

Not enough savings to get a mortgage and buy a home?

Mortgage Alternative is a solution.



Mortgage
Alternative

Mortgage Alternative is the new smarter way for first home buyers to buy a home.

If you've started saving for a home deposit, you know just how long it can take. Years! But what if you could purchase your new home now, with just 5% deposit and still avoid mortgage insurance?

With Mortgage Alternative, you can!

Mortgage Alternative (MA) is the safer, smarter way to buy a home, with less risk and more certainty. With MA, you can purchase your home now at a pre-agreed fixed price, with a delayed settlement period of up to ten years.

You can occupy the home immediately following the exchange of contracts but thanks to the delayed settlement, you have none of the typical upfront mortgage costs and ongoing worries.

Buyers make one simple monthly payment until settlement occurs. This covers rates, agreed property maintenance, a return for the seller and insurances. Most importantly it includes a contribution to a savings account¹ in your name to build your equity and ideally avoid mortgage insurance on settlement. Excluding your savings contribution, this payment is similar to a mortgage repayment plus property ownership costs².

It couldn't be easier!

- Move into your home now while you save your full deposit for a conventional mortgage at settlement.
- Straight forward qualifying criteria similar to a bank loan, but without the same deposit, stamp duty and mortgage insurance requirements.
- No mortgage insurance³ and your stamp duty is paid for you.
- The seller (your investor) remains on the title and funds the home (with any mortgage they have) until you settle with them.
- Settle your purchase at any time (up to 10 years) or exit due to specific adverse events⁴ allowed for under the contract (reduce your risk!).
- Choose from new and established homes.

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¹This savings account is created out of a buyer's monthly payments, with any excess on settlement returned to the buyer as a settlement adjustment.

²On a like for like basis, each monthly payment is fixed and indexed by a pre-agreed annual inflation factor (currently 3%pa) which does not alter for the life of the contract.

³The only circumstance where lender's mortgage insurance will be payable is if a property's 2026 market value at the end of the ten year MA period is insufficient for the MA buyer to have a 20%+ deposit to gain a conventional mortgage (after taking account of the MA savings plan embedded in your monthly MA payments plus your original deposit). Just like the banks, HRL and Mortgage Alternative have no control over future property prices.

⁴These events (called Take Back events in the Purchase Contract) include a need to vacate because of certain defined material adverse changes to your financial capacity or ability to perform your settlement obligations such as loss of your or your partner's job, insolvency, marital or analogous relationship change, significant injury or illness, death and relocation for employment relative to residence location.

This document has been prepared by Mortgage Alternative Pty Ltd ACN 165 856 860 and is a general guide only. It does not contain all information that an interested party may require. Please seek independent financial and legal advice having regard to current market and economic conditions and your personal circumstances. To the extent this guide is inconsistent with the purchase contracts, the contracts' terms will prevail.