

# Low Deposit Loan

If you want to buy your first or next home, but don't have lots of savings, HomeStart could help you get started sooner.



The **Low Deposit Loan** offers an option to buy an existing or newly completed home in metropolitan South Australia with a smaller deposit.

## Loan features

- » **Low deposit (from 3%)**
- » **Interest rate options**
- » **Options to borrow more**
- » **Repayment Safeguard**
- » **Voluntary repayments and redraw**
- » **Don't pay Lenders Mortgage Insurance (LMI)**

## Are you eligible?

To be eligible for the Low Deposit Loan you will need to:

- » Buy a home in South Australia for you to live in
- » Be an Australian citizen or hold Permanent Residency or skilled migrant status in Australia
- » Be over 18 years of age
- » Have \$3,000 of savings held for at least three months
- » Have no paid or unpaid defaults, court judgements or history of bankruptcy.

## Low deposit (from 3%)

Your deposit can start from as little as 3% of the purchase price to buy an established or newly completed home. Don't forget you'll also need funds to meet other costs like fees and charges.

## Variable, fixed or split rate

You can choose a variable, fixed or split interest rate (part fixed, part variable). Fixed rates are available for terms of 1-3 years. You can find HomeStart's latest interest rates at [homestart.com.au/rates-and-fees](https://www.homestart.com.au/rates-and-fees).

## Options to borrow more

You can combine your Low Deposit Loan with a secondary loan to increase what you can borrow. With most secondary loans, there's no need to make any repayments until your primary HomeStart loan has been fully paid. Visit [homestart.com.au/home loans](https://www.homestart.com.au/home loans) for more information.

## Repayment Safeguard

HomeStart's Repayment Safeguard works out your initial repayments based on your financial situation, not just interest rates. Usually, the only change will be an adjustment for inflation once every 12 months. So if interest rates go down, you'll pay your loan off faster. If they go up, it'll take longer.

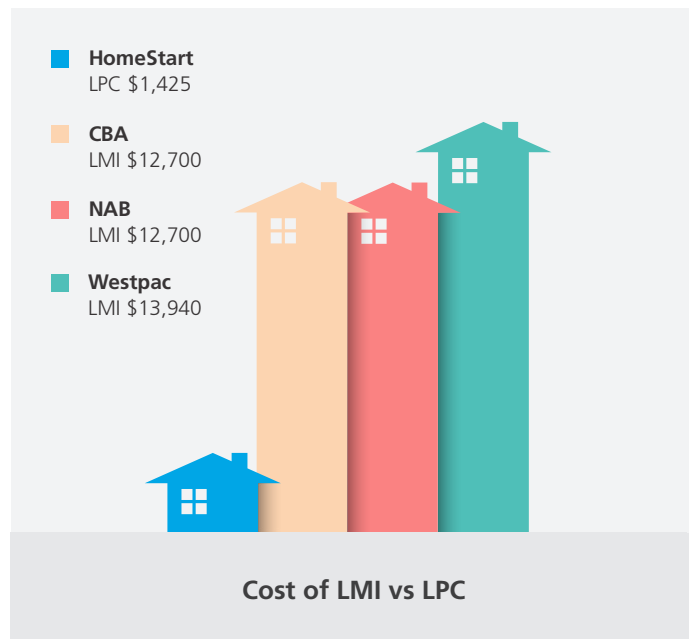
## Voluntary repayments

To help you pay off your loan sooner, you can make fee free voluntary loan repayments (unlimited for variable rates and up to \$10,000 extra per year for fixed rates). If you are ahead on your loan, you can access those extra funds through our redraw facility. Redraw is not available on fixed rate loans, or the fixed portion of a split loan.

## Don't pay Lenders Mortgage Insurance

One of the biggest charges most lenders apply to low deposit loans is Lenders Mortgage Insurance (LMI), which you pay to protect your lender in case you default on your loan. Instead, HomeStart has a Loan Provision Charge (LPC), which costs a lot less for most customers.

For example, this graphic shows LMI or LPC costs for a \$400,000 property, with a \$380,000 loan amount (5% deposit).



*LMI and LPC are approximate figures only; assumptions are based on property value of \$400,000, loan amount of \$380,000 which is 95% of the property value for a first home buyer. Different LPC applies for HomeStart's Construction Loan. Figures sourced online and are correct as at 11 April 2019.*



## Contact us

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### Locations

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Connect with us on:



**HomeStart**  
FINANCE

HomeStart Finance Australian credit licence 388466

Eligibility criteria, terms and conditions apply. Fees and charges are payable.  
Information correct as of June 2019 and may change without notice.

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