



# SMSF Loans Star Ratings

REPORT DATE:SEPTEMBER 2013

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## SMSF Variable Loans

Company Name	Product Name	Fees (as at 1/09/2013)#			Additional Repayments	Principal+ Interest or Int only	Max Loan Amount	100% offset	Refinance	Additional Borrowing*	Max LVR Personal Trustees	Max LVR Corporate Trustees
		Interest Rate	Upfront Fees	Ongoing Fees								
★★★★★												
Bendigo Bank	Self Managed Super Fund Variable	POA	3,550	15.00/m	✓	Both	1,000,000	✗	✓	✓	70%	70%
Commonwealth Bank	SuperGear - Resi Variable	POA	2,000	10.00/m	✓	Both	No Max	✗	✓	✗	80%	80%
nab	Tailored Variable SMSF	5.88%	2,450	8.00/m	✓	Both	No Max	✗	✓	✓	70%	80%
★★★★												
Bank of Melbourne	Super Fund Variable	5.90%	1,600	12.00/m	✓	Both	2,000,000	✓	✗	✗	72%	80%
Big Sky Building Society	Limited Recourse Investment Loan	5.88%	1,220	Nil	✓	Both	2,000,000	✗	✓	✓	75%	75%
Homeloans	Classic SMSF	5.99%	2,724	Nil	✓	Both	500,000	✗	✓	✓	80%	80%
State Custodians	SMSF Loan	5.49%	1,980	Nil	✓	Both	500,000	✗	✓	✗	80%	80%
★★★												
AMP Bank	SuperEdge Variable	6.00%	2,145	10.00/m	✓	Both	750,000	✓	✓	✓	80%	80%
Bank of Sydney	SuperLend Variable	6.63%	3,470	10.00/m	✓	Both	No Max	✗	✓	✗	70%	70%
BankSA	Super Fund Variable	5.97%	1,600	12.00/m	✓	Both	2,000,000	✓	✗	✗	72%	80%
Beyond Bank	Variable Investment SMSF	6.79%	2,653	Nil	✓	Both	2,000,000	✗	✓	✓	75%	80%
BOQ	Investment Standard Variable - SMSF	6.01%	POA	10.00/m	✓	Both	4,000,000	✗	✓	✓	75%	80%
Hume Building Society	SMSF Variable	6.75%	3,360	Nil	✓	Both	No Max	✗	✓	✓	60%	60%
IMB	SMSF Variable	6.25%	4,250	30.00/m	✓	Both	1,500,000	✗	✓	✓	80%	80%
Macquarie Bank	SMSF Property Variable	5.85%	1,930	Nil	✓	Both	500,000	✗	✓	✗	80%	80%
RESI Mortgage Corp	SMSF Variable	5.94%	1,584	Nil	✓	Both	2,000,000	✗	✓	✓	70%	70%

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## SMSF Variable Loans

Company Name	Product Name	Fees (as at 1/09/2013)#			Additional Repayments	Principal+ Interest or Int only	Max Loan Amount	100% offset	Refinance	Additional Borrowing*	Max LVR Personal Trustees	Max LVR Corporate Trustees
		Interest Rate	Upfront Fees	Ongoing Fees								
★★★												
St.George Bank	Super Fund Variable	5.99%	1,600	12.00/m	✓	Both	2,000,000	✓	✗	✗	72%	80%
Westpac	Variable SMSF Investment Property	6.26%	1,500	Nil	✓	Both	2,000,000	✗	✓	✗	72%	80%
Yellow Brick Road	SMSF Property Variable	5.85%	1,930	Nil	✓	Both	500,000	✗	✓	✗	80%	80%

