



Investing in you,
a brighter future.

Executive Summary

It takes the average Australian 14 years to save for a deposit and consequently, many prospective First Home Buyers or Qualified Buyers struggle to access the property market, despite having similar earning profiles to those who are buying houses because they do not have some form of deposit support.

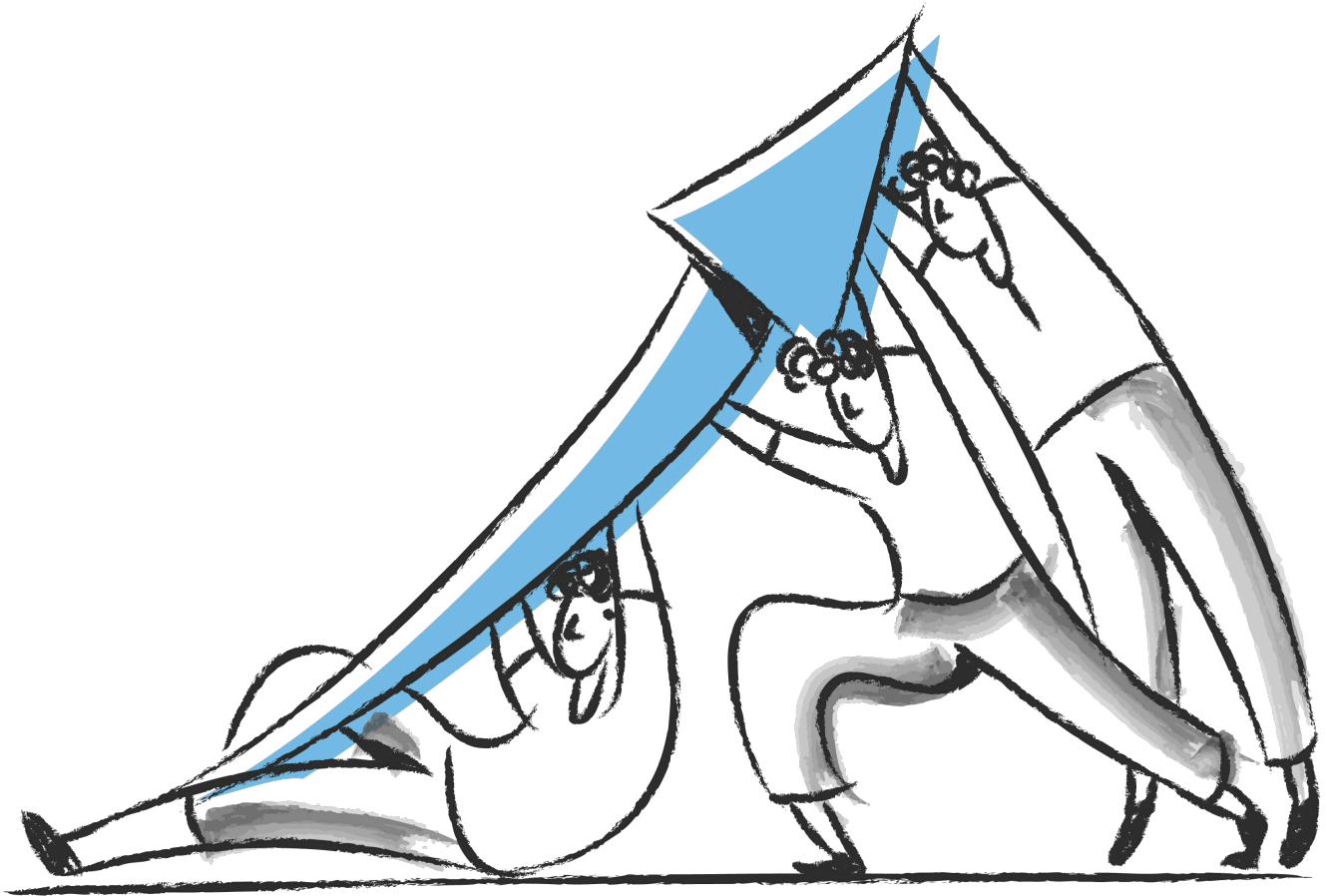
A proportion of these borrowers are high income individuals or couples who are employed in occupations with historical low unemployment – Generate Homes key borrower cohort for their first product.

