

## **Super Gearing - Important Notice for SUPERCentral users**

Advisors and Trustees should be aware that lenders prepared to make loans to super funds may require different security provisions to be included in the Governing Rules of the fund.

The fees and costs being charged by some of the first loan providers on the market with a super fund gearing product are comparatively very high and may undermine the fund's gearing strategy.

More loan providers are coming out with products and it won't be long before there is a real competition for your loan and the fees and charges will certainly come down.

If you can wait a little while before implementing your gearing strategy then it would be wise to do so.

The SUPERCentral Governing Rules will be amended shortly to accord with the requirements of the major lenders in this area. We are approaching those lenders for pre-approval of the Rules so that when you do sign up your loan your fees and charges could be reduced even more.

Meantime if your lender demands amendments to your fund's rules before advancing the loan, talk to us about the best way to satisfy those requirements.

Michael Hallinan BA, LLB, FTIA  
Special Counsel

David Garde B.Ec, LLB  
Special Counsel

Townsend Business & Corporate Lawyers  
Telephone: (02) 8296 6222