

# Become an introducer to ACMF – (Australian Commercial Mortgage Finance)

- Construction loans are funded by non-bank financiers we have established relationship with, ACMF to provide top-up;
- **Introducers name and fee included in the loan offer. You are then protected with your fees;**
- **Introducer clients remain with the introducer ongoing;**
- Letter of Finance quotes “funds are available if accepted”, **allows the broker to deal with their client with certainty**

## **CONSTRUCTION LOAN AMOUNTS:**

- \$2,000,000 – \$25,000,000 – refer to Albert Callegher or Tony Ivelja(smaller case by case);
- Larger Loans quoted individually on a case by case basis;

## **INTEREST RATES (based on budgeted monthly usage)**

1. **65% LVR - First Mortgage 8.0% pa monthly usage (circa 6.0% pa FDA)**
2. **70% LVR – Second Mortgage 15% pa**
3. **75% LVR – Limit - Rate / Costs / LVR / security available and quoted case by case**

## **UPFRONT LOAN FEES AT SETTLEMENT**

1. **Loan Approval/Establishment fee plus GST** (One only fee deducted at the start)
  - 1.5% - 2.0% of the Gross Loan Amount (Smaller loans attract a higher fee)
2. **Loan Management costs**
  - Qs Report / Monthly inspection quoted case by case
  - 0.5 - 15% per month (Line Fee) for the length of the loan to cover Loan management

## **PRE-SALES**

3. **Below 65% - Nil** required however depends on the following:
  - a) Product demand, price point and suitability
  - b) Strength of borrower, eg has several other properties with LVR below 70% versus no other assets
  - c) Strategy, other income can influence the presale requirements eg another development finishing up soon
4. **- Higher LVR 65%-75% requires 25% of the project** and depends on the following:
  - d) Lower LVR requires 25%
  - e) Higher LVR will require either greater presales OR additional security (eg dormant securities not being used such as their residential investments etc
  - f) Strategy - any other income can influence the presale requirements

## **PROCESS – COMPANY BORROWERS ONLY:**

1. **Enough information to form a view on the loan** including;
2. **Quoted on case by case and transparent with costs;**
3. **Loan Offer issued after funds made available and detailed in the offer;**
4. **Your fees are quoted in the loan offer**
5. **After acceptance**, mortgage docs and DD carried out simultaneously
6. **Valuations – we can accept older valuations** to allow us to be able to settle within 5 business days typically with adequate security. We also assess valuations internally if there is a clear exit and LVR is 70% or lower;
7. **Loan Repayment** – Must be stated by the borrower (could be as simple as “local sales agent is selling the property”)

Email [loans@acmfinance.com](mailto:loans@acmfinance.com) for a quote OR CALL (03) 9002 1800

**READY TO CONTRACT WITHIN THE NEXT 6 MONTHS?****LAND:**

1. ....Land Cost (settled Y/N) if not settled add 6% settlement costs (plus GST Y/N);
2. ....Land Purchase date
3. ....Land original COS available?
4. ....Land Valuation (may have purchased a long time ago OR run a permit adding value)
5. ....Land debt – as is
6. ....DA – Did the buyer run a DA during the Contract period, spent monies and or added value?

**PERMIT STATUS**

1. ....Approved? If NOT APPROVED expected date
2. ....Collect a copy INCLUDING, all amendments and Town Planner correspondence
3. ....Amendments
4. ....Whats approved (Spec details in a spreadsheet)

**CONSTRUCTION**

1. ....Building costs (excluding/including GST)
2. ....Contingency included?
3. ....Should always separate this out typically if none quoted its 5% of the build cost
4. ....Build time – get started on site (1-2 months)
5. ....Construction Time (10-15months)
6. ....Builders name & website

**SALES**

1. .... GRV Gross Realisable Value (Including GST)
2. ....Net Realisable Value (Excluding GST)
3. .... Sales comms charged? (usually 2-4%)
4. .... website for project info

**ACMF does the rest whilst you maintain client relationship**

**TIMING:**

- Always plan ahead when seeking a construction facility;
- Typically allow a minimum of 2 months for reports such as Valuation & QS;
- Legal/Builder/Sales assessments run concurrently;
- Building approval (“BA” or “CC” Construction Certificate in NSW) can take anywhere from 2 months for a small project to 6 months for a larger project);
- Construction Loan Capital is planned ahead up to 6 months, so get in early and secure the facility;
- Remember a lender simply CANNOT hold funds waiting for a “BA” because you want to secure a loan then run “BA”. The reason why you deal with a reliable NON-BANK Lender is so you can plan ahead start your “BA” marketing and builder contract documentation simultaneously with certainty;

**UNLIKE A BANK, FUNDS ARE SELECTIVELY DEPLOYED TO EARN INTEREST FOR THE INVESTOR**