



**AVANTI | FINANCE**

*lending*  
***guide***

This is a guide only. Avanti Finance lending criteria, fees, terms & conditions apply.  
Rates and fees quoted are correct at the date of publication, 4 July 2022.



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# Avanti clients

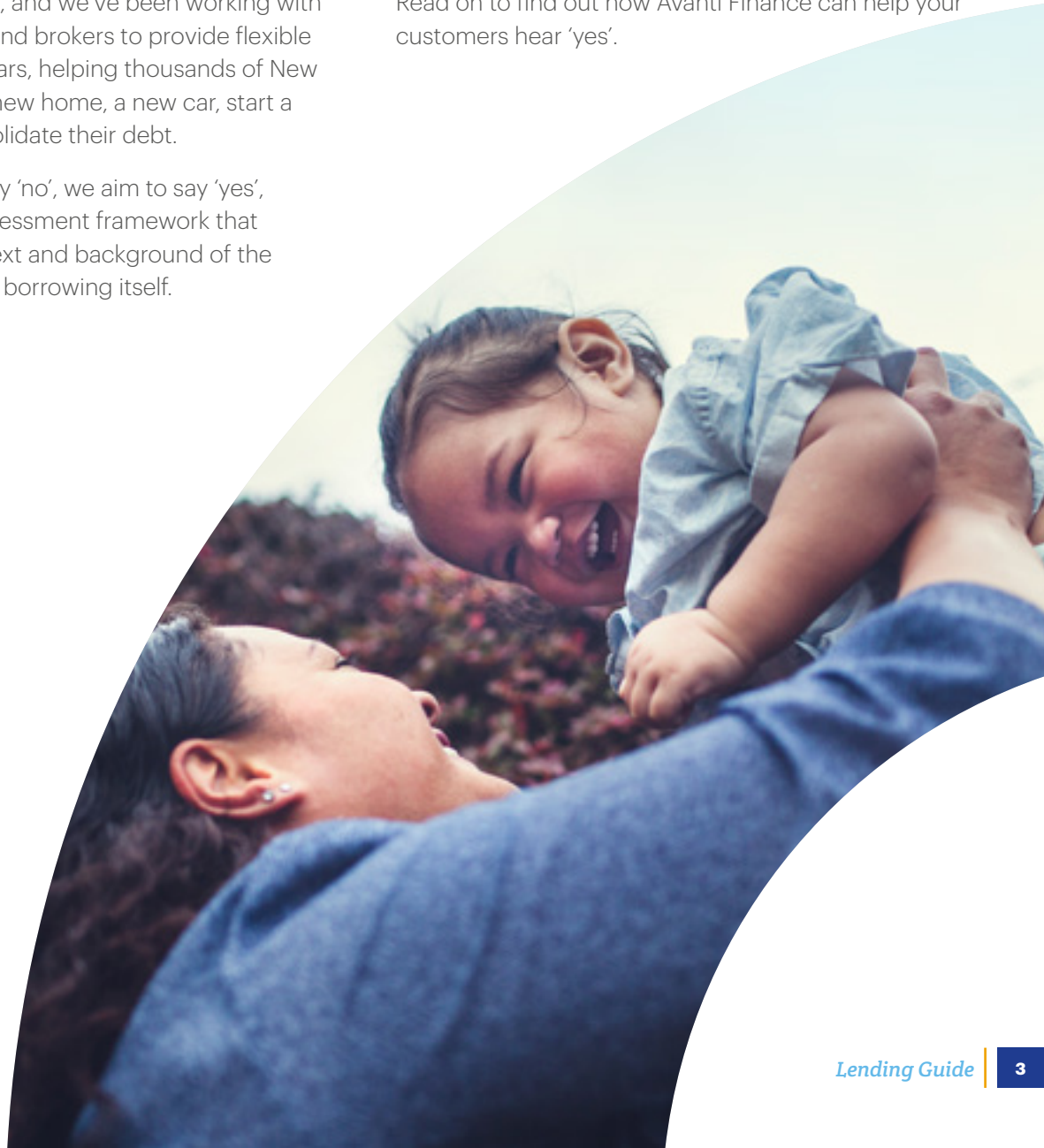
**WE PUT PEOPLE FIRST AND TREAT EVERYONE WE DEAL WITH AS INDIVIDUALS WITH UNIQUE CIRCUMSTANCES, BECAUSE WE KNOW THAT SOMETIMES “LIFE HAPPENS”.**

