

Single applicant investor looking to expand portfolio



Situation

Single applicant, steady PAYG income.

Summary

Andrea* is looking to purchase an investment property to add to her existing investment portfolio. She currently holds one investment property, which is jointly held with her sister. She also has an owner occupied property that she solely owns, with a small debt on this property. Andrea is looking for a lending product that will allow maximum servicing at a competitive rate, with an interest only repayment option, that will allow her to concentrate on paying down her remaining owner occupied mortgage.

Solution

AFG Home Loans Retro Investment IO product would suit her situation. The product's maximum servicing is complemented with:

- The higher negative gearing calculations on both the new investment debt, as well as the shared investment debt with the sister
- The ability to take into consideration just the portion of the applicants shared debt, as well as the portion of shared rental income for servicing purposes
- The option to take an interest only repayment option, which allows for maximum flexibility from a cash flow perspective, with interest only rates matching those of the cheaper P&I repayment option.

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