

Margin loan Credit limit increase application form

EFFECTIVE DATE 1 March 2019

CommSec



MARGIN LOAN - CREDIT LIMIT INCREASE APPLICATION FORM

MANDATORY SECTIONS TO COMPLETE IF YOU ARE:



An individual or joint account holders (incl. Self employed account holders) Or an individual acting as trustee of a trust account holder

- 1** Loan / borrower details
- 2** Applicant financial details
- 3** Required financial documents
- 4a** Acknowledgement & signatures – individual borrowers & trustees



A company account holder or a company acting as trustee of a trust account holder

- 1** Loan / borrower details
- 3** Required financial documents
- 4a** Acknowledgement & signatures – company borrowers & trustees



Where to send this form

Complete, sign and return your application form in full, together with supporting documents to:

By Email
(all pages need to be scanned):
 marginloan@commsec.com.au

Note: We do not accept E-Signatures.

About this application form

Approval of your CommSec Margin Lending facility

- In this application form words in italics are defined words which have the same meaning as in the CommSec Margin Loan Terms and Conditions.
- CommSec Margin Loan is a product of the Commonwealth Bank of Australia ABN 48 123 123 124 administered by its wholly owned subsidiary Commonwealth Securities Limited ABN 60 067 254 399 ("CommSec").

LOAN / BORROWER DETAILS

1

BORROWER

Loan number

Borrower Name(s)

Current credit limit

\$

Proposed credit limit*
(minimum \$5,000 above your Current Credit Limit)

\$

Your Credit Limit is subject to our standard credit assessment criteria. This criteria includes accessing your credit file or other relevant information as per the CommSec Margin Loan Terms and Conditions. We may offer to provide you with a Loan limit that is below the level you ask for.

APPLICANT FINANCIAL DETAILS

2

CommSec requires this information to assess whether the limit you are applying for is not unsuitable.

You will be required to provide supporting verification documentation as described in the **Required Financial Documents** section for the income and commitment values you enter below.

HOUSEHOLD INFORMATION



Please enter the number of 'Households' plus the number of dependent adults and children residing in each household that are associated with this application.

- A 'Household' is defined as *residences that are for non-investment purpose*. For example, a primary residence or holiday house.
- An Adult is to include the applicant(s) and any other adult that is financially reliant on the applicant(s). Dependents include any other person that is financially reliant on the applicant(s).

Question

Borrowers

Does either of the borrowers reside in more than one household i.e. property?
(e.g. Holiday House, FIFO etc.)

Yes No If yes, how many?

Are either of you financially responsible for any other adults that are not a borrower to this loan?

Yes No If yes, how many?

Are either of you financially responsible for any children?

Yes No If yes, how many?

Please confirm your living arrangements?

Living in own home

Renting

Boarding

Living with family rent free

APPLICANT FINANCIAL DETAILS (CONTINUED)

INCOME AND COMMITMENTS



Do not include any values relating to the Margin Loan that you are applying for (including security / income). Please enter the amount of **zero dollars (0)** where any fields are not relevant.

Annual gross income

**We will require supporting documentation to confirm your income details.*

	Borrower 1	Borrower 2	Borrower 3
*Annual gross base salary	\$	\$	\$
*Annual gross commissions / bonus payments	\$	\$	\$
*Annual gross rental income	\$	\$	\$
*Annual gross shares / managed funds / cash investments income (e.g. Dividends and interest)	\$	\$	\$
*Annual gross other income (must be detailed below in order to be considered)	\$	\$	\$
*Annual gross other income details			
Total annual gross income	\$	\$	\$