In an industry where box ticking is the norm, Avanti Finance does things differently. We're uniquely Kiwi, just like our customers, and we've been working with introducers, advisers and brokers to provide flexible options for over 30 years, helping thousands of New Zealanders get into a new home, a new car, start a new business or consolidate their debt.

When other lenders say 'no', we aim to say 'yes', using an individual assessment framework that understands the context and background of the borrower - not just the borrowing itself.

That means we can often help with situations that other lenders can't or won't. To do this, we've developed flexible loan solutions to fit clients like yours.

In this guide, we'll share the details on our long-term first mortgage products, short-term first mortgage asset loans, and our caveat-secured personal loans. Read on to find out how Avanti Finance can help your customers hear 'yes'.



# Avanti broad product offering

## IN THIS GUIDE WE WILL BE COVERING IN DETAIL:

- Long-term 1st mortgages (near prime)
- Long-term 1st mortgages (specialist)
- Short-term asset-lend 1st mortgages (inc. bridging loans)
- Caveat-secured personal loans

## AVANTI PRODUCTS ALSO EXTEND TO:

- Unsecured and vehicle-secured personal loans
- Vehicle purchase loans

If you would like further information around these products, please contact your BDM.



# who can we help

- **CLIENTS REFINANCING OR CONSOLIDATING DEBT**
- **FIRST HOME BUYERS**
- **INVESTORS**
- **LOW DOC OPTIONS**
- **ACCOUNT CONDUCT ISSUES**
- **FIXED PRICE AND TURN KEY CONSTRUCTION**
- **KIWIS LIVING AND EARNING OFFSHORE**
- **CREDIT IMPAIRED**
- **MORTGAGE ARREARS/PLA**
- **IRD BILLS**
- **MULTI OWNERSHIP STRUCTURES**
- **BRIDGING**
- **EQUITY RELEASE**
- **CAPITALISING LOANS AVAILABLE**
- **VACANT LAND**
- **GIFTED NON-CONVENTIONAL DEPOSITS**

## **SECURITY ISSUES BUT WITH CLEAR PLAN TO CORRECT**

- Flats plan issues
- Working towards CCC
- Cost overruns on a build
- EQC "As is Where is"



# long-term 1<sup>st</sup> mortgage *(near prime)*

## UP TO 30 YEARS, RESIDENTIAL SECURITY AND VERIFIED SERVICING FROM INCOME SOURCES

### STRUCTURE/COSTS

- Interest rates from 6.65% p.a. with 65% LVR or less
- Interest rates from 7.05% p.a. with 66% to 80% LVR
- Fee \$705 for consumer loans
- Fee 0.5% -1% for a business or investment purpose
- Loan terms up to 30 years P&I, interest-only option max 2 years

### LOAN AMOUNTS

- Minimum \$100,000
- Cat 1 = Auckland, Hamilton, Tauranga, Wellington and Christchurch\* - max loan \$2mil
- Cat 2 = Napier, New Plymouth, Nelson and Dunedin\* - max loan \$1.5mil
- Cat 3 = All other metro areas - max loan \$1mil
- Cat 4 = Other, case by case - max loan \$1mil

### CLIENT

- Individual or joint borrowers
- Business or trust ownership
- Multi-owned property