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## SMSF 1 Year Fixed

Company Name	Product Name	Fees (as at 1/09/2013)#			Extra Repayments	Principal+ Interest or Int Only	Max Loan Amount	Refinance	Additional Borrowing*	Max LVR Personal Trustees	Max LVR Corporate Trustees
		Interest Rate	Upfront Fees	Ongoing Fees							
★★★★★											
BOQ	Investment Fixed - SMSF 1 yr	4.75%	POA	10.00/m	✓	Both	No Max	✓	✓	75%	80%
nab	Tailored Fixed Home Loan SMSF 1 yr	4.89%	2,450	8.00/m	✓	Both	No Max	✓	✓	70%	80%
★★★★											
Bank of Melbourne	Super Fund Fixed 1 yr	5.34%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
BankSA	Super Fund Fixed 1 yr	5.34%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
Big Sky Building Society	Limited Recourse Inv Loan Fixed 1 yr	5.60%	1,220	Nil	✓	Both	2,000,000	✓	✓	75%	75%
Commonwealth Bank	SuperGear - Resi Fixed 1 yr	POA	2,000	10.00/m	✓	Both	No Max	✓	✗	80%	80%
St.George Bank	Super Fund Fixed 1 yr	5.34%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
★★★											
AMP Bank	SuperEdge Fixed 1 yr	5.64%	2,145	10.00/m	✓	Both	750,000	✓	✓	80%	80%
Bank of Sydney	SuperLend Fixed 1 yr	5.30%	3,470	10.00/m	✓	Both	No Max	✓	✗	70%	70%
Beyond Bank	Fixed Investment SMSF 1 yr	5.59%	2,653	Nil	✓	Both	2,000,000	✓	✓	75%	80%
Hume Building Society	SMSF Fixed 1 yr	6.25%	3,360	Nil	✓	Both	No Max	✓	✓	60%	60%
IMB	SMSF Fixed 1 yr	5.69%	4,250	30.00/m	✓	Both	1,500,000	✓	✓	80%	80%
Macquarie Bank	SMSF Property Fixed 1 yr	5.76%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%
RESI Mortgage Corp	SMSF Fixed 1 yr	5.59%	1,584	Nil	✓	Both	2,000,000	✓	✓	70%	70%
Westpac	Fixed SMSF Investment Property 1 yr	5.79%	1,500	Nil	✓	Both	2,000,000	✓	✗	72%	80%
Yellow Brick Road	SMSF Property Fixed 1 yr	5.86%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%

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## SMSF 2 Year Fixed

Company Name	Product Name	Fees (as at 1/09/2013)#			Extra Repayments	Principal+ Interest or Int Only	Max Loan Amount	Refinance	Additional Borrowing*	Max LVR Personal Trustees	Max LVR Corporate Trustees
		Interest Rate	Upfront Fees	Ongoing Fees							
★★★★★											
BOQ	Investment Fixed - SMSF 2 yrs	4.79%	POA	10.00/m	✓	Both	No Max	✓	✓	75%	80%
nab	Tailored Fixed Home Loan SMSF 2 yrs	4.99%	2,450	8.00/m	✓	Both	No Max	✓	✓	70%	80%
★★★★											
Bank of Melbourne	Super Fund Fixed 2 yrs	5.34%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
BankSA	Super Fund Fixed 2 yrs	5.34%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
Commonwealth Bank	SuperGear - Resi Fixed 2 yrs	POA	2,000	10.00/m	✓	Both	No Max	✓	✗	80%	80%
St.George Bank	Super Fund Fixed 2 yrs	5.34%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
★★★											
AMP Bank	SuperEdge Fixed 2 yrs	5.44%	2,145	10.00/m	✓	Both	750,000	✓	✓	80%	80%
Bank of Sydney	SuperLend Fixed 2 yrs	5.40%	3,470	10.00/m	✓	Both	No Max	✓	✗	70%	70%
Beyond Bank	Fixed Investment SMSF 2 yrs	5.64%	2,653	Nil	✓	Both	2,000,000	✓	✓	75%	80%
Big Sky Building Society	Limited Recourse Inv Loan Fixed 2 yrs	5.70%	1,220	Nil	✓	Both	2,000,000	✓	✓	75%	75%
Hume Building Society	SMSF Fixed 2 yrs	6.20%	3,360	Nil	✓	Both	No Max	✓	✓	60%	60%
IMB	SMSF Fixed 2 yrs	5.64%	4,250	30.00/m	✓	Both	1,500,000	✓	✓	80%	80%
Macquarie Bank	SMSF Property Fixed 2 yrs	5.80%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%
RESI Mortgage Corp	SMSF Fixed 2 yrs	5.59%	1,584	Nil	✓	Both	2,000,000	✓	✓	70%	70%
Westpac	Fixed SMSF Investment Property 2 yrs	5.54%	1,500	Nil	✓	Both	2,000,000	✓	✗	72%	80%
Yellow Brick Road	SMSF Property Fixed 2 yrs	5.90%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%

