

Examples Scenarios of Real Borrowers

Scenario 1 – Bridging Loan

Loan amount: \$650,000
LVR: 55%
Term: 12 months
Borrower profile: Couple looking to purchase a new owner-occupied property however, due to COVID-19, do not want to sell their existing property in the current market. Servicing was not evident, so fees and interest are capitalised.
Exit strategy: Sale of existing property will clear the debt to a level which is then able to be refinanced to a major bank lender.

Scenario 2 – Urgent Purchase

Loan amount: \$350,000
LVR: 34%
Term: 6 months
Borrower profile: Individual borrower required an urgent settlement as his bank was not going to be ready to meet the settlement date and he risked losing his deposit. He settled the property, with Funding available in 7 days.
Exit strategy: Refinance.

Scenario 3 – Builder

Loan amount: \$350,000
LVR: 59.63%
Term: 8 months
Borrower profile: The Individual borrower is a repeat builder that needed construction finance and did not have the time to wait for mainstream lenders to process her application. Funding was able to provide fast, easy finance to assist with the build.
Exit strategy: Sale of completed property.

Scenario 4 – Development

Loan amount: \$2,650,000
LVR: 55%
Term: 18 months
Borrower profile: Experienced developer looking to purchase land and build 4x Townhouses. Unable to show servicing so fees and interest were capitalised.
Exit strategy: Sale of townhouses

Scenario 5 – Client who can't show servicing

Loan amount: \$260,000
LVR: 60%
Term: 12 months
Borrower profile: PAYG applicant who has a 20% reduction in hours due to COVID-19 looking to construct a house on unencumbered land. Servicing was not evident on total portfolio of lending.
Exit strategy: Refinance to a major bank lender once client returns to pre-COVID hours. Client will also sell an investment to reduce total debt levels.



Scenario 6 – Temporary VISA

Loan amount: \$320,000
LVR: 65%
Term: 12 months
Borrower profile: Small business owner affected by COVID currently not working and waiting for Permanent Residency. Their pre-COVID income was very strong, and they are looking to purchase an owner-occupied property.
Exit strategy: Refinance to a major bank lender once PR is approved and business restrictions are lifted.

Scenario 7 – Business Purchase

Loan amount: \$220,000
LVR: 45%
Term: 9 months
Borrower profile: Small business owner affected by COVID and unable to trade. They were looking to purchase an existing, profitable bakery business to assist with immediate cash flow.
Exit strategy: Sale of an Investment property will pay out the debt in full.

Scenario 8 – Renovation Loan

Loan amount: \$560,000
LVR: 39%
Term: 12 months
Borrower profile: Married couple requiring funds to refinance and complete renovations and sell their investment property.
Exit strategy: Sale of security property.

