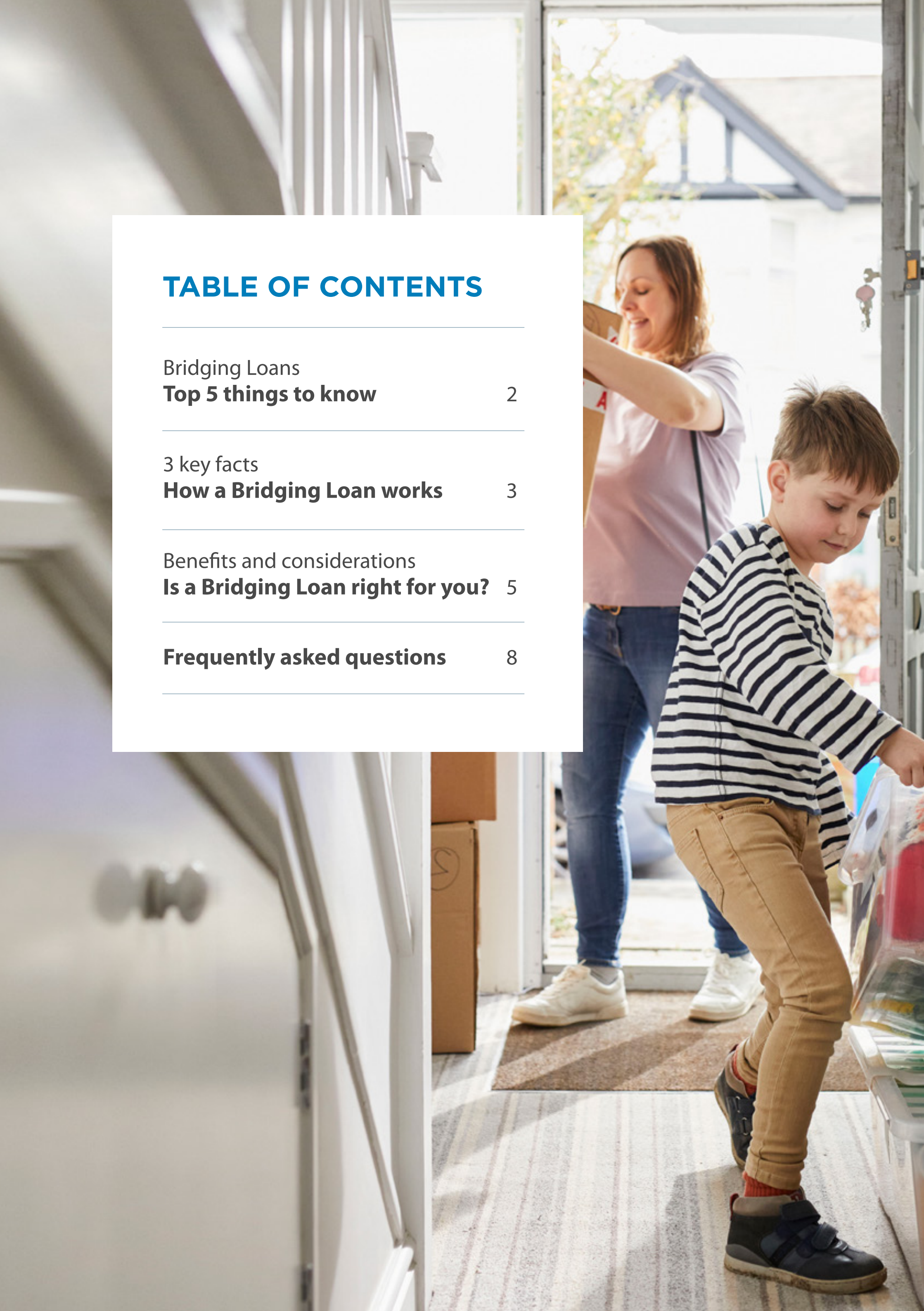
YOUR GUIDE TO

ANZ BRIDGING LOANS

GIVING YOU THE FLEXIBILITY TO
BUY NOW AND SELL LATER



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BRIDGING LOANS

TOP 5 THINGS TO KNOW

1

With a Bridging Loan, you can buy before you sell

A Bridging Loan helps you buy a home before you sell your current home, which could give you some breathing space to get your current home ready for sale.

2

Bridging Loans can be pre-approved

Just like a traditional home loan, you can get pre-approval[1] on bridging finance – so you can house-hunt with confidence knowing how much you could borrow.

3

Borrow up to 80% of the new home's value

You may be able to borrow up to 80% of the value of the new home (known as your Loan to Value Ratio, or LVR).[2]

4

You've got 12 months to sell your current home

With ANZ, you have up to 12 months from when you settle on your new home, to sell and settle on your current home. This gives you time to prepare your home for sale without a rush, and to plan for settlement.

5

Same competitive interest rates as a traditional home loan

With the ANZ Standard Variable Rate loan, the repayments are Interest Only during the bridging period. To see current rates, visit anz.com or speak to your Lender or Broker.

Chat to us early

It's a good idea to get in touch early. We can talk through your options, give you an idea of how much you could borrow, and consider your application for pre-approval. Then, you can plan ahead with confidence.

3 KEY FACTS

HOW A BRIDGING LOAN WORKS

Bridging finance combines your current home loan **(Current Loan)** with the loan needed to buy your new home **(Bridging Loan)**. Your repayments will be higher during the bridging period because you will need lending to cover two properties. The loans can be structured in different ways and you can talk to your Lender or Broker as to what might suit you best.

