



Better Choice
Make a Better Choice

Ultimate Product & Policy Guide

October 2021

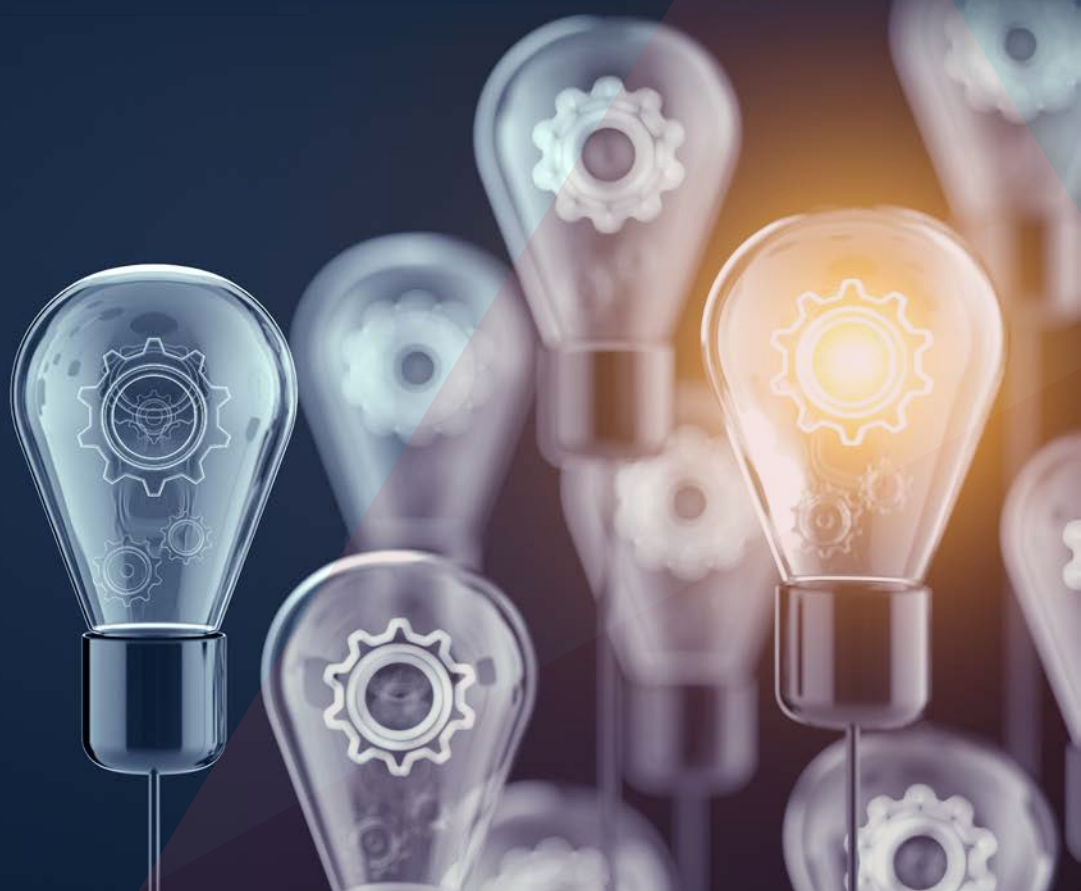


Australia's Best Non Bank 2020 & 2021
Australian Lending Awards

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Ultimate Product & Policy Guide

Quick Product Comparison

Quick Product Comparison

The table below outlines the key features for our entire Better Choice Ultimate product range, including eligibility, loan purpose, maximum LVR and loan features. If you have any questions about the product information, please contact your dedicated Better Choice Relationship Manager or email scenarios@betterchoice.com.au.