### SECURITY

- Residential owner-occupied up to 80% LVR
- Investment loans up to 60% max LVR<sup>†</sup>
- Lifestyle zoned up to 70% LVR (max 15 acres / 6.07ha)

### SERVICING

- **Salary and wages** - IR3, pay slips or credits to a bank statement
- **Rent** - evidenced through account, tenancy agreement scaled at 65%
- **Board** - written agreement for new or demonstrated through a/c scaled at 80%
- **Self Employed** - financials, GST returns, accountant's declaration using Avanti's form, minimum 12 months self-employed
- **Strong UMI**

### COMMISSION

- 0.80% payable
- Adviser fee can be charged and capped also above max LVR (to max 1%)
- Claw back terms exist with 100% if paid within 12 months and 50% after 12 months but before 24 months

### VALUATION

- Registered valuation less than 6 months old addressed to Avanti Finance Limited. No panel valuer requirements

### Exceptions:

- Arms length purchases in Cat 1 <80%
- Arms length purchases in Cat 2 <75%
- Arms length purchases in Cat 3 <70%

### Refinance:

- LVR in Cat 1 & 2 is <65% or 55% for Cat 3. Government valuation or e-valuation can be used

\*Non-exhaustive, please contact your BDM for full list of areas and their categories.

<sup>†</sup>RBNZ exemptions apply.

# *suitable security / client profile*

## ***long-term*** *(near prime)*

### **LIFESTYLE**

- No vacant land
- Max 70% LVR\* up to 15 acres 6.07ha

### **APARTMENTS**

- We will only consider freehold apartments
- Dual key (not typically considered)
- Stand alone security size 50m<sup>2</sup>+
- Max lend \$1.5mil in Tauranga
- Max lend \$2.0mil in Main Centre Auckland & Wellington
- Max lend \$1.0mil in all other areas
- Max 75% LVR for loans >\$1.0mil\*
- Max 80% LVR for loans <\$1.0mil\*

### **CLIENT PROFILES/CHARACTER & PURPOSE**

- No low doc
- No mortgage arrears
- No IRD/tax arrears
- Strong credit file
- Self-employed minimum 12 months
- Debt consolidation (with good history) considered to max 10% of loan amount
- Overseas income considered by exception

### **STANDARD RESIDENTIAL**

- Main centres – to max 80% LVR
- Outside of main centres – case by case to 80% LVR\*

### **INVESTMENT PROPERTIES**

- Max 60% LVR\*\*

### **CONSTRUCTION**

- Construction/development funds not considered.

\*LVR will depend on the overall client profile, geographic location, type and nature of security.

†RBNZ exemptions apply.

# long-term 1<sup>st</sup> mortgage (specialist)

## UP TO 30 YEARS, RESIDENTIAL SECURITY AND VERIFIED SERVICING FROM INCOME SOURCES

### STRUCTURE/COSTS

- Interest rates from 8.10% p.a. based on overall profile
- Fee \$705 for consumer loans
- Fee 0.5% -1% for a business or investment purpose
- Loan terms up to 30 years P&I, interest-only option max 5 years

### LOAN AMOUNTS

- Minimum \$50,000
- Cat 1 = Auckland, Hamilton, Tauranga, Wellington and Christchurch\* - max loan \$2mil
- Cat 2 = Napier, New Plymouth, Nelson and Dunedin\* - max loan \$1.5mil
- All other areas – max loan \$1mil

### CLIENT

- Personal or joint borrowers
- Business or trust ownership
- Multi-owned property

### SECURITY

- Residential owner occupied up to 80% LVR (joint funding solution with Avanti caveat-secured loan up to 5% LVR can be considered for good profile clients)
- Investment loans up to 60% max LVR<sup>†</sup>
- Lifestyle zoned up to 70% LVR (max 15 acres / 6.07ha)

\*Non-exhaustive, please contact your BDM for full list of areas and their categories.

