

CKM (Mortgages) Limited

Lending and valuation guidelines

1. Lending ratios

Our **indicative** LVRs are as follows:-

Residential	66.67%	Commercial	60%
Industrial	55%	Vacant land	50%

2. Lending areas

- a. Residential, Commercial and Industrial – Sydney Metropolitan area, areas between Wollongong, Southern Highlands and Newcastle. Other areas with substantial populations (subject to our having a valuer). Canberra, Melbourne and South East Queensland. No other states.
- b. Vacant land - Sydney Metropolitan and areas between Wollongong, Southern Highlands and Newcastle.

3. Valuations

Valuations must be by our panel of valuers, and must be instructed by us or our solicitor. No borrower's valuations accepted. Loans > \$3M require two valuations.

4. Loan amounts

Indicative min: \$100,000 – Max: \$5,000,000 (on single security). Max. exposure to single borrower/group - \$8,000,000

5. Interest Rates

Currently offering a discount rate of as low as 9.0%, for first class, lower LVR deals. Our maximum rate is 11.0% fixed for 1 year, plus 2.5% if not paid within 7 days. Interest rates on 2 – 5 year loans, are fixed for 12 months and adjusted to current rate on anniversaries.

6. Loan terms

Min: 6 mths – Max: 5 yrs. Early or late discharge – 1 month's interest penalty

7. Loan Purpose

Business or Investment purposes only. No National Consumer Credit Code loans

8. Clear credit history required for all borrowers and guarantors

9. Establishment fee/Account keeping fees: \$0. Commitment fee to be advised by our solicitors. Usually 0.5% (approx.) of loan amount to go towards valuation and legal costs;

10. Break costs: One month interest for early or late discharge after the first 3 mths.

11. What we may need to assess loan

- Our loan application forms, which includes authorities to obtain Vedacorp reports;
- Original Identification forms, with certified copies of identification;
- Are security properties owner occupied or leased? If leased, details of rent & copy of the lease;
- Comment regarding how interest payments to be funded. We may require evidence;
- What is the exit strategy?
- If a refinance, a copy of 12 months loan statements;
- A statement of assets and liabilities for borrowers and guarantors;
- Most recent financial statements and income tax returns for borrowers and guarantors;
- Letter from accountant confirming that loan interest is serviceable within the cashflow of the borrower and confirming income tax, GST, workers compensation insurance and superannuation are paid and a copy of Integrated Client account with ATO;
- Details of the purpose of the loan;
- Independent legal advice for borrowers/guarantors (particular care needed when 3rd party mortgage);
- Rent assessment if security property is leased;
- Detail of other loans taken out by the mortgagor and copies of 12 months loan statements;
- Title search of the security property.