

# SMSF Residential Loan

Expand your investment portfolio with our competitive SMSF residential loan



A guide to purchasing or refinancing property through your SMSF.

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# 1 What is an SMSF?

A Self-Managed Super Fund, or SMSF, is a private superannuation fund that allows you to manage your own superannuation investments for your retirement. Not everyone can set up their own superannuation, so understanding the basics is crucial before getting started.

An SMSF loan is a home loan used by an SMSF to purchase an investment property through a separate trust (often called a bare trust). This is called limited recourse borrowing. The returns on the investment, which can either be your capital gains or rental payments, are funnelled back into the superannuation fund for your retirement. The ATO recommends that you seek advice from a qualified, licensed professional to help you decide if limited recourse borrowing is right for your SMSF.

[loans.com.au](https://loans.com.au) offers a range of product options to help suit your SMSF investment goals and needs.



## 2 Using your SMSF for property investment

Properly establishing your SMSF is essential if you want to start investing in property. When set up correctly, your SMSF can be eligible to receive tax concessions and contributions. We recommend getting expert legal and financial advice when setting up your SMSF.

It will also be much easier for SMSF trustees and managers to supervise.

### Here are some important steps to consider when using your SMSF to invest in property:

- Step 1** Decide on the best SMSF structure for your property investment. The legal requirements of your fund will depend on the SMSF structure. Structure requirements are based on how many members your fund has and if it has an individual or corporate trustee.

- Step 2** Nominate SMSF trustees. Members who are over 18 years old without any legal disabilities, and are not a disqualified person, can be appointed SMSF trustees. A disqualified person includes a person who has been convicted of dishonest offences, is bankrupt or insolvent, or may be a future risk to retirement savings.
- Step 3** Ensure that you obtain legal advice when establishing your SMSF and the trust deed. The trust deed is a legal document that establishes your fund. It has all the rules for establishing and operating your SMSF.
- Step 4** Make sure your fund is an Australian super fund. The fund must be established in Australia or have at least one asset located in Australia. The SMSF's central management and control must be in Australia. The members of the fund must be Australian residents
- Step 5** Establish holding assets. For an SMSF to be legally established, it must hold assets. Properly documenting contributions and rollovers is a must. A member can make the initial contribution to the SMSF and hold it with the trust deed. This allows the SMSF to hold an asset enabling it to open a bank account.

**Step 6** Form an investment strategy for your SMSF investment. According to superannuation laws, you need to have an investment strategy that includes your SMSF's objectives and the type of investments your fund can make. Your investment strategy must also be in writing, reviewed regularly, and document any decisions or modifications.

**Step 7** Create contingency plans and exit plans. This includes acquiring insurance and death benefit nominations. You must also provide a plan if circumstances arise that you would need to close your SMSF.

Visit our [SMSF Home Loans page](#) to discover helpful resources.



# 3 What costs are involved in managing an SMSF?

Below we have summarised the most common costs involved in managing your SMSF.

SMSF set-up and management expenses may include:\*

- ✓ Accounting and audit fees (\$600 to \$2,000)
- ✓ Financial statements and tax returns (\$525 to \$1,500)
- ✓ Investment and advisory fees (\$2,500 to \$10,000)
- ✓ Annual ASIC fee (\$55)
- ✓ ATO supervisory levy (\$259)

*\*fees not exhaustive and may vary.*

Aside from the annual ASIC fee and ATO supervisory levy, SMSF management costs vary depending on your SMSF administration provider, trustee structure, fund complexity, audit fees, taxes, and other factors.

You should also consider the additional costs of hiring SMSF professionals such as accountants and lawyers.

# 4 Why choose loans.com.au for your SMSF home loan?



## No monthly or ongoing fees

We don't charge any monthly, annual or ongoing fees, so you can save thousands and focus on what is important to you.



## Online access

Access your SMSF loan via our easy-to-use online app Smart Money.



## Unlimited extra repayments

Pay off your SMSF loan sooner with unlimited extra repayments



# \$0

## Application fee

As an online lender, we save in overhead costs and pass those savings directly on to you. So, we don't charge you an application fee.

## Monthly or annual fees

In addition to our great low rates, we don't charge you any ongoing fees.

## Settlement fee

There won't even be any fees at settlement time!

Application fee	\$0
Monthly fee	\$0
Annual fee	\$0
Settlement fee	\$0
Legal Fee	\$490 (purchase only)
Security assessment fee <sup>##</sup>	\$230
Government fees	at cost
Rate Lock fee <sup>###</sup>	\$350 (optional - for fixed only)

<sup>##</sup>For metro location under \$1M only

<sup>###</sup>Rate lock fee is compulsory for 5-year fixed terms.

# 5 Frequently asked questions.

## Are there restrictions on the type of property an SMSF can buy?

If you want to buy a property with your SMSF, the property must pass the sole purpose test. The Australian Taxation Office (ATO) requires all SMSF-related activities must be done solely to provide retirement benefits to fund members or their dependents.