<sup>†</sup>RBNZ exemptions apply

### SERVICING

- **Salary and wages** - IR3, pay slips or credits to a bank statement
- **Rent** - evidenced through account, tenancy agreement scaled at 65%
- **Board** - written agreement for new or demonstrated through a/c scaled at 80%
- **Self-employed** - financials, GST returns, accountant's declaration using Avanti's form.
- **Low doc** - personal and business transactional statements to max \$1mil

### COMMISSION

- 0.80% payable
- Adviser fee can be charged and capped also above max LVR (to max 1%)
- Claw back terms exist with 100% if paid within 6 months and 50% after 6 months but before 12 months

### VALUATION

- Registered valuation less than 6 months old addressed to Avanti Finance Limited. (No panel valuer requirements)

### Exceptions:

- Arms length purchases in Cat 1 <80%
- Arms length purchases in Cat 2 <75%
- Arms length purchases in Cat 3 <70%

### Refinance:

- LVR in Cat 1 & 2 is <65% or 55% for Cat 3 and 4 Government valuation or e-valuation can be used



# suitable security

## long-term (specialist)

### LIFESTYLE

- Max 70% LVR up to 15 acres 6.07 ha\*

### APARTMENTS

- We will only consider freehold apartments
- Dual key not typically considered
- Min floor size 35m<sup>2</sup> (if used in a mix of security, not typically accepted as stand alone)
- Stand alone security size 50m<sup>2</sup>+
- Max lend \$1.5mil in Tauranga
- Max lend \$2.0mil in Main Centre Auckland & Wellington
- Max lend \$1.0mil in all other areas
- Max 75% LVR for loans >\$1.0mil\*
- Max 80% LVR for loans <\$1.0mil\*

### STANDARD RESIDENTIAL

- Main centres – to max 80% LVR (joint funding solutions with up to a 5% caveat personal loan can be considered)
- Outside of main centres – case by case to 80% LVR

### INVESTMENT PROPERTIES

- Max 60% LVR<sup>†</sup>

### CONSTRUCTION

- Construction/development funds not considered.

\*LVR will depend on the overall client profile, geographic location, type and nature of security.

<sup>†</sup>RBNZ exemptions apply.

# short-term asset lend 1<sup>st</sup> mortgages

**6 MONTHS TO 3 YEARS, KEY FOCUS ON LVR  
AND CLEAR EXIT STRATEGY**

## **STRUCTURE/COSTS**

- Interest rates from 9.95% p.a.
- Fee max \$705 for consumer loans
- Fee 0.5% -1% for business or investment purpose
- Loan terms up to 3 years (**typically 2 years with review**)
- Capitalising loans considered (case by case)

## **LOAN AMOUNTS**

- Up to \$2mil
- Subject to location, client profile and security on offer

## **CLIENT**

- Personal or joint borrowers
- Business or trust ownership
- Multi-owned property

## **SECURITY**

- Residentially zoned up to 80% LVR (typically 75%)
- Commercial zoned up to to 60% LVR
- Lifestyle zoned up to 80 % LVR (typically 75% and land size case by case)

- Vacant land up to 70% (land size case by case)
- Level of LVR will depend on type nature and geographical location of the security offered

## **SERVICING**

- **Salary and wages** – IR3, pay slips or credits to a bank statement
- **Rent** – evidenced through account, tenancy agreement scaled at 65%
- **Board** – Written agreement for new or demonstrated through a/c scaled at 80%
- **Self-employed** – Financials, GST returns, accountant's declaration using Avanti's form.

## **COMMISSION NOT PAYABLE**

Adviser fee (to max 1% of loan value) usually can be charged and capped above max LVR.