Monthly commitments

**We will require supporting documentation to confirm your commitments.*

*Monthly mortgage payments (primary residence)	\$	\$	\$
*Monthly rental payments	\$	\$	\$
*Monthly mortgage payments (investment properties)	\$	\$	\$
*Monthly lease / personal / car loan payments	\$	\$	\$
Monthly credit / store cards payments	\$	\$	\$
Monthly living expenses (e.g. food, clothing, education, utilities etc, excluding any commitments that are separately provided)	\$	\$	\$
*Other monthly commitments (please provide details below)	\$	\$	\$
*Other monthly commitment details (e.g. may include hecs/help payments, court ruled child maintenance payments etc)			
Total monthly commitments	\$	\$	\$

If you are an individual borrower:

- Are there any other people not listed in this application who are responsible for any of the commitments you have listed? Yes No
- Are those people employed? Yes No
- Are these people able to service (afford) the commitments? Yes No

APPLICANT FINANCIAL DETAILS (CONTINUED)
STATEMENT OF FINANCIAL POSITION

Where there is more than one Borrower applying for the loan limit increase please complete this section on a combined basis for all Borrowers and provide each Borrower's percentage of ownership (where applicable).

Assets

**We will require supporting documentation to confirm your asset details.*

	Value	% of ownership		
		Borrower/ Trustee 1	Borrower/ Trustee 2	Borrower/ Trustee 3
Property (primary residence)	\$	%	%	%
Property (investment properties)	\$	%	%	%
*Cash	\$	%	%	%
*Investments (shares & managed funds)	\$	%	%	%
Other investments / assets (must be detailed below in order to be considered)	\$	%	%	%
Other investment/ assets details				
Total assets	\$			

Liabilities ¹	Limit ²	Balance	Remaining term ³	% of ownership		
				Borrower/ Trustee 1	Borrower/ Trustee 2	Borrower/ Trustee 3
Number of mortgages (primary residence)						
Mortgage (primary residence) 1	\$	\$		%	%	%
Mortgage (primary residence) 2	\$	\$		%	%	%
Total mortgage (primary residence)	\$	\$				
Number of mortgages (investment property)						
Mortgage (investment property) 1	\$	\$		%	%	%
Mortgage (investment property) 2	\$	\$		%	%	%
Mortgage (investment property) 3	\$	\$		%	%	%
Total mortgage (investment property)	\$	\$				
Mortgage details ³						
Lease / personal / car loans (balance)		\$		%	%	%
Credit / store cards (combined limit of all cards in use or not)	\$			%	%	%
Other liabilities (please provide details below)	\$	\$		%	%	%
Other liabilities details						
Total liabilities	\$					

- For **home loan redraw facilities** this is your current loan balance plus funds available for redraw e.g. if you have a loan balance of \$250,000 and have made advance payments of \$50,000, your 'Limit' will be \$300,000 and your 'Balance' \$250,000. If you have not made any advance payments your Balance and Limit will be the same.
- The **remaining term** should be entered in years and months. This means that if the contracted remaining term of a loan is 15 years and 9 months, the remaining term should be entered as 15/9.
- If any other non-borrower/applicants are contributing to the servicing of the mortgages listed above please provide details.

FINANCIAL DOCUMENTATION REQUIRED

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CommSec is committed to responsible lending practices and conducts a financial assessment on all applicants. You will need to provide us documentation that supports the information you have entered in the Financial Details section of this form.

Please select one of the following:

	Borrower/ Trustee/ Director 1	Borrower/ Trustee/ Director 2	Borrower/ Trustee/ Director 3
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Option A

ALL my accounts are with CommBank
You don't need to provide anything else right now, just leave it with us.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Option B

SOME of my accounts are with CommBank and **SOME** are with another Financial Institution/s
(please refer below).

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Option C

ALL of my accounts are with another Financial Institution/s (please refer below).

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Documentation required if you selected Options B or C:

In order for us to complete our assessment we need to confirm your Income, Savings, Loan/Card Repayments and Other Commitments (as you have entered in the Financial Details section of this form).