An SMSF cannot directly benefit the fund members or parties related to them prior to retirement. When buying a property through your SMSF, you must follow these rules:

- ✓ A trustee or a related party is not allowed to live in the residential property purchased through the SMSF.
- ✓ An SMSF cannot buy properties owned or rented by a trustee, or a related party.
- ✓ A property purchase must pass the 'sole purpose test'
- ✓ The rules for buying residential and commercial property with an SMSF are slightly different. It's best to seek the advice of an SMSF professional to ensure you're following the guidelines.

# What is a related party to an SMSF?

A related party to an SMSF includes the trustees, beneficiaries, or anyone with a close relationship with the trustees or beneficiaries. This includes relatives, business partners, friends, and the like.

# What are SMSF home loan requirements?

You're eligible for an SMSF home loan only after establishing your SMSF and your custodian or bare trust.

Once your super fund is ready to go, you can [apply online for one of our SMSF loans](#).

To make the process run smoother, here are some documents you may need for your application:

- ✓ Copy of your full SMSF trust deed
- ✓ Certified copy of custodian trust deed
- ✓ Financial reports and tax returns
- ✓ Bank statements
- ✓ Contract of sale

For more information about our SMSF home loan requirements, [book your free consultation with one of our Australian based SMSF lending experts](#).

## Do I need a deposit to buy an investment property through my SMSF home loan?

When buying a property through your SMSF, it's typical to provide a down payment of 20% to 30% of the property's value. This will give you a loan-to-value ratio of 70% to 80%.

You must also consider additional fees like stamp duty, conveyancer costs, and other additional expenses when buying a property.

## Is there an SMSF borrowing capacity?

The maximum amount you can borrow with an SMSF home loan depends on your financial standing.

At [loans.com.au](https://loans.com.au) you can borrow anywhere from \$50,000 to \$1,500,000 subject to approval. For a quick estimate of your SMSF borrowing capacity, you can use our [online calculator](#).



# Can I get pre-approved for an SMSF home loan?

Yes, if your SMSF and custodian or bare trust is set up you can apply for an SMSF home loan [pre-approval](#).

# How do I buy a property with an SMSF home loan?


Here's a quick overview of buying an investment property through your SMSF:


- ✓ Seek advice on establishing your SMSF, including setting up a custodian or bare trust.
- ✓ Find the right investment property
- ✓ Apply for an SMSF home loan
- ✓ Use the funds from the loan to purchase the property
- ✓ SMSF will make repayments on the loan through rental income from the property or superannuation contributions





# Our SMSF loan application process


Now you've made an offer and had it accepted either at auction or through a private sale, here are the next steps to get you settled!

- **1 Speak to our Specialist**

Make an appointment with our lending specialists who will guide you through the SMSF loan process, including getting a pre-approval tailored to your needs.
- **2 Upload & Track**

Submit your documents and monitor your application in real time via our **onTrack** portal.
- **4 Approval & Signing**

Review and sign your mortgage documents and loan agreement via **onTrack**.
- **5 Settlement**

Your loan settles, which means your funds will be ready.
- **6 Manage Your Loan**

You'll receive your login details to manage your repayments and account details via our **Smart Money** app.

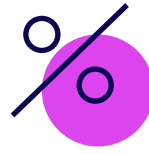
# 6 The onTrack app



Apply anytime  
and from  
anywhere



Fast tracked  
pre-approval in  
minutes

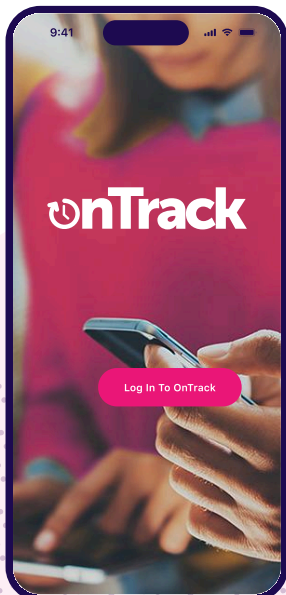


Smarter  
lending to get  
you moving  
sooner



Online  
convenience,  
local support

At [loans.com.au](https://loans.com.au), we believe applying for a home loan should be a hassle-free process. With that in mind, our customers have access to their loan application on-the-go through our secure online portal, onTrack. After the loan settles, customers will receive their login details to manage repayments via our Smart Money app.



- ✓ Manage and track your application 24/7
- ✓ Book an appointment with your lending specialist at your convenience
- ✓ Upload your documents for approval with ease
- ✓ Get alerts straight to your phone
- ✓ Easy to download mobile app

Download onTrack



We've been recognised as a finalist in the 2025 Finder Innovation Awards for revolutionising SMSF Lending for Residential & Commercial Loans.



# 7 SMSF terminology

## **Related Parties**

This includes SMSF trustees, beneficiaries, and those with a close relationship to trustees and beneficiaries. This includes family members, business partners, colleagues, and friends.

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## **Sole Purpose Test**

A criterion used to ensure an SMSF is used only for the benefit of the trustee and/ or their beneficiaries in retirement.