Currently, Lenders Mortgage Insurance (LMI) is the main product available to support the deposit gap for borrowers with low deposit savings (>80% LVR) – the product does not take into account future earnings, lump sum payments such as bonus or inheritance or the employment strength of the borrower.

We believe an opportunity exists to provide qualified borrowers with an alternative to traditional LMI products, to achieve this Generate has developed a debt deposit product.

The debt deposit product is secured by way of a second registered mortgage and has the potential to be more cost effective than LMI.

Generate are currently working on a number of innovative products including equity linked deposit support which will be available in CY25.

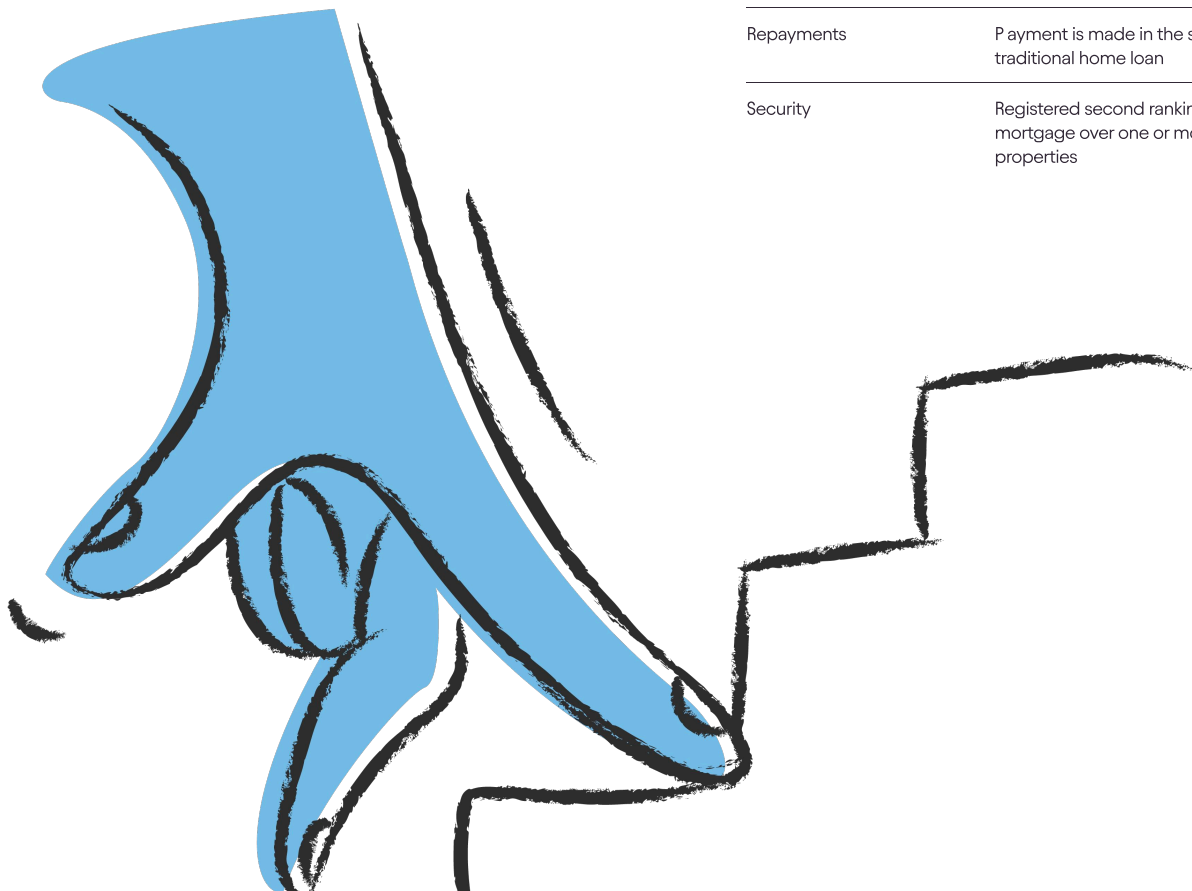


Generate Debt Booster

Product Details

Generate Homes introduces a debt deposit product (Generate Debt Booster) that serves as an alternative to LMI. It allows strong borrowers to secure a property with a second registered mortgage while being more cost-effective than LMI.

