

One of the biggest barriers to buying a house is saving for a deposit. However, with help from a family member with equity in their home, the dream of owning your first home or investment property can be achieved sooner.

Our Parent Equity Home Loan is a way for your parents to help without actually providing the cash for a deposit – leaving their savings intact. Instead, they can use the equity they own in their home to provide additional security for a portion of your loan amount.

Key features	<ul style="list-style-type: none"> Borrow up to 100% of the purchase price of a home or investment property. Borrow up to an additional 10% of the purchase price to help with associated costs such as stamp duty. Avoid the need to pay for Lenders' Mortgage Insurance (LMI) or reduce the amount of LMI that is required. <p>Of course, this depends on how much your parents are willing to guarantee, and you must be able to afford the repayments for the amount you wish to borrow.</p>																
Other things that matter	<ul style="list-style-type: none"> You won't need genuine savings or a deposit. The guarantee is limited to the difference between the amount you borrow and 80% of the value of the property you are purchasing. Of course, your parents can choose to guarantee a lesser amount. The guarantee is released once the outstanding loan balance is below 80% of the value of the property¹ (because the loan balance has been reduced and/or the value of the home has increased). The guarantee must be from a parent, parent-in-law or step-parent and supported by a mortgage over residential property. Parent Equity Loans require principal and interest repayments. Choose from a range of fully featured home loans offering competitive variable or fixed interest rates² to purchase or build a residential property. Loans cannot be used for debt consolidation or business purposes. Our pinnacle +plus package benefits apply to Parent Equity Loans of \$200,000 or more³. 																
An example	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Purchase price⁴</td> <td style="text-align: right;">\$300,000</td> </tr> <tr> <td>Borrow 100% of the purchase price</td> <td style="text-align: right;">\$300,000</td> </tr> <tr> <td>+ plus associated costs (up to 10% of the purchase price), say</td> <td style="text-align: right;">\$20,000</td> </tr> <tr> <td>Loan amount</td> <td style="text-align: right;">\$320,000</td> </tr> <tr> <td>80% of purchase price is</td> <td style="text-align: right;">\$240,000</td> </tr> <tr> <td>Loan amount</td> <td style="text-align: right;">\$320,000</td> </tr> <tr> <td>- less 80% of the purchase price of the home</td> <td style="text-align: right;">\$240,000</td> </tr> <tr> <td>Your parent's guarantee is for⁵</td> <td style="text-align: right;">\$80,000</td> </tr> </table> <p>The maximum amount we will lend you to purchase a home depends on the amount you can afford to repay and, without Parent Equity, the value of the property. Without Parent Equity, we may lend up to 95% of the value of the property⁶, which means you would still need a 5% deposit plus the funds required to cover the purchase costs which, in this example, is still around \$35,000. In addition, as the loan is for more than 80% of the value of the property, Lenders Mortgage Insurance would be required and can be quite expensive.</p> <p>While a Parent Equity Loan is not for everyone, it is one way your parents can help you into a home sooner.</p>	Purchase price⁴	\$300,000	Borrow 100% of the purchase price	\$300,000	+ plus associated costs (up to 10% of the purchase price), say	\$20,000	Loan amount	\$320,000	80% of purchase price is	\$240,000	Loan amount	\$320,000	- less 80% of the purchase price of the home	\$240,000	Your parent's guarantee is for⁵	\$80,000
Purchase price⁴	\$300,000																
Borrow 100% of the purchase price	\$300,000																
+ plus associated costs (up to 10% of the purchase price), say	\$20,000																
Loan amount	\$320,000																
80% of purchase price is	\$240,000																
Loan amount	\$320,000																
- less 80% of the purchase price of the home	\$240,000																
Your parent's guarantee is for⁵	\$80,000																

We recommend your parents seek independent legal advice before agreeing to give a guarantee.

Terms, conditions, fees, charges and normal lending criteria apply. Full details are available on application or request. ¹Subject to the property location and provided the borrower(s) are not in default. ²Interest Only Loans and All-In-One excluded. ³Eligibility criteria terms and conditions apply. ⁴Example assumes the purchase price is the market value of a metropolitan residential property. ⁵Plus interest and costs. ⁶Subject to approval from us and the LMI Insurer.