	Prime Alt Doc	Specialist Full Doc	Specialist Alt Doc	Specialist Plus Full Doc	Specialist Plus Alt Doc
Eligibility	Self Employed	PAYG and Self Employed	Self Employed	PAYG and Self Employed	Self Employed
Loan Purpose	Purchase, Refinance, Debt Consolidation and Cash Out	Purchase, Refinance, Debt Consolidation and Cash Out	Purchase, Refinance, Debt Consolidation and Cash Out	Purchase, Refinance, Debt Consolidation and Cash Out	Purchase, Refinance, Debt Consolidation and Cash Out
Maximum Loan Amount <i>(Minimum \$50,000)</i>	\$2.5M \$3M (multiple securities accepted) <i>Please see Max Loan Amount table for more information.</i>	\$2M	\$2M	\$1.5M	\$1.5M
Loan Term	15 - 30 Years	15 - 30 Years	15 - 30 Years	15 - 30 Years	15 - 30 Years
Maximum LVR	80%	85%	85%	85%	85%
Mortgage Arrears	Nil	1 Event	1 Event	More than 1 event	More than 1 event
No. of Credit Events	Nil	1 Default Event	1 Default Event	More than 1 Default event	More than 1 Default event
Credit Events	Nil	<\$2,000 disregarded Paid > 1 year disregarded Unpaid > 2 Year disregarded	<\$2,000 disregarded Paid > 1 year disregarded Unpaid > 2 Year disregarded	<\$2,000 disregarded Paid > 1 year disregarded Unpaid > 2 Year disregarded	<\$2,000 disregarded Paid > 1 year disregarded Unpaid > 2 Year disregarded
Bankruptcy (Part IX & Part X) Discharged	Nil	> 1 Year	> 1 Year	Current or < 1 Year	Current or < 1 Year
Interest Only	1 - 5 Years	1 - 5 Years (Max. 80% LVR for Owner Occupied)	1 - 5 Years (Max. 80% LVR for Owner Occupied)	1 - 5 Years (Max. 80% LVR for Owner Occupied)	1 - 5 Years (Max. 80% LVR for Owner Occupied)
Cash Out	Unlimited to 80% LVR (Business purposes acceptable)	Unlimited to 85% LVR	Unlimited to 85% LVR	Unlimited to 85% LVR	Unlimited to 80% LVR
ABN Registration	24 months	24 months	12 months	12 months	3 months
GST Registration <i>(if required)</i>	12 months	12 months	12 months	6 months	3 months
Genuine Savings	No	No	No	No	No

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Max Loan Amounts & Risk Fees



Maximum Loan Amounts

The table below outlines what loan amounts are available in a range of LVR bands and categories.

	Up to 65%		Up to 70%		Up to 75%		Up to 80%		Up to 85%	
	Category 1	Category 2	Category 1	Category 2	Category 1	Category 2	Category 1	Category 2	Category 1	Category 2
Prime Alt Doc	\$3.00m ^{*^}	N/A	\$2.50m ^{*^}	N/A	\$2.00m [*]	N/A	\$1.75m [*]	N/A	N/A	N/A
Prime Alt Doc	\$2.50m [^]	N/A	\$2.00m	N/A	\$1.75m	N/A	\$1.50m	N/A	N/A	N/A
Specialist Full & Alt Doc	\$2.00m	\$1.50m	\$2.00m	\$1.50m	\$1.50m	\$1.25m	\$1.25m	\$1.00m	\$1.00m	\$750k
Specialist Plus Full & Alt Doc	\$1.50m	\$1.25m	\$1.50m	\$1.25m	\$1.25m	\$1.00m	\$1.00m	\$750k	\$750k	\$500k

* Multiple security properties required

[^] Additional rate loadings applies for loan amounts >\$2M (see Prime Alt Doc product sheet for details).

Note: LVR restrictions do apply in some locations and to some property types – refer to the Acceptable Suburb Location tables.

Risk Fees

We don't have any risk fees below 70% LVR on any Ultimate products, and **zero risk fees** on our Ultimate Prime Alt Doc loan.

	≤ 65%	≤ 70%	≤ 75%	≤ 80%	≤ 85%
Prime Alt Doc	-	-	-	-	-
Specialist Full Doc*	-	-	0.50%	0.75%	1.00%
Specialist Alt Doc*	-	-	0.75%	0.90%	1.25%
Specialist Plus Full Doc*	-	-	0.75%	1.00%	1.25%
Specialist Plus Alt Doc*	-	-	1.00%	1.25%	1.50%

* Capitalisation of fees is acceptable above the maximum product LVR (not to exceed 85% LVR)