Structure	Debt
Max Deposit	\$400k funding
LVR	Max LVR House Security: 95% Max LVR Apartment Security: 90% No land, construction or commercial property exposure
Pricing	Blended incremental cost of 30-150 bps to standard 80% LVR loan
Term	Max 15 years
Postcode	Metro
Govt. Support	Eligible for Government support
Repayments	Payment is made in the same way as a traditional home loan
Security	Registered second ranking real property mortgage over one or more secured properties



How it works?



Calculate your potential borrowing power

- Find your dream home and apply for a home loan with Generate Homes.
- If you have less than a 20% deposit, you would typically need to pay LMI.



Secure your deposit with Generate

- Instead of LMI, Generate funds your deposit shortfall through a second mortgage.
- We assess your income, employment stability, and future earning potential.



Secure your home and move in

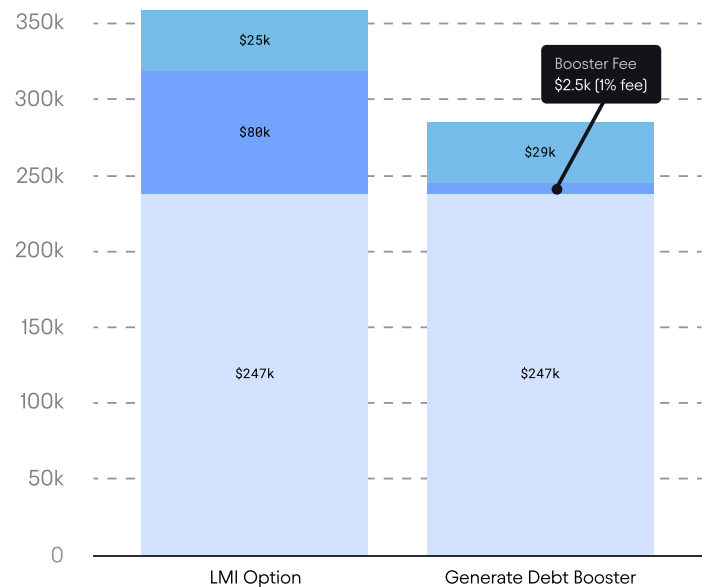
- We provide the first mortgage through a mortgage manager agreement with a domestic bank – the bank's rates are extremely competitive.
- Generate provides the remaining deposit funding via a second mortgage with financing provided by Challenger - one of Australia's largest investors in mortgage-backed securities and whole loans.
- Importantly, Challenger services and manages the loans on behalf of lenders.

You could save

↑ **\$73,000***

In the example below, the borrower could save up to \$73,000 in one year by avoiding lenders mortgage insurance (LMI)

Deposit Gap LMI Fee Interest Cost Year 1

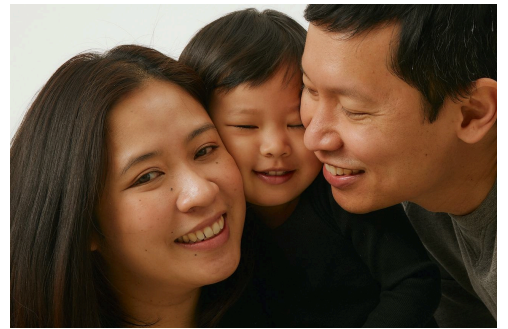


Assumptions

Home Value	\$1,650,000
Loan to 80% LVR	\$1,320,000 (80% of home value)
Deposit Required for 80%	\$330,000 (20% of home value)
User's Existing Deposit (Saved)	\$82,000
Deposit Shortfall (Gap Needed)	\$247,500
LMI	\$80,480

* This is highly indicative and based on publicly available information. The actual amount that could be saved will depend on factors such as the loan amount, deposit amount, and the applicable interest rate.

Who's our product for?



Income Growers

Who are they?

- Professions for which LMI is not waived.
- Strong earning capacity (individually or as a couple).
- Secure employment with low risk of redundancy.
- May be their first or second home.

