



SMSF Lending

Empower borrowers with streamlined Self-Managed Super Fund (SMSF) solutions

As an industry-leading non-bank lender, we understand the importance of offering versatile financial solutions to meet the diverse needs of you and your borrowers.

With SMSF lending, you can provide an avenue for borrowers to invest in property through their self-managed super funds, unlocking new opportunities to diversify their wealth.

KEY PRODUCT FEATURES

- 30-year loan terms
- Maximum loan sizes up to \$2.5m
- No risk fee
- No estab fee
- No clawbacks
- No net assets and liquidity

HOW DOES AN SMSF LOAN WORK?

An SMSF loan or Limited Recourse Borrowing Arrangement (LRBA) allows borrowers to leverage the funds in their self-managed super fund (SMSF) to invest in assets such as residential or commercial property. The rental income is required to pay off the loan, and any excess return is reinvested into the SMSF.

The Superannuation Industry Supervision (SIS) Act 1993 prohibits trustees from borrowing money to invest in super unless the loan is structured as a limited recourse borrowing arrangement (LRBA). This is in part due to the restrictions around using superannuation as security for a loan.

With an LRBA, a Bare Trust is established to own the SMSF property (or other asset) on behalf of the super fund. With the asset sitting in a separate trust, if a trustee defaults on the loan, the lender can only take the asset in the Bare Trust — providing limited recourse and protecting the other assets of the SMSF.

This complex structure means that any equity in the SMSF properties cannot be released or used as security for separate purchases.

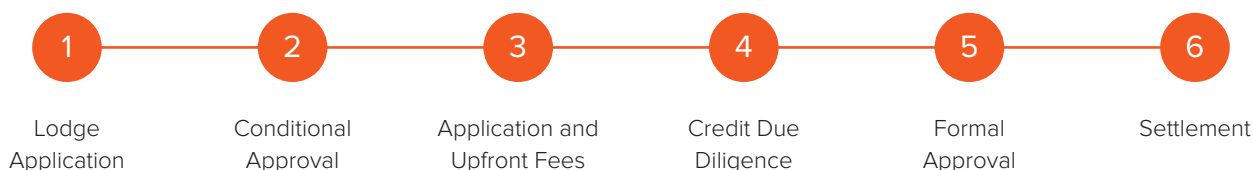
BENEFITS FOR BROKERS

- Expand Your Product Offering:** Diversify your product offerings by providing specialised SMSF lending services.
- Enhance Client Relationships:** Position yourself as a knowledgeable advisor in the SMSF space.
- Competitive Advantage:** Leverage partnerships with leading non-bank lenders to offer competitive loan products.

BENEFITS FOR BORROWERS

- Investment Flexibility:** Tailor their investment strategy to meet specific retirement goals.
- Tax Advantages:** Benefit from concessional tax rates within the superannuation environment. Potential for tax deductions on interest payments and property expenses.
- Retirement Security:** Build a robust asset base to support a comfortable retirement.

HOW IT WORKS



DOCUMENT CHECKLIST: HORIZON SMSF

ALL APPLICATIONS

- Fully Completed Application Pack
 - Valuation
 - Verification of ID (VOI)
 - Servicing Calculator
 - Executed SMSF Trust Deed
 - Legible Copies of Certified ID
 - Security Trust Deed
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INCOME ASSESSMENT

- PAYG
- 2 most recent pay slips (issued within 6 weeks of application)
 - Most recent PAYG summary or Notice of Assessment
- SELF EMPLOYED
- 2 years recent tax returns for entities used for servicing purposes
 - 2 years recent financial statements for entities used for servicing purposes
 - 2 years tax returns for all individuals & matching Notice of Assessments (if reliant for servicing purposes)
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SERVICEABILITY

- RENTAL
- Most recent rental statement (issued within 6 weeks of submission)
Executed lease agreement or alternatively.
 - 2 rental appraisals or valuation confirming rental income (purchases only)
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PURPOSE

- REFINANCE
- 6 months loan statements for all mortgage facilities being refinanced
(issued within 6 weeks of application)
 - 3 months statements for leases, personal loans, credit cards (issued within 6 weeks of submission
(If utilising income outside the SMSF for servicing)
 - Check for adverse conduct – where evident, the appropriate explanation is required
 - Copy of previously executed legal advice certificate
- PURCHASE
- Full copy of the executed Contract of Sale including all special conditions
 - Confirmation of funds to complete
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SMSF

- EXISTING
- 12 months recent SMSF statement
 - 2 years recent tax returns and financial statements for SMSF entities
- NEW SMSF'S
- 12 months of the retail Superannuation fund statements
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