

BUSINESS TERM LOAN

Product Description

A term loan provides finance to your business for terms of up to 25 years to fund property development or investment, business acquisition or expansion and other commercial purposes. Variable, fixed or capped interest rates and flexible interest and repayment options provide convenience and the ability to structure a loan to meet your business needs.

Product Benefits and Features

Benefits	<p>Flexible</p> <ul style="list-style-type: none"> Choose interest and repayment cycles to match your anticipated cash flows. Switch from variable to fixed interest and vice versa during the term of the loan. Make additional repayments and redraw during a variable rate period without penalty. <p>Simple</p> <ul style="list-style-type: none"> Interest and repayments automatically debited from your nominated account. Principal and interest repayment programs available.
Acceptable loan purposes	<p>Suitable for property purchases or development, business acquisitions, capital improvements, refinancing existing business facilities and other investments.</p> <p>Not suitable for funding cash flow, seasonal or other short term funding, GST or taxation requirements.</p>
Loan amount	<p>Minimum loan amount \$50,000.</p> <p>Maximum loan amount is determined by the value of your security and your ability to service the debt.</p>
Loan term	<p>Minimum term</p> <ul style="list-style-type: none"> 6 months <p>Maximum term</p> <ul style="list-style-type: none"> Up to 25 years if secured by residential property. Up to 15 years if secured by commercial property or other security.
Interest rate options	<p>Variable or fixed interest rates for terms of 1 to 5 years.</p> <p>Switch between a variable and fixed interest rate and vice versa during the term of the loan.¹</p>
Interest payment cycles	<p>Interest only or irregular scheduled principal repayment options</p> <ul style="list-style-type: none"> Monthly, quarterly, six monthly or annual options. Annual interest in advance, available by arrangement. <p>Principal and interest repayment option</p> <ul style="list-style-type: none"> Monthly only. <p>Note: A direct debit must be established to facilitate interest payments from your Business Cheque Account, Business Manager or account at another financial institution.</p>
Repayments options	<p>Principal and Interest</p> <ul style="list-style-type: none"> Regular monthly principal and interest repayments over the term of the loan. <p>Irregular scheduled principal repayments</p> <ul style="list-style-type: none"> Principal repayments at negotiated intervals to meet your businesses cash flows. <p>Interest only</p> <ul style="list-style-type: none"> No principal repayments until the end of the interest only period then converts to regular principal and interest or irregular principal repayments for remaining term. <p>Secured by residential property - maximum ten years interest only.</p> <p>Secured by commercial or other security - maximum three years interest only.</p>

Voluntary repayments	<p>Variable rate</p> <ul style="list-style-type: none"> Additional repayments may be made at any time. <p>Fixed rate</p> <ul style="list-style-type: none"> Maximum \$10,000 per annum in excess of normal repayments after which break costs may apply.
Redraw (only on a variable rate)	Redraw of advance repayments may be permitted and will be paid by cheque or direct credit to your nominated account. A fee may apply. Minimum redraw amount \$5,000.
Loan security	<ul style="list-style-type: none"> First registered mortgage over residential, commercial or rural property. Other securities including a second registered mortgage over residential, commercial or rural property are subject to approval. Cash/Term Deposit

Fees and Charges

Establishment and documentation fees	Loan establishment fees are payable. The establishment fee is calculated on application. Fees and charges associated with documentation and settlement of your loan and valuation of any security will also apply. Government fees, charges and duties may apply.
Ongoing and general fees	Fees and charges will apply for all loan and security variations, consents and discharges or partial discharges during the term of your loan. Other fees may apply. Please refer to the Schedule of Fees and Charges for more information.

To meet your Business Banker

To find out how we can structure a business banking solution to suit your specific needs call 1300 660 115.

¹ A variable rate can be switched to a fixed rate at any time. The fixed rate term cannot exceed the remaining term of the loan. A fee may apply. When switching from a fixed rate to a variable rate break costs may also apply.
Effective: 1 February 2011

This information has been prepared without taking into account your personal circumstances, objectives, financial situation or needs. All applications for loans or credit are subject to lending criteria. Terms, conditions, fees and charges may apply. Full details are available on application or by talking to your local District Banking Manager. All information is subject to change. Products are issued by Rural Bank Limited and distributed by Elders Rural Services Australia Limited. Rural Bank Limited ABN 74 083 938 416 AFSL 238042. Registered office: 27 Currie Street, Adelaide SA 5000.