FAQs

Question	Answer
What is the Equity Flex Loan?	It's a new investment loan for property investors only - it cannot be used for a home your customer lives in. It gives investors more flexibility with repayments through a longer overall loan term of 31 to 40 years and a longer interest-only period of 6 to 10 years. Interest-only (IO) means your customer pays just the interest for a set time. After that, they move to principal and interest (P&I), repaying both the amount borrowed and the interest for the rest of the term.
How long are the interest-only and repayment periods?	Your customer starts with 6 to 10 years of interest-only repayments, then switches to principal and interest for the rest of the loan. The total loan term is between 31 and 40 years.
How do you check whether my customer can afford the loan?	We always test affordability as if the loan is repaid over a maximum of 30 years on principal and interest - even when the total term runs up to 40 years. This helps keep repayments realistic for your customer.
How much can my customer borrow against the property?	Your customer can borrow up to 80% of the property's value. This is known as the loan-to-value ratio, or LVR. The loan is for investment properties only, so it isn't available for a home your customer lives in.
Can my customer move an existing loan straight into Equity Flex?	No - there's no simple switch. Your customer would need to refinance into the Equity Flex Loan and have their application assessed again.
Can the loan be split?	Yes. If your customer splits the loan, at least one split must be interest-only for 6 to 10 years and be at least $10,000 when using the 40-year structure.
Can my customer switch from interest-only to principal and interest later?	Yes - your customer can switch from interest-only to principal and interest at any time after the loan settles.
What can the loan be used for?	It's for buying or refinancing an investment property only. It cannot be used for a home your customer lives in - for those needs, another AMP Bank loan may be a better fit.

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AMP Bank

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Can my customer use this loan for a home they'll live in?	No. The Equity Flex Loan is for investment properties only. If your customer is buying or refinancing a home to live in, another AMP Bank loan may be a better fit.
Can first home buyers apply?	The loan is for investors only, so it can't be used to buy a first home to live in. A first home buyer purchasing an investment property could apply, as long as they meet the standard investor and Equity Flex eligibility requirements.
Can other AMP loans have a 40-year term?	No. The 40-year term is only available on the Equity Flex Loan. Other AMP loans are capped at 30 years.
Can an existing customer extend their loan term to 40 years?	An existing investor can only move to a 40-year term by refinancing into the Equity Flex Loan, subject to the usual assessment. This term isn't available on any other AMP loan, including for customers borrowing to live in their own home.
Is a Master Limit available?	No. A Master Limit - a facility that lets a customer manage several sub-accounts under one approved credit limit - isn't available on this loan.
Is an offset account available?	Yes. An offset account is available. Any money your customer keeps in it reduces the interest they pay on the loan.
Why is the loan for investors only?	The loan has been designed for property investors only. It builds on our existing 10-year interest-only option to give experienced investors - those with strong equity and a focus on cash flow - more long-term flexibility, while still lending responsibly. It's well suited to conversations about longer-term plans and doesn't change how we assess what your customer can afford.
Who is the loan designed for?	It's designed for established property investors - experienced borrowers with strong equity who are focused on managing their cash flow. It isn't available for customers borrowing to live in their own home.

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Question	Answer
Can my customer start on principal and interest and move to interest-only later?	For loans longer than 30 years, the interest-only period has to be set up when the loan first starts. After the loan settles, the customer may request to switch to interest-only, subject to credit assessment.
What situations is the loan best suited to?	It's suited to investors buying or refinancing an investment property who want longer-term flexibility with their cash flow. It's for investment properties only and cannot be used for a home your customer lives in. We always look at each application on a case-by-case basis.
Why can't an existing loan simply be extended to 31 to 40 years?	The longer 31-to-40-year term is only available on the Equity Flex Loan. To access it, your customer needs to refinance and have their application fully reassessed, so we can be sure the loan still suits their needs.
Does a longer loan term put my customer at more risk?	Even with a longer overall term, we still check affordability as if the loan is repaid over a maximum of 30 years on principal and interest. This helps make sure the loan stays affordable for your customer.
Can this loan help my customer's borrowing power?	It can. With a 10-year interest-only period, the remaining repayments are spread over a longer period than on our Pro-Pack loan (up to 30 years here, versus up to 20 years on Pro-Pack), which can improve borrowing power. The affordability check is always capped at 30 years, though. For example, a loan with a 6-year interest-only period and a 34-year repayment term is still assessed over 30 years.
Can my customer choose an interest-only period shorter than 6 years?	No. The interest-only period must be between 6 and 10 years, and the interest-only portion must be at least $10,000.