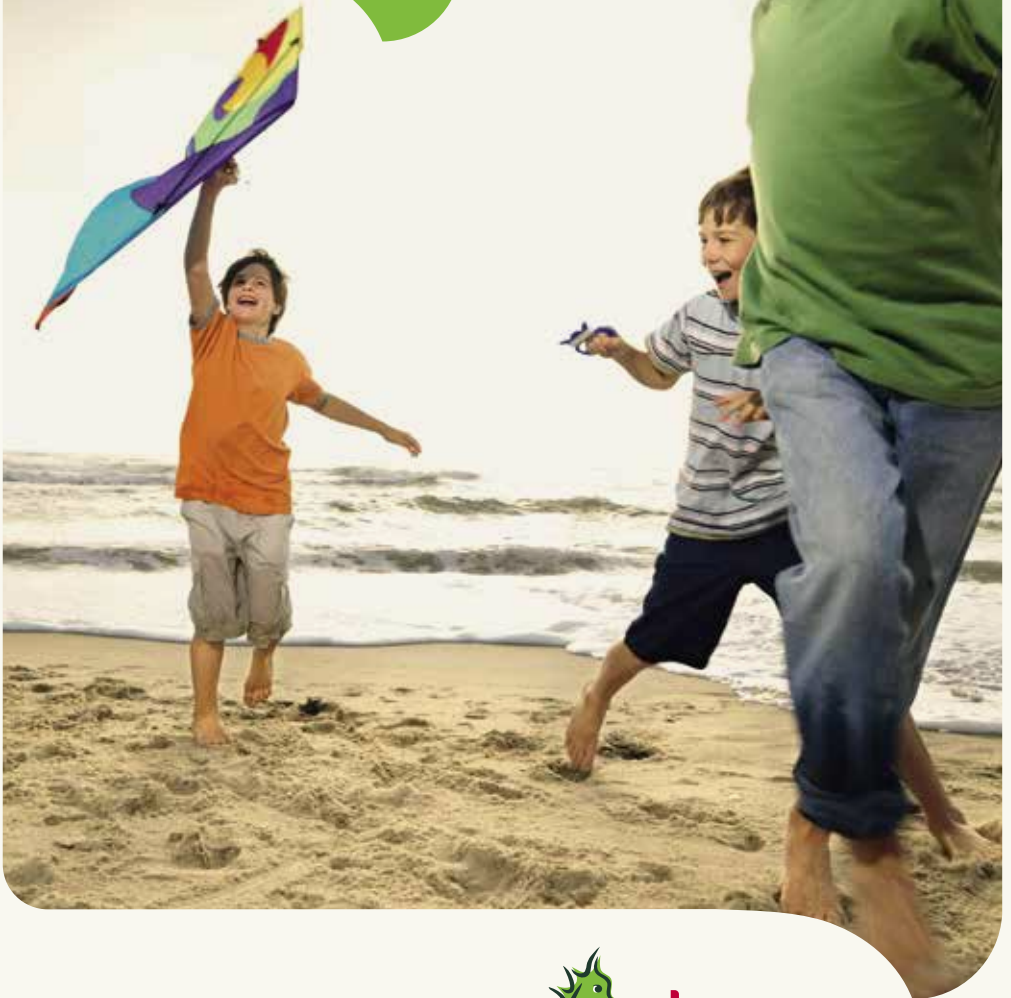


Family pledge



Buying a home is exciting and St.George now makes it even easier. Often when you set your sights on saving for a deposit, many additional expenses crop up. Stamp Duty, legal costs, even moving and furnishing your new home can add to the financial burden. And if you're trying to save a large enough deposit to avoid paying Lender's Mortgage Insurance on your home loan, it can be even harder.

Whether you're buying your own home or an investment property, the new St.George Family Pledge option can help. Family Pledge makes it easy for a family member to guarantee part of your home loan – while having the peace of mind to set the guaranteed amount.

The result is that you get into your home faster, with help from your family.



St. George Family Pledge

With Family Pledge, you can borrow up to the full purchase price of your new property, plus additional funds to cover the costs associated with buying, such as Stamp Duty, legal costs, and other expenses.

Of course this depends on how much your family member is willing to guarantee, and you must be able to meet the repayments for the amount you wish to borrow.

The benefits of Family Pledge

If you are the borrower, it can:

- Help you reduce or avoid Lender's Mortgage Insurance, saving you money when you need it most.
- Maximise the amount you can borrow – up to 100% of the purchase price, plus costs such as Stamp Duty and Legal fees.

If you are the Guarantor, it can:

- Allow you to nominate a specific amount that your guarantee is limited to, rather than a guarantee for the entire loan amount.
- Ask us to release you from the guarantee* much sooner than would normally occur.

*Provided the borrowers are not in default and we would not require Lender's Mortgage Insurance on the then outstanding loan balance under our credit criteria.

Use Family Pledge with a choice of home loans

The Family Pledge option is available for both owner-occupiers and investors and is available on a range of our most popular home loans.

You can select the best home loan product for your needs from our market leading range, or choose to split your loan to get the benefits of a combination of home loan features and interest rates*.

*Conditions apply.



How Family Pledge works

Lender's Mortgage Insurance (LMI) is generally payable on loans where the Loan to Value Ratio (LVR) exceeds 80%. With Family Pledge, you are able to reduce or avoid the added cost of LMI, making the purchase of your home that much more affordable. Traditionally, when buying a new home or investment property, a LVR is calculated as follows:

Loan Amount divided by Property Value = LVR

For example, if you wanted to borrow \$270,000 (to cover Stamp Duty and other costs, but not LMI) for a property valued at \$300,000.

Loan Amount divided by Property Value = LVR

$$\text{\$270,000} \div \text{\$300,000} \times 100\% = 90\%$$

With an LVR of 90%, LMI is applicable, which is an added cost. However, if you were to add a Family Pledge guarantee of \$40,000 as additional security, the LVR on your loan reduces.

Loan Amount divided by (Property Value + Family Pledge amount) = LVR

$$\text{\$270,000} \div (\text{\$300,000} + \text{\$40,000}) \times 100\% = 79\%$$

With a new LVR of 79%, LMI would no longer be required, which can be a significant saving.

To apply now or to learn more about Family Pledge

For more information on how Family Pledge can help you, and a complete explanation of Fees and Charges, simply call a St.George Home Loan Expert, drop by your nearest St.George branch, visit stgeorge.com.au or call us on **13 33 30** from 8am to 8pm (EST), Monday to Saturday.

To find out more, just talk to us.

-  Ask at any branch.
-  Call us on 13 33 30.
-  Ask your lender, our lender can also come to you.
-  Visit stgeorge.com.au



stgeorge.com.au