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## SMSF 3 Year Fixed

Company Name	Product Name	Fees (as at 1/09/2013)#			Extra Repayments	Principal+ Interest or Int Only	Max Loan Amount	Refinance	Additional Borrowing*	Max LVR Personal Trustees	Max LVR Corporate Trustees
		Interest Rate	Upfront Fees	Ongoing Fees							
★★★★★											
BOQ	Investment Fixed - SMSF 3 yrs	4.99%	POA	10.00/m	✓	Both	No Max	✓	✓	75%	80%
nab	Tailored Fixed Home Loan SMSF 3 yrs	5.09%	2,450	8.00/m	✓	Both	No Max	✓	✓	70%	80%
★★★★											
Bank of Melbourne	Super Fund Fixed 3 yrs	5.50%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
BankSA	Super Fund Fixed 3 yrs	5.50%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
Commonwealth Bank	SuperGear - Resi Fixed 3 yrs	POA	2,000	10.00/m	✓	Both	No Max	✓	✗	80%	80%
St.George Bank	Super Fund Fixed 3 yrs	5.50%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
★★★											
AMP Bank	SuperEdge Fixed 3 yrs	5.44%	2,145	10.00/m	✓	Both	750,000	✓	✓	80%	80%
Bank of Sydney	SuperLend Fixed 3 yrs	5.55%	3,470	10.00/m	✓	Both	No Max	✓	✗	70%	70%
Beyond Bank	Fixed Investment SMSF 3 yrs	5.69%	2,653	Nil	✓	Both	2,000,000	✓	✓	75%	80%
Big Sky Building Society	Limited Recourse Inv Loan Fixed 3 yrs	5.80%	1,220	Nil	✓	Both	2,000,000	✓	✓	75%	75%
Hume Building Society	SMSF Fixed 3 yrs	6.30%	3,360	Nil	✓	Both	No Max	✓	✓	60%	60%
IMB	SMSF Fixed 3 yrs	5.89%	4,250	30.00/m	✓	Both	1,500,000	✓	✓	80%	80%
Macquarie Bank	SMSF Property Fixed 3 yrs	5.80%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%
RESI Mortgage Corp	SMSF Fixed 3 yrs	5.84%	1,584	Nil	✓	Both	2,000,000	✓	✓	70%	70%
Westpac	Fixed SMSF Investment Property 3 yrs	5.54%	1,500	Nil	✓	Both	2,000,000	✓	✗	72%	80%
Yellow Brick Road	SMSF Property Fixed 3 yrs	6.00%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%

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## SMSF 5 Year Fixed

Company Name	Product Name	Fees (as at 1/09/2013)#			Extra Repayments	Principal+ Interest or Int Only	Max Loan Amount	Refinance	Additional Borrowing*	Max LVR Personal Trustees	Max LVR Corporate Trustees
		Interest Rate	Upfront Fees	Ongoing Fees							
★★★★★											
BOQ	Investment Fixed - SMSF 5 yrs	5.49%	POA	10.00/m	✓	Both	No Max	✓	✓	75%	80%
Commonwealth Bank	SuperGear - Resi Fixed 5 yrs	POA	2,000	10.00/m	✓	Both	No Max	✓	✗	80%	80%
nab	Tailored Fixed Home Loan SMSF 5 yrs	5.65%	2,450	8.00/m	✓	Both	No Max	✓	✓	70%	80%
★★★★											
Bank of Melbourne	Super Fund Fixed 5 yrs	6.04%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
BankSA	Super Fund Fixed 5 yrs	6.04%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
St.George Bank	Super Fund Fixed 5 yrs	6.04%	1,600	12.00/m	✓	Both	No Max	✗	✗	72%	80%
Westpac	Fixed SMSF Investment Property 5 yrs	6.04%	1,500	Nil	✓	Both	2,000,000	✓	✗	72%	80%
★★★											
AMP Bank	SuperEdge Fixed 5 yrs	6.04%	2,145	10.00/m	✓	Both	750,000	✓	✓	80%	80%
Beyond Bank	Fixed Investment SMSF 5 yrs	6.14%	2,653	Nil	✓	Both	2,000,000	✓	✓	75%	80%
Big Sky Building Society	Limited Recourse Inv Loan Fixed 5 yrs	6.50%	1,220	Nil	✓	Both	2,000,000	✓	✓	75%	75%
Hume Building Society	SMSF Fixed 5 yrs	6.70%	3,360	Nil	✓	Both	No Max	✓	✓	60%	60%
IMB	SMSF Fixed 5 yrs	6.19%	4,250	30.00/m	✓	Both	1,500,000	✓	✓	80%	80%
Macquarie Bank	SMSF Property Fixed 5 yrs	6.50%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%
RESI Mortgage Corp	SMSF Fixed 5 yrs	6.29%	1,584	Nil	✓	Both	2,000,000	✓	✓	70%	70%
Yellow Brick Road	SMSF Property Fixed 5 yrs	6.50%	1,930	Nil	✓	Both	500,000	✓	✗	80%	80%

