

# Midkey NO MONTHLY PAYMENTS home loan for your mid-life



## Unlock your busy mid-life with an Australian first, Midkey.

### A revolutionary new 1st or 2nd mortgage home loan.

- Pay all principal and simple interest at the end of the loan. No monthly payments.
- Simply, it unlocks some of your home equity to improve your cashflow and choices.
- In exchange for deferring payments, you pay a fee at the end. This Midkey Deferral Fee is a proportion of any increase in your home's value. The proportion is your Midkey loan amount to your home's value and is agreed at the start. No increase, no Midkey Deferral Fee.



## How can I use Midkey?



### Buy another property

Buy a larger home or buy a second property – or even help a family member purchase their property.



### Dreams and challenges

Access additional debt for exciting opportunities. Manage life's costly curveballs. Build that business. Renovate your home. Buy a new car. Pay the school fees. Pay unforeseen medical expenses.



### Reduce regular debt payments

Pay off more of your home loan or pay off other debt such as car loans or credit cards, and in turn, reduce your regular monthly debt payments.

## Why choose a Midkey?

A Midkey home loan doesn't require regular payments which makes it a good choice when you have useable equity in your home but not enough income to unlock it.

A Midkey can help you when either:

You want to **increase your home loan** but traditional lenders decide you don't have the ability to make extra payments

OR

You want to **reduce your regular home loan payments** and improve your monthly cashflow

## Product specifications

**Regular payments**

- no regular payments of interest (accumulates and occurs at the end of the loan)
- no regular repayment of principal amounts (occurs at the end of the loan)
- no ongoing fees

**Loan use**

- release equity, for uses such as:
  - property purchases (own home or investment property)
  - property renovations
  - other investments
  - other, such as: medical, school fees, divorce settlement, taxes, retirement expenses, vehicle, holidays, general expenses
- consolidation of debts (to reduce amount of monthly / regular paying debt)

**Loan amounts** Minimum: \$50,000 Maximum: \$5,000,000

Maximum LVR	1st mortgage	2nd mortgage
up to 35%		<ul style="list-style-type: none"> <li>• up to 30%</li> <li>• maximum combined LVR* (1st plus Midkey loan) = 80%</li> <li>• borrower's 1st mortgage must be:               <ul style="list-style-type: none"> <li>- a principal plus interest loan</li> <li>- with a Midkey partner bank (refinance available)</li> </ul> </li> </ul>

**Eligible properties** Non-strata, owner-occupied residential properties in Greater Sydney, Brisbane and Adelaide (more cities soon)  
(apartments, rural & commercial properties are currently not eligible)  
Available soon - more cities, apartments, residential investment properties\*\*

**Interest rate** Simple (not compounding) interest at a margin of 325bp above the RBA cash rate, calculated daily, accumulated and only paid at the end of the loan

<b>Loan term</b>	<p>No defined loan term.</p> <p>The Midkey loan is fully repayable if the borrower:</p> <ul style="list-style-type: none"> <li>• decides they want to repay the Midkey loan (at any time)</li> <li>• sells their property</li> <li>• dies, or</li> <li>• defaults</li> </ul> <p>The Midkey loan is partially repayable if:</p> <ul style="list-style-type: none"> <li>• the borrower chooses to make a partial repayment (minimum \$50,000)</li> <li>• it is a second mortgage, and the borrower increases the amount of their 1st mortgage loan, they must use 25% of any increase in their 1st mortgage loan to partially repay their Midkey loan</li> <li>• if the LVR (Loan to Value Ratio) is greater than 100% (ie the 1st mortgage and a Midkey loan) the borrower must make a partial repayment to reduce the LVR to below 100%</li> </ul>
<b>Fees START of loan</b>	<ul style="list-style-type: none"> <li>• establishment fee of 1% and then 0.5% for any amount above \$500,000 (with a minimum of \$1,500), paid from loan proceeds</li> <li>• valuation fee, ranges from \$330 - \$2,650 (quotes required for homes over \$5m), applicant pays direct to the valuer</li> <li>• loan settlement &amp; documentation fees, approx. \$450</li> <li>• all fees (except valuation costs) are deducted from loan proceeds at settlement</li> </ul>
<b>Fees &amp; payments END of loan</b>	<ul style="list-style-type: none"> <li>• original loan amount</li> <li>• simple interest (not compounding) accumulated throughout the loan period</li> <li>• a new, innovative “Midkey Deferral Fee” that is a proportion of any increase in the home’s value and the proportion is the Midkey loan amount to the home’s value at the start of the loan (for example, if your Midkey loan is 10% of your home value, your fee will be 10% of any increase in your home’s value, if your Midkey loan is 20% then your fee will be 20% of any increase), and</li> <li>• valuation fee (not in all cases) that ranges from \$330 - \$2,650 (quotes required for homes over \$5m), applicant pays direct to the valuer</li> <li>• discharge fee, approx. \$500</li> </ul>
<b>Applicant type</b>	Individuals & joint borrowers (not companies, trustees or private partnerships)
<b>Application requirements</b>	<p><u>Midkey 1st and 2nd Mortgage Loans</u></p> <ul style="list-style-type: none"> <li>• residential and employment history</li> <li>• asset and liabilities position</li> <li>• income &amp; expenses verification</li> <li>• 3 months of personal bank statements to verify living expenses (can be verified electronically by <a href="http://www.bankstatements.com.au">www.bankstatements.com.au</a>)</li> <li>• onsite property valuation from a Midkey valuation firm</li> </ul> <p><u>Midkey 2nd Mortgage Loans</u></p> <ul style="list-style-type: none"> <li>• 1st mortgage details from approved partner bank, including proof of balance</li> </ul>
<b>Renovations &amp; improvements</b>	Permitted during the loan subject to Midkey approval. Borrowers can apply for a credit to offset Midkey’s innovative fee (that is a proportion of any increase in their home’s value)
<b>Features not available</b>	Redraw, account splits, offset account, portability

\* A valuation discount of a minimum of 5% is applied to a property’s market value

\*\* Midkey expects to provide Midkey loans for owner-occupied residential properties located in other Australian cities soon and for different property types, such as residential investment properties and apartments.

All applications are subject to lending and approval criteria. Fees and charges apply. Terms and conditions are available upon request. This material is for information purposes only and has been prepared without considering a borrower’s objectives, financial situation or needs. A borrower should seek independent financial advice and read the relevant disclosure documents prior to making a decision about a product. All rates and information provided in this material are correct at the time of publication and are subject to change.

# Questions?

It is important to Midkey that you understand how this new solution works. We have covered all the most frequently asked questions on the website, so please click this link to read more.

[FAQs](#)



To use our online [calculator](#) and apply, please go to the Midkey website:  
[www.midkey.com.au](http://www.midkey.com.au)

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