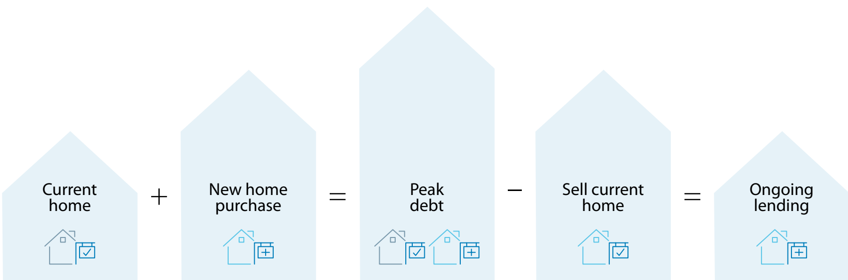
The maximum loan term for a Bridging Loan is 12 months from when you settle on your new home, giving you time to prepare your current home for sale.

During the Bridging Loan period, repayments on the loan are interest only.

When your Bridging Loan starts, the total loan size required at this time is referred to as Peak Debt.

When you sell your current home, the funds from the sale are used to pay down the Bridging Loan. You're then typically left with the Ongoing Loan repayments for the new home you've purchased **(Ongoing Loan)**.

Typical Bridging Loan scenario



1 Borrow up to 80% of the new home's value

You may be able to borrow up to 80% of the value of your new home (known as Loan to Value Ratio or LVR), depending on your circumstances.[2]

To help calculate your borrowing power for your next home, we recommend you speak to a Lender or Broker.

2 Use available equity for your deposit, stamp duty and other fees

If you have equity in your current home you may be able to access it to pay the deposit on your new home. Additionally, you may be able to add upfront costs on your new home such as stamp duty and legal fees to your Ongoing Loan (if there is enough equity based on the combined values of your current home and new home).

3 Same great rates for bridging finance

Many people think that the interest rates for bridging finance are higher than the applicable interest rates for other home loan products. In fact, the rate on our Bridging Loan is the same ANZ Standard Variable Rate as our traditional home loan. Repayments are interest only during the bridging period.

BENEFITS AND CONSIDERATIONS

IS A BRIDGING LOAN RIGHT FOR YOU?

If you're thinking about buying a new home before you sell your current home, you may want to consider whether a Bridging Loan could help with your new home purchase. Here are some things to think about.

Benefits

A Bridging Loan could be a great option if:

- You find your next home before you're ready to sell your current home
- You want to avoid renting between buying and selling
- You need time to renovate your current home before selling
- You don't want the stress of trying to align settlement dates

Considerations

There are some things to consider with a Bridging Loan:

- To be eligible you need to be able to make repayments on both your current home and new home during the bridging period. You may be asked to hold savings to ensure you can cover these repayments.
- You need to sell and settle your current home and pay down the Bridging Loan within 12 months. If you can't sell within the bridging period, you need to contact us as soon as practical to discuss your options.
- Interest is calculated daily and charged monthly. This means, the longer it takes to sell your current home, the more interest you will pay.
- Market movements may affect the sale price you can achieve for your current home. This may impact your Ongoing Loan on your new home.

FREQUENTLY ASKED QUESTIONS

1

Can I pay down the Bridging Loan early?
Yes, you can pay down your Bridging Loan early.

2

Will I always require an Ongoing Loan?
If you are downsizing or have enough savings to contribute to buying your new property outright, you may not need an Ongoing Loan.

Your Lender or Broker will work with you to understand your situation when setting up bridging finance.

3

How will my Bridging Loan repayments work?
If you're approved for a Bridging Loan, you'll likely need to manage multiple repayments during the bridging period depending on the loan structure you have selected. Repayments covering both your current home and new home commence from the Bridging Loan draw-down date and continue until the settlement of the current home sale, following which repayments on your Ongoing Loan will continue.

4

What happens if I am unable to sell my home within 12 months?
Before taking out a Bridging Loan, you should be confident that you can sell your home and pay down the loan within your agreed term of up to 12 months.

If, during the bridging period, you do not believe you will be able to sell your current home, then you should contact your Lender or Broker as soon as possible. They will help you understand your options.

5

What if my current home doesn't sell for as much as expected?

If your current home sells for less than expected, a Lender or Broker can work with you to review your Ongoing Loan and discuss your options.

6

Are there any alternatives to a Bridging Loan that can help me buy my next home?

If you're not eligible for bridging finance or it's just not right for you, you could consider alternative options such as setting up a same day settlement. Talk to your Lender or Broker for alternative options.

7

I'm not an ANZ Customer. Can I get an ANZ Bridging Loan?

Yes if eligible, you can, however, you would need to refinance your current home to ANZ before we can set up your Bridging Loan.

WE'RE HERE TO HELP.

Whether you've found your dream home or you're still looking, we'll help you understand your options so you can get into your next home sooner.

Find out more

- Visit your nearest ANZ branch
- Visit anz.com/home-loans
- Call us on 1800 035 500, Monday to Friday, 8am to 9.30pm (AEST)
  Saturday to Sunday, 8am to 4.30pm (AEST)
- Have an ANZ Mobile Lender come to you
- Talk to an ANZ accredited Broker today

Connect with us

- Facebook: facebook.com.au/anzaustralia
- Twitter: @anz-au
- YouTube: youtube.com/anzaustralia

[1] ANZ may provide pre-approval (also known as approval in principle or conditional approval) to eligible customers who apply for an ANZ home loan and complete an application form and satisfy any other applicable requirements. Pre-approval is an approval for a loan subject to conditions being met, including that security is satisfactory to ANZ.

[2] LVR is the amount you're looking to borrow, calculated as a percentage of the value of the property you want to buy. Property value is ANZ's valuation of the security property and may be different to the price you pay for a property.