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## SMSF LOAN STAR RATINGS

### What are the CANSTAR SMSF loan star ratings?

CANSTAR SMSF loan star ratings is a sophisticated and unique ratings methodology that compares both Cost and Features across SMSF loan products. CANSTAR star ratings represent a shortlist of financial products, enabling consumers to narrow their search to products that have been independently assessed and ranked.

### What types of products are evaluated by CANSTAR SMSF loan star ratings?

CANSTAR looks at five different lending areas available for residentially secured property:

- SMSF variable
- SMSF 1 year fixed
- SMSF 2 year fixed
- SMSF 3 year fixed
- SMSF 5 year fixed

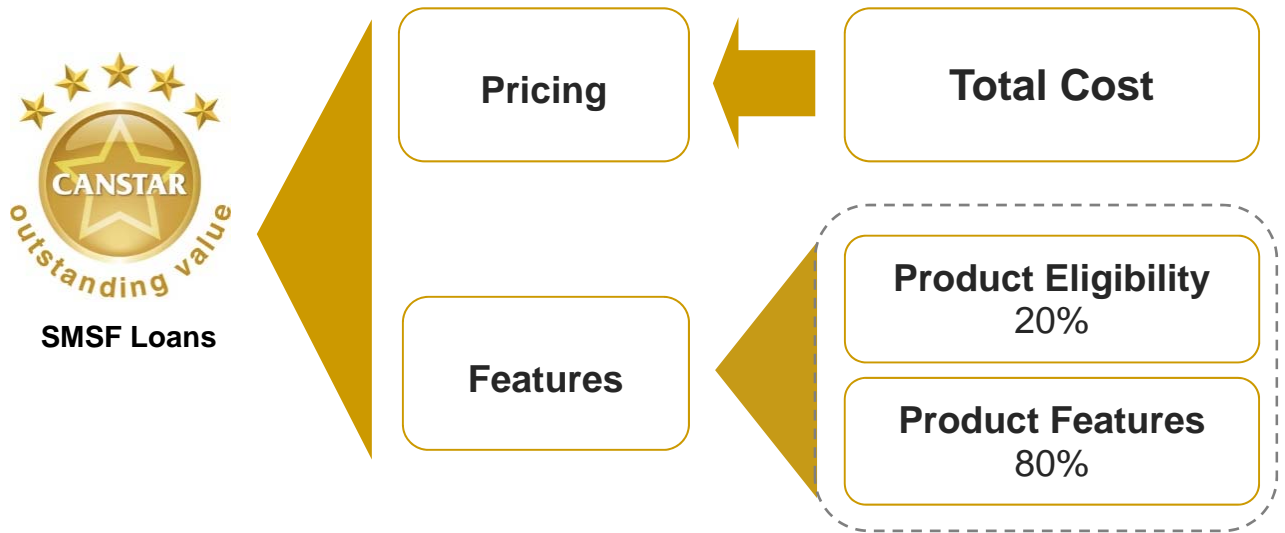
For commercially secured lending, please refer to SMSF lending institutions for further information.

### How are the 'stars' calculated?

Each SMSF loan reviewed for the CANSTAR SMSF loan star ratings is awarded points for its comparative Pricing and for the array of positive Features attached to the product. Points are aggregated to achieve a Pricing score and a Feature score.

