

Bridging Finance Home Loan



AdelaideBank

We've been delivering prosperity and home-ownership to generations of Australians for over 150 years.

Our product offering is simple, reliable, and good value. Our service is exceptional, award-winning, and personal.

To learn more about the products and service Adelaide Bank offers, speak with your broker or visit adelaidebank.com.au

Things to consider

When considering whether a bridging loan is right for you, here's some things to consider:

- Not everybody is eligible for a bridging loan, so before you commit make sure you speak with us or your broker.
- You are not required to make payments on the bridging loan within the bridging period. This interest is capitalised up to 6 months and added to the loan balance, which means you will pay interest on this interest.
- If you chose to make extra repayments during the bridging period, there is no access to a redraw facility and you will not be able to access those funds later.
- It is important you understand the market and are confident that you can sell your home and pay down the bridging loan within your agreed term of up to 6 months. If you don't sell your home, when the bridging period ends you will be required to make repayments on both the existing home loan and new home loan.
- You may need to hold savings to ensure you can cover all repayments during the bridging period.
- You may sell your current property for less than you expect which will leave you with a higher loan balance than anticipated.

A Bridging Finance home loan offers you an easy way to purchase a new home before you sell your existing one. Rather than making two sets of loan repayments while you are in the process of selling your existing home, a Bridging Finance home loan requires no repayments on the new loan during the Bridging Finance period.

Product overview

Loan Purpose	A way of purchasing a new home before selling your existing one
	Existing Customers <ul style="list-style-type: none">• Eligibility as per the home loan product chosen (SmartFit and SmartFix home loan options available)
Eligibility	New Customers <ul style="list-style-type: none">• An unconditional Contract of Sale is to be held for property to be sold• Exchanged conditional contract for property to be purchased

Key benefits

Interest rate	SmartFit variable products are available to owner occupied or investment loans
100% offset	All Bridging Finance home loans include 100% offset accounts
Repayments required	No repayments on the new loan are required in the Bridging Finance period
One product	The same home loan product applies during and after the bridging period

Product specifics

Bridging Finance period	<ul style="list-style-type: none">• Minimum of 4 weeks between purchase settlement and sale settlement• Up to 6 months of interest capitalisation available for purchases of an existing property
-------------------------	--

Loan to value ratio (LVR)	<p>Combined loans cannot exceed 80% of the combined value of the new and existing properties, after taking into account the interest that will be charged on the new loan during the Bridging Finance period. The maximum LVR for Bridging Finance loans where Interest Only is sought on the 'End Debt' is subject to the new standard limit of 80%.</p> <p>Assessment is based on the repayment that will be required before the existing home is sold (peak debt).</p> <p>The repayment amount will be based on the end of:</p> <ul style="list-style-type: none">• The loan required to purchase the new home; plus• Existing loan for current property; plus• Interest that accumulated on the new loan during the Bridging Finance period
---------------------------	---

Process once existing home is sold	Once the existing home is sold, the funds must first be used to pay out the existing home loan. Then sufficient funds must be paid into the Bridging Finance loan, so that the loan reduces to the amount specified in the Bridging Finance loan contract.
------------------------------------	--

Process if existing home does not sell within Bridging Finance period	If the existing home has not been sold once the Bridging Finance period ends, repayments will be required on the new home loan in addition to repayments on the existing home loan.
---	---

Existing home with another Financial Institution	If your existing home loan is with another financial institution, the loan will need to be refinanced to Adelaide Bank during the settlement of the Bridging Finance loan.
--	--

No access to a redraw facility	If you choose to make payments during the bridging term, you will not be able to access those funds later.
--------------------------------	--