



Buying a home after separation

The extended loan term option makes a difference

Meet Tom,

Tom is 46, separated with 2 children living with him.

He earns a gross (before tax) income of \$123,000.

He has a credit card with a limit of \$5000 that he uses for emergencies and has no other debts.

The price of the home he is interested in purchasing is \$585,000.

He has slightly more than 5% of the purchase price, plus costs to contribute to the purchase from his separation settlement and will invest \$94,000 immediately into the home.

He is buying an existing property that has been lived in previously so no government concessions on stamp duty or grants apply.

He will be able to this purchase for himself and his kids via:

- A loan from the Bank of us for \$516,500
- And his deposit to assist with balance equity and costs

His assessed home loan repayments per week as at the date of assessment are \$714.69 on a 40 year loan term. As Tom is over 45, he needs to demonstrate he can repay the loan. He plans to sell the home and downsize once he retires at 65.

If the loan was set over a 30 year term repayments, repayments would be \$771.00 per week and Tom would not qualify for the loan on a Bank of us assessment.

All information within this scenario is provided for information purposes only and should not be relied upon to decide whether the extended loan term option is right for you. Not mentioned are other Bank of us lending assessment criteria that may determine if an individual qualifies for an extended loan term option. A standard variable interest rate at current market rates was used to prepare this scenario which may change without notice. In all circumstances, the decision to enter a home loan arrangement with Bank of us is your own responsibility. This information is not financial or other advice and does not take any person's objectives, financial situation, or needs into consideration. You should seek your own independent financial and legal advice as to whether a particular home loan is suitable for you. You should refer to a Bank of us Home Finance Specialist for our lending criteria, terms and conditions and fees and charges. Full details available on application. July 2024.