To arrive at the total score CANSTAR applies a weight (w) against the Pricing and Feature scores. This weight will vary from profile to profile and will reflect the relative importance of either costs or features in determining the best SMSF loan product. This method can be summarised as:

$$\text{TOTAL SCORE} = w_1 \text{PRICING SCORE} + w_2 \text{FEATURES SCORE}$$



The weights of the following lending areas are as follows:

Product Category	Price Weighting	Feature Weighting
SMSF Variable	80%	20%
SMSF Fixed	85%	15%

## Price Score

The price score is based on the total cost for a scenario of a \$250,000 loan repaid over 25 years and a \$500,000 loan repaid over 25 years. The total cost includes interest cost, upfront, ongoing and discharge fees. The upfront fee includes the additional costs associated with legal review of SMSF trust deeds and bare trusts, as well as loan documentation.

For SMSF fixed rate loans, the cost calculation for fixed SMSF lending will be based on a minimum 5 year term with at least one rollover of the fixed rate. The following table outlines the loan term and number of rollovers in each fixed loan profile:

Product Category	Number of Rollovers	Loan Term
1 Year Fixed	4	5 years
2 Year Fixed	2	6 years
3 Year Fixed	1	6 years
5 Year Fixed	1	10 years



## Feature Score

The feature component is assessed within two broad areas: product eligibility and product features. The total feature score takes into account over 140 product features grouped into 14 different categories with weights given to each relevant area.

### Product Eligibility

The product eligibility category considers matters taken into account when a customer first takes out an SMSF loan. Examples of features within the categories are outlined below:

Feature Categories	Feature Weighting	Examples of data captured
PARTIES	25%	SMSF Trustee, Custodian/Property Trustee, Guarantees
PARTICULARS	35%	LVRs, Refinance, Additional borrowing for repairs and maintenance
CREDIT CRITERIA	40%	% rental income, years of voluntary contributions

### Product Features

The product features category looks at positive traits promoting flexibility and convenience for SMSF trustees when looking for a SMSF loan to suit their needs. Examples of features within the feature categories are outlined below:

Feature Category	SMSF Variable	SMSF Fixed	Examples of data captured
LENDING TERMS	50%	50%	Max and Min Loan Amounts, LVR, Repayment term options
SPLIT LOANS	8%	6%	Splitting options inc max and min split numbers
SWITCH FEES	8%	5%	Fees to switch between loan types
ADDITIONAL REPAYMENTS	7%	5%	Amount and number of additional repayments
OFFSET FACILITY	7%	-	Availability and access of offset account
SMSF LOAN FEES	6%	5%	Refund of fees and arrears fees details
LENDING AREAS	4%	4%	Lending availability in each state
SECURITY REQUIREMENTS	5%	4%	Loan approval requirements e.g. pay slip, overseas income
LOAN APPROVAL	5%	5%	Channel availability, Approval turnaround etc.
FIXED INTEREST DETAILS	-	8%	Rate set time, guarantee period, break cost refunds
ABILITY TO PRE-PAY INTEREST	-	8%	Can interest be paid in advance?



## How many products and financial institutions are analysed?

In order to calculate the ratings, CANSTAR analysed 82 SMSF loan products from 19 financial institutions in Australia.

## Does CANSTAR rate all products available in the market?

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## How often are all the products reviewed for rating purposes?

All ratings are fully recalculated once a year based on the latest features offered by each provider. CANSTAR also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites etc).

## How are the stars awarded?

CANSTAR ranks SMSF loans based on value-for-money measures and then awards star ratings according to rank. The number of products awarded each of the 5 to 3 star ratings will ultimately depend on the dispersion of final scores.

Scores are awarded to each product on the basis of price and features. The methodology is revised and parameters are updated on a regular basis to make sure that the products are analysed using the most up-to-date information capturing all industry developments.

## Does CANSTAR rate other product areas?

CANSTAR also rates the banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest CANSTAR star ratings reports of interest.



- Account based pensions
- Agribusiness
- Business banking
- Business life insurance
- Car insurance
- Credit cards
- Deposit accounts
- Direct life insurance
- Health insurance
- Home & Contents
- SMSF loans
- Life Insurance
- Managed investments
- Margin lending
- Online share trading
- Package banking
- Personal loans
- Reward programs
- Superannuation
- Travel insurance

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