVR that can apply to a loan. The Company reserves the right to apply a lower LVR at its absolute discretion)*** | Residential  Residential Non-Metropolitan Industrial  Commercial  **Lower LVR’s apply for 2nd mortgages** |  | 75%  65%  60%  60% |
| **Notes:** Residential Max LVR 70% - Units in a complex of more than 4 stories.  Max LVR 70% loans > $2.5m  Max LVR 60% loans > $5.0M  Max LVR 60% - Vacant land (residential zoning only).   1. **Partially completed dwellings**   where the incomplete construction component is more than 20% of the total security value the loan will be assessed as a construction loan. | | |
| **Loan terms** | **Security Types**  All | **Loan Terms**  < 2 years | |

|  |  |
| --- | --- |
| **‘Select’ 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 |

|  |  |
| --- | --- |
| **‘Select’ Securities** | |
| **Primary security** | Registered 1st or 2nd 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 may be required, 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) * Properties with selling periods greater than 6 months * Exotic or unacceptable designs * Housing for seniors and/or disabled * Studio apartments <55m2 |

|  |  |
| --- | --- |
| **‘Select’ 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 subject to a minimum fee of $2,200, and 2. The balance payable at settlement   The following fees will be charged at settlement if 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 instalments, with:   1. 0.50% (up to a minimum of $2,750) 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 - $1,750 * For loans over $1 million - $2,500   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** | Each loan will be priced on its specific merits / circumstances.  Rates from 10%pa. |

**‘Select’ 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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **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 |

**‘Select’ 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.

**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 Limited ACN 164 275 290.

This document is NOT intended for use by the general public. It must not be made available to any member of the general public nor used in such a way that a member of the general public may observe its contents. Please note that the information in this product guide is current at the time of production.

Prequin Securities may change any of this information at anytime without prior notice. Prequin Securities will endeavour to promptly notify its accredited introducers of such changes. Introducers should contact Prequin Securities on 1300 306 701 to verify specific information before committing to any expense or making any decision or allowing any client to do so.