

Master Limit

The **Master Limit** feature is an overall lending limit that is available for a borrower's financing needs, now and in the future. It can provide flexibility to borrowers to restructure their debts between deductible and non-deductible debt, for either 5 or 10 years.

The **Master Limit** (up to a maximum of 80% LVR or the applicant's borrowing capacity) may be approved when the applicant applies for a loan and can consist of up to 10 splits or 'sub-accounts' of which the combined total credit limits must always equal the Master Limit.

Benefits for borrowers

- The borrower controls the mix of splits under the umbrella of the **Master Limit** (total of sub-account credit limits must always equal the Master Limit amount).
- **Flexibility to restructure** sub-accounts for **free** as often as required for the term selected (maximum of 10 splits), to meet current and future needs (sub-account limit re-balancing only):
 - open new splits,
 - switch products,
 - rearrange loan limits,**without completing a full application** or property re-valuations provided the total of sub-account credit limits remain equal to approved Master Limit amount.
- **Simple** process to apply for a Master Limit or to restructure/re-balance sub-accounts under a **Master Limit**.¹
 - Line of credit (LOC) must be the primary sub-account (minimum \$10K) and will be used to take up any remaining equity to ensure total sub-account credit limits always equal the **Master Limit**.
 - **One-off** upfront \$399 Master Limit application fee at the time of the loan application with no further fees for re-arranging sub-accounts.²
 - Available with most home loan products.^{1,3}
 - **No annual review.**
 - Can assist a borrower's investment strategy to build **assets** and future **wealth** (eg investing in shares).

1 Product specific rules apply. Approval is subject to AMP Bank guidelines.

2 If the Master Limit is required on an existing AMP home loan, then a \$299 variation fee also applies.

3 Excludes Land Loans, Basic Package and AMP Essential Home Loan.

Information correct as at 13 September 2021 and subject to change without notice. Fees and charges are payable. Terms, conditions and restrictions apply and are available on application. Approval is subject to AMP Bank guidelines. Credit provider and product issuer is AMP Bank Limited ABN 15 081 596 009, Australian credit licence 234517, AFSL No. 234517. A target market determination for these products is available at amp.com.au/bank/tmd.

Questions and Answers

Q Does the distributor receive upfront commission on the total Master Limit amount?

A Yes. The Master Limit must always equal the total of the sub-account credit limits.

Standard commission rates apply to each product type under the Master Limit.

Q Can a customer take a LOC up to the total Master Limit without having to draw down the LOC at settlement? And what commission rates are paid on the LOC?

A Yes. If the borrower does not require the full Master Limit to be drawn down and paid out at settlement, they do not have to draw down the full amount. Standard commission rates apply.

Q Can a customer change limits and create new sub-accounts/splits within a Master Limit? How is this done?

A Yes, by completing and returning the **Master Limit Restructure Request** form, available online at amp.com.au/distributor or by calling us to request the form be mailed. Restructure requests can only be processed by AMP Bank on receipt of the form signed by all borrowers (and guarantors, if applicable). Clear and legible scanned forms, via email, are acceptable.

Any changes that include an Interest Only loan sub-account may need to be accompanied by up to date financial information to support your application. Refer to the Master Limit Restructure Request form for more information.

Q Can I keep my Master Limit if I add/change/discharge a security property?

A Yes. However, depending on the loan variation request, an AMP Bank Home Loan application form, supporting documentation and credit assessment may be required. We will advise you at the time of the request if this information is required.

Q Can a single Master Limit be applied across two separate borrowing entities. For example, can a loan in a company name and another loan in the directors' personal names share a single Master Limit?

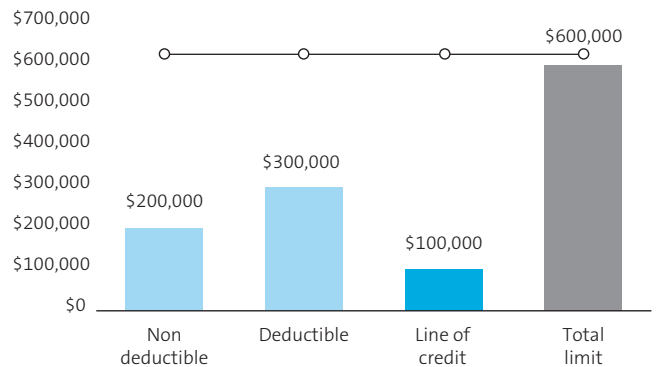
A No. Separate Master Limits must be established for the company and the individuals' loans.

Recycling of non-deductible debt into deductible debt

Example of how borrowers can adjust sub-accounts using a Master Limit

Master Limit snapshot – year 1

Property value of \$1.2M with a Master Limit of \$600,000. Funds required now \$300,000 with \$300,000 still available to use. The available funds are held in the line of credit.



Master Limit snapshot – year 4 (restructure)

Master Limit is still available to \$600,000 without the need for credit approval. Loan restructured to meet needs at no cost.

