



Building a family home

An extended loan term unlocks a new home

Meet Guy and Amber,

Guy and Amber have two dependent children and want to purchase a residential block of land to build on.

The block they intend to buy is valued at \$450,000. The house they want to build will cost \$700,000.

Amber is a team leader who earns \$82,000. Guy is a business development manager who earns \$125,000. So they have a joint gross income of \$207,000.

They have a \$20,000 car loan and a credit card with a limit of \$15,000.

The total cost of the home will be \$1,150,000.

They have sale proceeds from the sale of their home of \$230,000.

This amount will help with the initial deposit requirements for the land purchase, stamp duty and all other standard legal and lending costs. Plus, a deposit to the building company for initial planning work and deposit for the building contract.

They will be able to complete the purchase of the land and construction of their home based on:

- A loan from Bank of us of \$950,000
- Their own funds to cover deposits and land purchase costs

Their assessed home loan repayments per week as at the date of assessment are \$1526.50 on a 40 year loan term.

If the loan was set over a 30 year loan term, the repayments would be over \$1600 per week and they would not qualify for the loan based 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.