## **VALUATION**

Typically can use either Government valuation, e-valuation (AVM) or registered valuation

*suitable security*

# **short-term asset lend 1<sup>st</sup> mortgages**

## **LIFESTYLE**

- Max 80% LVR (typically 75%). Land size case by case\*

## **APARTMENTS**

- Freehold apartments only
- Max LVR 80% LVR\*

## **STANDARD RESIDENTIAL**

- Main centres - to max 80% LVR
- Outside of main centres – case by case to 80% LVR (typically max 75%)

## **INVESTMENT PROPERTIES**

- Max 80% LVR

## **CONSTRUCTION**

Will be considered on a case by case basis typically with good equity position using “as is” value and registered valuation normally required at initial application stage.

# caveat-secured personal loans

**CAN BE USED TO PRESERVE MAIN BANK LOAN WHERE POSSIBLE.  
DEBT CONSOLIDATION, RENOVATIONS AND EQUITY RELEASE.**

## STRUCTURE/COSTS:

- Interest rates from 13.95% p.a.
- Fee consumer \$485
- Plus caveat registration fee of \$170 (per security when actioned by Avanti)
- Capitalisation of interest on loans may be considered on a case by case basis.
- Loan terms either P&I **OR** interest-only:
  - up to 10 years P&I - loans over \$50,000 max. P&I term 5 years, loans under \$50,000 typically 5-7 years P&I with review **OR**
  - Interest-only term up to 2 years with balloon payment for the balance (clear exit required)

## CLIENT

- Personal or joint borrowers
- Business or trust ownership
- Multi-owned property

## SECURITY

- Main centres - Equity caveat to 80% LVR or Freedom to 85%
- Rest of NZ - Equity caveat to 75% LVR or Freedom to 85%

## SERVICING

- **Salary and wages** – IR3, pay slips or credits to a bank statement
- **Rent** – evidenced through account, tenancy agreement scaled at 65%
- **Board** – existing written agreement scaled at 80%
- **Self-employed** – financials, GST returns, accountant's declaration using Avanti's form.

## COMMISSION NOT PAYABLE

- Adviser fee can be charged and capped above max LVR

## MAX LOAN SIZE

- Avanti equity loan up to \$100,000 overall LVR under 80%
- Avanti Freedom loan up to \$50,000 over 80% under 85% (LVR and loan size will depend on security type and geographic location).
- Freedom loans are used in higher LVR situations, when clients are currently at max 80% with their 1st mortgage, we can consider a max 5% of the value of the property and max loan amount of \$50,000

## VALUATION

- Typically can use either Government, e-valuation (AVM) or registered valuation

# *suitable security* **caveat-secured personal loans**

## **STANDARD RESIDENTIAL (INCL. INVESTMENT PROPERTIES)**

- Main centres – Equity caveat to 80% or Freedom to 85%
- Rest of NZ – Equity caveat to 75% or Freedom to 85%

## **LIFESTYLE**

- Main centres - Equity caveat to 80% or Freedom to 85%
- Rest of NZ - Equity caveat to 75% or Freedom to 85%\*

## **APARTMENTS**

- We will only consider freehold apartments
- Main centres - Equity caveat to 80% or Freedom to 85%\*
- Rest of NZ - Equity caveat to 75% or Freedom to 85%\*

## **CONSTRUCTION (PROPERTIES UNDER CONSTRUCTION OR BEING RENOVATED)**

- Will be considered on a case by case basis, typically with good equity position using “as is” value
- Registered valuation may be required at initial application stage
- Typically used for cost overruns on a build

# income & servicing

## general guideline

### PAYE

- Salaried or wage earners
- Verified by bank statement
- IR3 tax return
- Work & income/benefits/national superannuation

### SELF EMPLOYED

- Verified financial statements, accountant's verification letter, GST returns with audit
- Low doc – 3 months of bank statements only

### OVERSEAS INCOME\*

- We will accept both self-employed and PAYE - subject to client profile, and acceptable verification (some countries may be excluded)
- We will scale to account for exchange rate movements and allow a buffer