- You can do this by providing us with your last **3 months** of Bank Statements (you may need to provide multiple account statements if you have more than one Bank Account).
- If your Bank Statements do not show what you have declared in the Financial Details section or you would prefer, you can provide us other documentation, for example Payslips (we will need to see at least 2 recent payslips), Home Investment Documents/Statements and Credit Card Statements, which clearly supports this.
- For investments such as Term Deposits, Share Holdings and/or Managed Funds, provide your most recent statement/s.
- It is important that all of your statements and documentation are less than **60 days old** and clearly show your name, account numbers, account balances and include transaction history.

Self-employed

If you are a Sole Trader you will need to provide:

- Personal tax returns for last 2 years

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If your main source of income is through a Partnership/Company/Trust you will need to provide:

- Personal tax returns for last 2 years; **AND**
- 2 years full company financials (i.e. P&L and Balance Sheet)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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ACKNOWLEDGEMENT & SIGNATURES – INDIVIDUAL BORROWERS & TRUSTEES

4a

To be completed by all individual borrowers and individual trustees of Trust borrowers – continued overleaf

By signing this Credit Limit Increase Application Form you acknowledge and confirm that:

- you are aware that utilising the higher credit limit, thereby increasing the *Loan Balance* of your margin loan facility will increase risk, not only in terms of *Interest Rate* movements but also to movements in the value of *Financial Products*; and
- the increase in the credit limit of a margin loan facility will also increase the liability of each *Borrower* and any *guarantors* for any shortfall incurred should the entire portfolio be sold down to cover adverse movements in the *Market Value* of their security; and
- all information provided in this form is correct and not misleading in any way; and
- we will rely on the information contained in this form as the basis of a credit assessment; and
- we may review your credit history that we collect from other reporting bodies; and
- you understand that additional information may be requested in support of your application at our discretion.
- If you are an individual Trustee of a Trust where there is more than one Trustee, you nominate the person listed as 'Applicant 1' in this application to receive Margin Call notices on your behalf.

ACKNOWLEDGEMENTS – YOU MUST COMPLETE THIS SECTION

	Borrower/ Trustee 1	Borrower/ Trustee 2	Borrower/ Trustee 3
1. Borrowing to invest			
• Have you borrowed any money (outside of the margin loan) to provide loan collateral for this margin loan?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
• If yes, is any of that money secured against your primary residential property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
• If yes, what is the amount borrowed against the primary residential property?	\$ MANDATORY	\$ MANDATORY	\$ MANDATORY
2. Reliability of Income:			
• Do you have a reliable and stable source of income?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Your Responsibilities: Are you aware that:	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept
• You are responsible for managing and regularly monitoring your margin loan (in conjunction with your Adviser if applicable)			
• You are required to clear any Margin Call in line with the facility terms			
• You must have reserve liquid capital (cash or securities) as an option to cover any Margin Call that occurs at short notice, otherwise we may be required to sell all or some of the Financial Products securing your Loan			
• You are personally liable for all amounts outstanding on your Loan irrespective of the Financial Products held			
4. Margin Lending Risks: Are you aware that:	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept
• Margin lending risks include, but are not limited to, movements in the Market Value of the Financial Products securing the Loan and Interest Rate movements.			
• At any time, at our discretion, we may change the Lending Value applying to any of the Financial Products securing the Loan (even to zero), possibly triggering a Margin Call			
5. Margin Calls: Are you aware that:	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept
• We will take reasonable steps to contact you in the event of a Margin Call by phone call, SMS alert or e-mail			
• The Financial Products securing your Loan may need to be sold to clear the Margin Call without reference to you			
• If the gearing level on your Loan exceeds the Maximum Gearing Ratio (at any given time) a Margin Call will be triggered			

Continued overleaf

ACKNOWLEDGEMENT & SIGNATURES – INDIVIDUAL BORROWERS & TRUSTEES

4a

To be completed by all individual borrowers and individual trustees of Trust borrowers