The Better Choice Team
Make the Better Choice

P 1300 334 336
E scenarios@betterchoice.com.au

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Acceptable Income

Acceptable Income

Income Type	Definition	Allowance %
PAYG	Base salary/wage	100%
PAYG Salary Packaging	Provided the applicant's package is available in cash at the applicant's option, then the total package can be treated as gross income (less compulsory superannuation contribution) for loan servicing purposes	100%
Permanent Part Time	Employed minimum 6 months	100%
Second Job	Employed minimum 6 months	100%
Casual	Employed minimum 6 months and prior employment can be verified for at least another 6 months	100%
Commission/Bonuses	Paid regularly for last 12 months	100%
Overtime	Regular for at least 6 months	100%
Contractor	Must be in similar type of work for last 2 years	100%
Investment (Interest/dividends)	Earned for at least 12 months and demonstrated from tax returns or bank statements	100%
Rental - Residential	Gross income from residential income	80%
Rental - Commercial	Gross income from commercial income	65%
Family Payments	Family Tax benefit A & B are accepted where the allowance is determined to be available for a minimum of 5 years.	100%
Pensions/ Centrelink	Ongoing Disability Pensions, Widows allowance accepted. Continuing Government Income/Welfare is considered as a supplementary source of income	100%
Child Support Payments	Child support payments are acceptable provided the payments are paid through the Child Support Agency and be available for a minimum of 5 years. Supporting information required: <ul style="list-style-type: none">Child Support Agency Assessment showing the amount payable, the names and date of birth for the eligible child or children;Three (3) months current bank statements confirming receipt of payments. Private arrangements are not acceptable	100%
Fully Maintained Company Car	Maximum \$5,000 net - must be verified as permanent	Up to \$5,000

Ultimate Product & Policy Guide

Other Fees & Income Verification Requirements

Other Fees

	Prime Alt Doc	Specialist & Specialist Plus
Application Fee	\$395 Fee Waived	\$395 Fee Waived
Valuation Fee	At Cost Ordered and payable upfront	At Cost Ordered and payable upfront
Legal Fees	\$330 (excludes disbursements & other charges)	\$330 (excludes disbursements & other charges)
Monthly Fee	-	-
Annual Fee	-	-
Settlement Fee	\$395 Fee Waived	\$395 Fee Waived

Fees displayed are starting from and are provided as an indication only. Fees shown exclude Government Searches, Legal disbursements, Document Custodian and other Fees, Stamp Duties and Solicitor Outlays. The fees shown are indicative, additional fees may be applicable including for more complex loans. Information is for broker use only and not intended for consumer advertising purposes. Information is correct at time of publishing and is subject to change. All fees include GST.

Income Verification Requirements

FULL DOC (Specialist Full Doc, Specialist Plus Full Doc)

PAYG - Base Income Only	<ul style="list-style-type: none"> Either 2 of the 3 most recent computer-generated payslips (showing as a minimum the applicants name, employer's name and ABN and year to date earnings) OR; 3 months statements from a financial institution showing regular salary credits with the name of the employer evident as a minimum
PAYG - Base Income PLUS other (e.g. overtime, commissions, allowances, etc.)	<ul style="list-style-type: none"> Either 2 of the 3 most recent computer-generated payslips (showing as a minimum the applicants name, employer's name and ABN and year to date earnings) OR; 3 months statements from a financial institution showing regular salary credits with the name of the employer evident as a minimum AND; The latest PAYG Summary or Tax Assessment Notice.
Self Employed	<ul style="list-style-type: none"> Self-employed applicants must demonstrate sufficient income to meet commitments from the last 1 year taxable income. Treatment of self-employed income (1 year's financials and most recent 6 months BAS statements): <ul style="list-style-type: none"> Current financial statement, tax returns and ATO assessment notices are to be supplied.

ALT DOC (Prime Alt Doc, Specialist Alt Doc, Specialist Plus Alt Doc)

Self Employed (Prime Alt Doc & Specialist Alt Doc)	Declaration of Financial Status and any one of the following: <ul style="list-style-type: none"> Accountant's verification (provided the Accountant has acted for the applicant(s) for 12 months or greater) 6 months BAS Statements (annualised) OR 3 months business bank statements (main transactional account) issued within the last 30 days
Self Employed (Specialist Plus Alt Doc)	Declaration of Financial Status and one of the following: <ul style="list-style-type: none"> 3 months BAS Statements (annualised) OR 3 months business bank statements (main transactional account) issued within the last 30 days

Ultimate Product & Policy Guide

Loan Features



Loan Features

	Prime Alt Doc	Specialist Full Doc	Specialist Alt Doc	Specialist Plus Full Doc	Specialist Plus Alt Doc
Repayment Options	Weekly, Fortnightly, Monthly	Weekly, Fortnightly, Monthly	Weekly, Fortnightly, Monthly	Weekly, Fortnightly, Monthly	Weekly, Fortnightly, Monthly
Redraw	✓	✓	✓	✓	✓
Offset Available	✓	✓	✓	✓	✓
Split Loan	✓	✓	✓	✓	✓
Internet Banking	✓	✓	✓	✓	✓
Direct Debits	✓	✓	✓	✓	✓
Direct Credits*	✓	✓	✓	✓	✓

Please note: Better Choice offset sub-accounts do not have access by cards. Please ensure borrowers are informed of this and the product suits the borrower's needs. Access to funds in the offset will be available using electronic means only through secure Internet banking or by requesting Better Choice to transfer funds (fees may apply for manual transfer requests. Please refer borrowers to their loan contract for applicable fees).