### KEY SERVICING CONSIDERATIONS

- We apply an additional 2% p.a. interest rate buffer to all our long-term mortgage loans
- For interest-only loans, repayments are based on the remaining amortising term
- Credit cards and overdrafts consider 3.8% of limit used.
- Home loan revolving credits - calculated over a 25-year P&I term

### FULL STATEMENT OF POSITION

- Detail of assets & liabilities

### RENTAL AND BOARDER INCOME

- Rental – 65% of actual income received
- Boarder income 80% of actual income received. One boarder used unless evidenced through 2 months bank statements
- Avanti will consider a broad range of income sources - dividends, interest, bonuses allowances, commissions, etc scaled at 80%
- The key is being able to demonstrate that income is consistent and ongoing

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***We require 3 months of recent bank statements (both business and personal) for all loan types in support of each application, along with the other income verification methods as outlined.***

***Avanti is a profile lender, and as such we review each individual client's circumstances and endeavour to work with you to reach an appropriate outcome for your client.***

***We are committed to responsible lending practices and have a dedicated team of lenders who want to make your deal work.***

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\*Considered by exception

# character

## ACCOUNT CONDUCT

- Transactional statements should be reviewed prior to submission and any irregularities (over limits, out of character transactions, reversals, repayments to debts not listed on the application etc) should be explained in diary note
- Mortgage arrears – we need to understand how they came about and what has changed in their circumstances

## CREDIT PROFILE

- Avanti uses comprehensive credit reporting to assess client's credit file and profile.
- Unpaid defaults are generally required to be paid before settlement of any lending
- If credit issues exist, we require explanation in diary note

## BANKRUPTCY

- Discharged bankrupt client only – explanation of how it came about and what has changed now
- Liquidation requires full resolution with confirmation of no debts outstanding

## RESIDENCY

- NZ residence or citizens
- NZ permanent resident living overseas (in most countries)
- NZ residency with travel restrictions
- Overseas resident living in NZ holding a NZ working Visa



# interest rates & fees

## AVANTI LONG-TERM 1ST MORTGAGES

- Rates available from 6.65% p.a. near prime and 8.10% p.a. specialist
- Fee consumer \$705 business 0.50% to 1%
- Income and affordability must be confirmed

## SHORT-TERM ASSET LEND 1ST MORTGAGES

- Rates available from 9.95% p.a.
- Fee consumer \$705 business 0.50% to 1%
- Key focus on exit strategy

## CAVEAT-SECURED PERSONAL LOANS

- Rates from 13.95% p.a.
- Fee consumer max \$485 business purpose (case by case)
- Income and affordability must be confirmed (unless a capitalising solution has been provided then clear exit strategy required)

## PREPAYMENT FEE

- If settled in full before final payment date \$45 - all consumer loans

## ADMINISTRATION FEE

- All loans incur a monthly fee to cover the administration of the loan of \$7.50

Rates and fees quoted are correct at the date of publication.

Rates are assessed case by case on applicant strengths and risk profile.

Our team are focused on pricing competitively consistent with risk profile.

Fees are primarily based on either consumer or business purpose.

To view our full schedule of fees and charges, please refer to our website [www.avantifinance.co.nz](http://www.avantifinance.co.nz)



# how to apply

NORTH ISLAND BASED ADVISERS  
**APPLICATIONS@AVANTIFINANCE.CO.NZ**

SOUTH ISLAND BASED ADVISERS  
**SOUTHERNTEAM@AVANTIFINANCE.CO.NZ**

**(You may need to override your CRM to save relevant address)**


- Adviser diary note - including suitability statement
- Adviser application / Client statement of position
- Signed declaration / privacy act authorisation
- Current signed photo identification
- Income verification
- 3 months recent bank statements both personal and business
- Sale and purchase agreement or registered valuation if applicable
- Full copy of the trust deed if applicable
- Any additional supporting docs for confirmation as needed to support the application

# our team of **BDMs**

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## MATT THOMAS

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*Get in touch with your local business development manager to discuss client scenarios.*