

# Graduate Loan

If you're a graduate with a Certificate III or higher qualification, HomeStart could help you get into your own home sooner.



The **Graduate Loan** is a low deposit loan with flexible loan options, to help you buy or build your own home sooner.

## Loan features

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

## Are you eligible?

To be eligible for the Graduate Loan you will need to:

- » Have a Certificate III, diploma, degree or higher qualification through a university, TAFE or another Registered Training Organisation, provided in the form of an official academic Transcript or Certificate. If on a joint loan, the borrower with the certification must be employed
- » Have evidence of 3 months continuous employment with the same employer
- » Buy or build 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 and have a clear credit history
- » Have \$3,000 of savings held for at least three months, or twelve months of good rental history.

## Low deposit (from 3%)

Deposits start from as little as 3% to buy an established home, or 6% to build, depending on location. Don't forget you'll also need funds to meet other costs like stamp duty and other fees and charges.

## HomeStart's lowest variable interest 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://homestart.com.au/rates-and-fees).

## Options to borrow more

You can combine your Graduate Loan with a secondary loan to increase the amount 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/homeloans](https://homestart.com.au/homeloans) for more information.

## Repayment Safeguard

HomeStart's Repayment Safeguard helps take the stress out of interest rate changes by making your repayments more predictable. We work 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.

## Build or buy

With the Graduate Loan, you can choose to build your own home. HomeStart requires a building pack, which contains all plans and a fixed price contract from a licensed builder, inclusive of any variations. Benefits of building:

- » **Reduce the amount you need upfront:**  
First home buyers can apply for the South Australian First Home Owners Grant of \$15,000 (new home or building only). We will help you apply for this grant, which can be put toward your deposit, fees and charges. Just remember, if you're choosing to buy land first and build later, you won't get your First Home Owner Grant funds until you pour your slab on your new home.
- » **Choose no loan repayments for the first nine months:**  
You can choose not to make loan repayments for the first nine months or until construction is complete, whichever comes first. This means you don't need to cover loan repayments as well as rent or other payments on your current home.
- » **Save on stamp duty costs:**  
When you purchase a block of land to build on, you only pay stamp duty on the land value, which can be much less than what you pay on an existing home.
- » **Buy now, build later:**  
You can choose to buy a block of land (zoned for residential purpose) now and build on it at a later stage. This gives you an opportunity to save money and reduce your home loan balance by the time it comes to build.

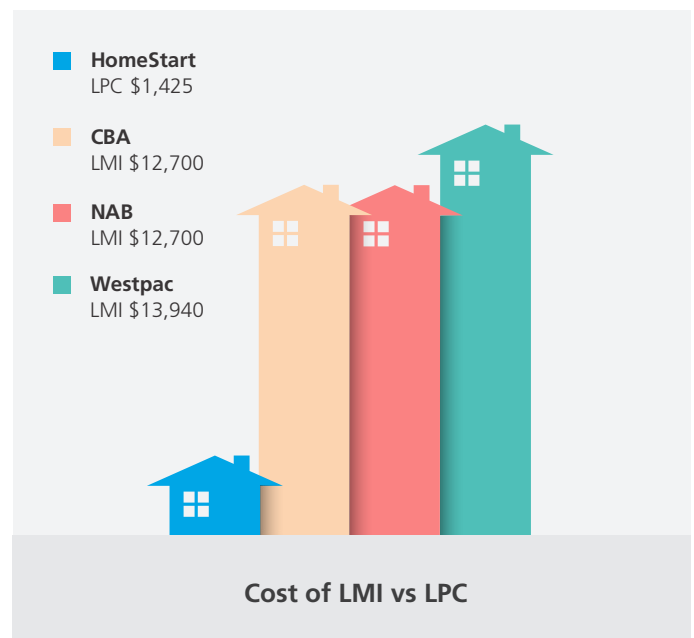
## Voluntary repayments

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, the table below 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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homestart.com.au

### Locations

Level 5 169 Pirie St, Adelaide SA 5000  
Unit 3/378 Main South Rd, Morphett Vale SA 5162  
Unit 1/40-42 Commercial Rd, Salisbury SA 5108

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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