

60+ Lending

Product information



Our flexible lending solutions have been designed to meet the financial and lifestyle needs of clients aged 60+: to refinance a home loan or other debt, to purchase a more age-appropriate home, or to help their kids onto the property ladder.

Eligibility	<ul style="list-style-type: none">• Borrowers aged 60+ who own residential property• Available in metropolitan and major regional areas• Property value to be greater than \$600,000• Property types include houses, apartments/ units located on less than five hectares• Owner occupied residential property; secondary properties can also be considered• Applications may be made under Power of Attorney, subject to lender's approval• Other occupants under the age of 60 residing in the home may be considered
Loan Parameters	<ul style="list-style-type: none">• Minimum loan - \$50,000• Maximum loan - \$2,000,000• First mortgage over the residential property• No ongoing payments required during the term of the loan• Voluntary repayments can be made at any time at no cost
Loan to Value Ratios (LVR)	<ul style="list-style-type: none">• Maximum LVR is 20% at 60 years old• Maximum LVR is 50% at 90+ years old• LVRs increase by 1% for each year – e.g. at 65 the LVR is 25%• Maximum LVR is set at the youngest applicant or approved occupant• LVR is applied to the valuation of the property to determine maximum loan facility size
Consumer Protections	<ul style="list-style-type: none">• Lifetime occupancy - customer retains ownership of the home and can live there as long as they choose• No Negative Equity Guarantee provides customer comfort that should the loan be greater than the value of the home, the amount repayable is capped at the value of the security property• Independent legal advice required• Independent financial advice required only if loan proceeds are to be invested• We recommend your clients discuss their situation with Centrelink to understand the potential impact on Centrelink entitlements
Fees & Charges	<ul style="list-style-type: none">• Establishment fee - \$950• Valuation fee – \$0 for properties valued up to \$2M; \$950 over \$2M• Government charges – at cost• No regular advance or drawdown fees• Future variation or consent fee - \$250• Discharge fee - \$250 (plus 3rd party fees)
Payment Arrangements	<ul style="list-style-type: none">• Customer Portal to transfer funds as required (in bank account < 48hrs)• Redraw not available

Repayments

- The loan is fully repayable when a repayment trigger event occurs (unless in default), when the last borrower or approved occupant moves permanently from their principal place of residence
- Repayment trigger events include:
 - Property is sold - repayment at settlement
 - Up to 5 years from when the last borrower or approved occupant moves into aged care
 - Within 365 days of when the last borrower or approved occupant passes away or ceases to reside in the property
- Loans may be repaid (in part/full) at any time without penalty

Product Suite

- Our Optional Retirement Interest Only (ORIO) loans allow your clients to take control of mortgage repayments with options to pay all or part of their interest in return for a discounted interest rate
- Our Household Loan is a flexible, purpose-based reverse mortgage that does not require regular repayments
- Our Household Loan Plus allows clients to access capital as well as draw down their loan as a regular income stream

	ORIO 100	ORIO 50	HOUSEHOLD LOAN	HOUSEHOLD LOAN +
Description	Transitioning to retirement Reverse mortgage that limits (or eliminates) the effect of compound interest and rewards with a lower rate		Managing retirement finances Reverse mortgage that provides flexibility to meet changing needs including additional income and access to capital	
Terms	Optional interest only payment (100%)	Optional interest only payment (50%)	Interest accrues to loan account	Interest accrues to loan account
Interest Rate	8.20%	8.70%	9.20%	9.20%
Cash Flow Impact	Make interest payments	Make reduced interest payments	No regular repayments required	
Access Flexibility	Increase / decrease loan amount plus contingency access at any time, without penalty			
Repayment Flexibility	Optional regular interest payments and repay loan at any time		Optional ad hoc repayments and repay loan at any time	

Broker Remuneration

- Accredited brokers – 0.8% upfront on approved amount at settlement / 0.2% trail
- Referring brokers – 0.3% referral fee



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Important information: Applications for credit are subject to eligibility and lending criteria. Fees and charges are payable, and terms and conditions apply (available upon request). Household Capital Pty Limited ACN 618 068 214, Australian Credit Licence 545906, is the Servicer for the credit provider Household Capital Services Pty Limited ACN 625 860 764. This document is issued on 13 February 2024. ©2024 Household Capital Pty Limited.