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## **LRBA (Limited Recourse Borrowing Arrangement)**

When an SMSF trustee takes out a loan from a third-party lender, they're entering an LRBA. This means the funds borrowed from the lender will be used to purchase an asset held in a separate trust.

Due to the nature of the LRBA, if the trustee defaults on the loan, the lender can only claim the asset held in the separate trust. The lender won't be able to claim any other asset in the SMSF.

**Bare Trust**

An entity that allows trustees to hold property without beneficial interest. This is needed before applying for an SMSF home loan.

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**Trust Deed**

A legal document that establishes a trust, which includes SMSF or bare trust.

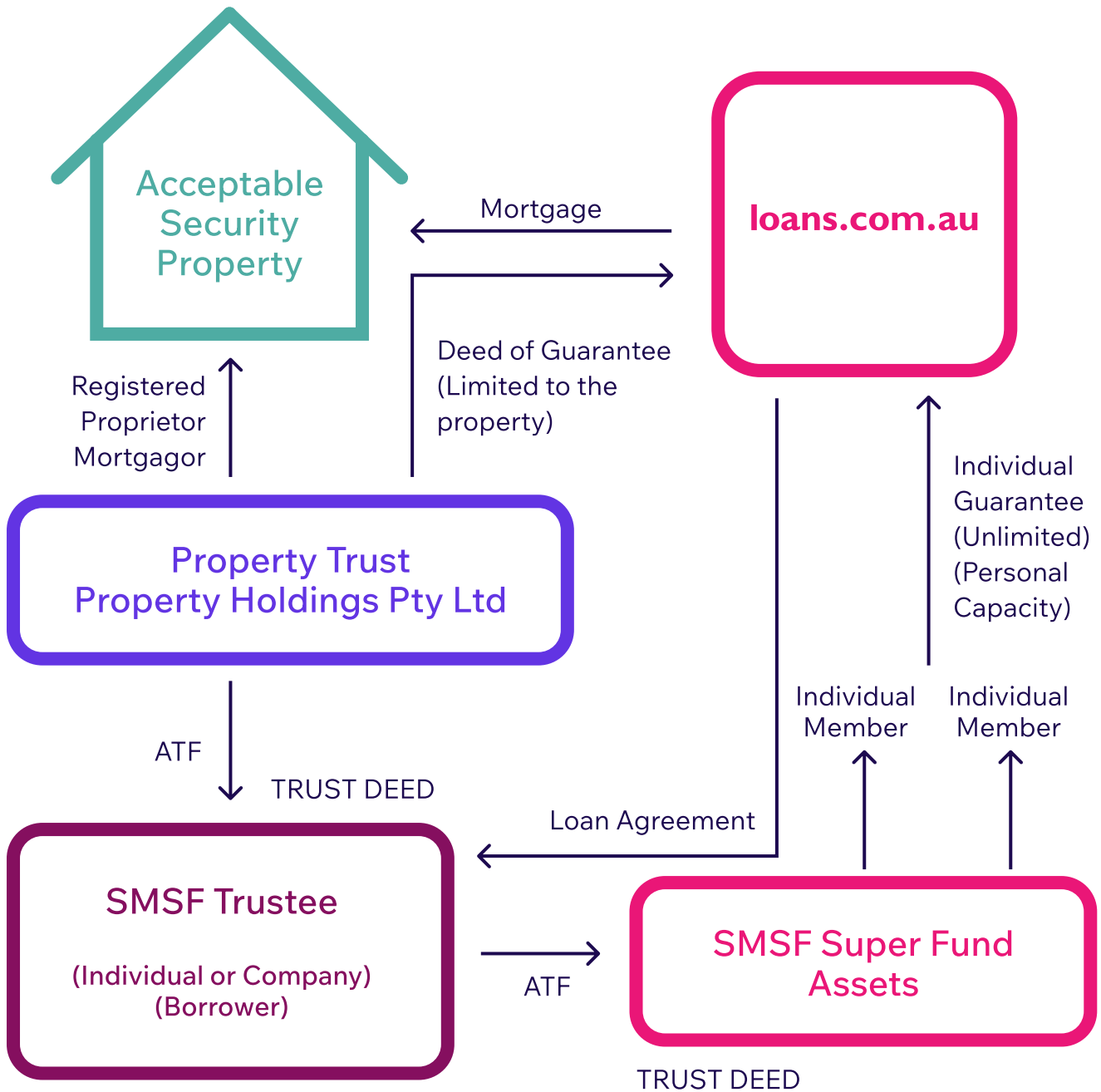
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**Fund Trustee**

A fund trustee is someone who controls and makes decisions for the SMSF.

This is a guide only and details are subject to change at any time. Information in this guide is general only and does not take into account your personal circumstances or objectives. This guide does not constitute financial or legal advice. Please consider seeking independent professional advice when deciding whether a product is right for you.

# 8 SMSF structure



# 9 Contact us



Call us on 13 10 90

7am - 7pm, Monday to Friday. AEST Alternatively  
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Email [customercare@loans.com.au](mailto:customercare@loans.com.au)



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