Why do they need us?

- They have a high salary but limited savings due to student debt, rent, or lifestyle expenses.
- They can afford repayments but don't want to spend money on LMI fees.
- They expect salary increases, bonuses, or lump sum income (e.g., inheritance, stock options).

First Home buyers

Who are they?

- Mid-20s to early 30s, buying their first home.
- Mid-tier income earning (single or combined).
- Working in industries such as finance, technology, education, or healthcare.

Why do they need us?

- They have 5-10% of the deposit saved but can't reach the full 20% required to avoid LMI.
- They prefer buying now instead of waiting years to save the remaining deposit.
- They want to avoid high upfront LMI costs and have flexibility to refinance.

Upsizers

Who are they?

- Mid-30s to 40s, already own a home but need a larger property.
- Strong earning capacity (individually or as a couple).

Why do they need us?

- They can afford repayments but prefer an alternative to LMI



Illustrative Case Studies



First Home Buyer: Ineligible for Govt. Schemes & LMI Waiver

A 28-year-old professional had saved a 5% deposit for an apartment in Sydney.

The borrower's income exceeded the First Home Loan Deposit Scheme (FHLDS) thresholds, disqualifying them from Government Support and the borrower profession was not exempt from LMI.

The Solution

- Rather than pay LMI, the remaining 15% deposit could be funded through a second mortgage with Generate Homes, providing a more cost-effective path to ownership



The Up-sizer: High-Income Dual- Income Couple

A dual-income household with a combined income of \$300,000+ sold their first property and used a 5% deposit for their family home in Melbourne. They did not qualify for an LMI exemption.

The Solution

- Generate Homes could fund the 15% deposit shortfall with a second mortgage, allowing the couple to avoid LMI and retain cash for renovations.



The Renovators: A couple Investing in Their Current Forever Home

A professional couple sought to renovate their existing home in Melbourne. Despite strong incomes, their lender required them to pay LMI if they borrowed above 80% LVR.

The Solution

- Generate Homes could provide second mortgage to fund the gap. While LMI exemptions were unavailable, the structure allowed the couple to proceed with their renovation plans — without incurring the high cost of LMI or delaying progress.

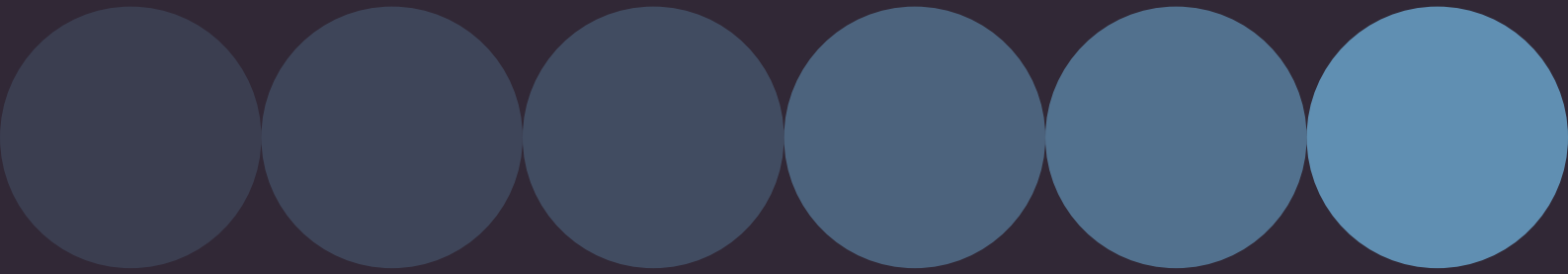
Backing you, to secure your home with confidence

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Contact

Tim.Salewicz@generatehomes.com.au

Applications for credit are subject to credit assessment criteria. Terms, conditions, fees, charges, eligibility and lending criteria apply. Loans made by Generate Homes Pty Ltd ACN 660 011 692 and serviced by AHC Finance Pty Limited ACN 161 006 846 Australian Credit Licence 448165. Loans may also be managed by Challenger Mortgage Management Pty Ltd ACN 72 087 271 109 Australian Credit Licence 391438. under arrangement with AHC Finance Pty Limited.

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