Borrower 1 / Trustee 1

Print full name

MANDATORY

Date

Signature (No e-signature accepted)

x MANDATORY

Borrower 2 / Trustee 2

Print full name

MANDATORY

Date

Signature (No e-signature accepted)

x MANDATORY

Borrower 3 / Trustee 3

Print full name

MANDATORY

Date

Signature (No e-signature accepted)

x MANDATORY

ACKNOWLEDGEMENT & SIGNATURES – COMPANY BORROWERS & TRUSTEES

4a

To be completed by Directors of Company Borrowers & Company Trustees

By signing this Credit Limit Increase Application Form you acknowledge and confirm that:

- you are aware that utilising the higher credit limit, thereby increasing the *Loan Balance* of your margin loan facility will increase risk, not only in terms of *Interest Rate* movements but also to movements in the value of *Financial Products*; and
- the increase in the credit limit of a margin loan facility will also increase the liability of each *Borrower* and any *guarantors* for any shortfall incurred should the entire portfolio be sold down to cover adverse movements in the *Market Value* of their security; and
- all information provided in this form is correct and not misleading in any way; and
- we will rely on the information contained in this form as the basis of a credit assessment; and
- we may review your credit history that we collect from other reporting bodies; and
- you understand that additional information may be requested in support of your application at our discretion.

ACKNOWLEDGEMENTS – YOU MUST COMPLETE THIS SECTION

	Director 1 / Guarantor 1	Director 2 / Guarantor 2 (if applicable)	Director 3 / Guarantor 2 (if applicable)
1. Borrowing to invest			
• Have you or your company borrowed any money (outside of the margin loan) to provide loan collateral for this margin loan?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
• If yes, is any of that money secured against your primary residential property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
• If yes, what is the amount borrowed against the primary residential property?	\$ MANDATORY	\$ MANDATORY	\$ MANDATORY
2. Your Responsibilities: Are you aware that;	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept
• The company is responsible for managing and regularly monitoring the margin loan (in conjunction with your Adviser if applicable)			
• The company is required to clear any <i>Margin Call</i> in line with the facility terms			
• The company must have reserve liquid capital (cash or securities) as an option to cover any <i>Margin Call</i> that occurs at short notice, otherwise we may be required to sell all or some of the <i>Financial Products</i> securing your <i>Loan</i>			
• The company is liable for all amounts outstanding on your <i>Loan</i> irrespective of the <i>Financial Products</i> held			
3. Margin Lending Risks: Are you aware that;	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept
• Margin lending risks include, but are not limited to, movements in the <i>Market Value</i> of the <i>Financial Products</i> securing the <i>Loan</i> and <i>Interest Rate</i> movements.			
• At any time, at our discretion, we may change the <i>Lending Value</i> applying to any of the <i>Financial Products</i> securing the <i>Loan</i> (even to zero), possibly triggering a <i>Margin Call</i>			
4. Margin Calls: Are you aware that;	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept	<input type="checkbox"/> I understand & accept
• We will take reasonable steps to contact the company in the event of a <i>Margin Call</i> by phone call, SMS alert or e-mail			
• The <i>Financial Products</i> securing the company's <i>Loan</i> may need to be sold to clear the <i>Margin Call</i> without reference to the company			
• If the gearing level on the company's <i>Loan</i> exceeds the <i>Maximum Gearing Ratio</i> (at any given time) a <i>Margin Call</i> will be triggered			

Continued overleaf

ACKNOWLEDGEMENT & SIGNATURES – COMPANY BORROWERS & TRUSTEES

4a

To be completed by Directors of Company Borrowers & Company Trustees

Director 1

Print full name

MANDATORY

Signature (No e-signature accepted)

x MANDATORY

Date

Director 2 (if applicable)

Print full name

MANDATORY

Signature (No e-signature accepted)

x MANDATORY

Date

Director 3 (if applicable)

Print full name

MANDATORY

Signature (No e-signature accepted)

x MANDATORY

Date

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CALL **13 17 09**