*Subject to conditions - please see Loan Features (page 11)

Ultimate Prime Alt Doc Fact Sheet

Product Information



Ultimate Prime Alt Doc Product Specifications

ALT DOC

Loan Purpose	<ul style="list-style-type: none"> Owner Occupied & Investment Purchase or Refinance Debt Consolidation Cash Out
Minimum Loan Size	\$50,000
Maximum Loan Size	\$2,500,000 (\$3,000,000 for multiple securities - see Maximum Loan Amount table for LVR restrictions). Additional rate loadings 1.00% (>\$2M) & 1.25% (>\$2.25M)
Applicant Type	Self Employed (At least one applicant must be self-employed)
Maximum LVR	80% LVR (see Maximum Loan Amount table for LVR restrictions) <ul style="list-style-type: none"> 70% LVR High Density
Cash Out	<ul style="list-style-type: none"> Unlimited Cash Out to 80% LVR Business Purposes acceptable Statutory Declaration required on purpose/usage if cash out is greater than \$250,000 <p>NB: Repayment of Tax Debt and refinance / consolidation of Private / Solicitor loans are an unacceptable purpose.</p>
Debt Consolidation	Unlimited
Credit History	Clear
Income Documentation (SELF EMPLOYED)	Declaration of Financial Status and any one of the following: <ul style="list-style-type: none"> Accountant's verification (provided the Accountant has acted for the applicant(s) for 12 months or greater) 6 months BAS Statements (annualised) OR 3 months business bank statements (main transactional account) issued within the last 30 days
Income Documentation (PAYG) <i>Applicable for PAYG joint/ co-borrower</i>	<ul style="list-style-type: none"> 2 of the 3 most recent computer-generated payslips (showing as a minimum the applicants name, employer's name and ABN and year to date earnings) OR 3 months statements from a financial institution showing regular salary credits
Self Employed Period	24 months
ABN Registration	24 months (must be in name of applicant or associated entity linked to applicant)
GST Registration	12 months (if required)

Ultimate Prime Alt Doc Product Features

ALT DOC

Loan Term	30 years
Repayment Types	<ul style="list-style-type: none"> Principal & Interest Interest Only
Offset	100% Offset available
Additional Repayments	Yes
Redraw	Yes
Split Loan	Yes
Fees	\$0 Application Fee \$0 Settlement Fee \$330 Legal Fee (excludes disbursements and other charges) Valuation Fee - At Cost (ordered and paid upfront)
Risk Fee Capitalisation	Yes (cannot exceed 85% LVR)
Transaction Facilities	<ul style="list-style-type: none"> Internet Banking Redraw facility BPAY Direct Credit* Direct Debit

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*Direct crediting to customer account/s using the BSB and account number will not be accepted if the payment is sent using OSKO. Customers can arrange with their financial institution to send the payment as a Single Credit Transfer (SCT) which is an alternative to OSKO for quick payments. Payment options for your loan include BPAY Biller, BPAY Payer, Pay Anyone, redraws and transfers between accounts and are available through internet banking.

Ultimate Specialist Fact Sheet

Product Information

Ultimate Specialist Product Specifications

	FULL DOC	ALT DOC
Loan Purpose	<ul style="list-style-type: none"> Owner Occupied & Investment Purchase or Refinance 	<ul style="list-style-type: none"> Debt Consolidation Cash Out
Minimum Loan Size	\$50,000	\$50,000
Maximum Loan Size	\$2,000,000 (see Maximum Loan Amount table for LVR restrictions)	\$2,000,000 (see Maximum Loan Amount table for LVR restrictions)
Applicant Type	PAYG and Self Employed	Self Employed (At least one applicant must be self-employed)
Maximum LVR	85% LVR (see Maximum Loan Amount table for LVR restrictions) <ul style="list-style-type: none"> 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only) 	85% LVR (see Maximum Loan Amount table for LVR restrictions) <ul style="list-style-type: none"> 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only)
Cash Out	<ul style="list-style-type: none"> Unlimited Cash Out to 85% LVR Business Purposes (incl. Tax debts) Any worthwhile purpose considered Statutory Declaration required on purpose/usage if cash out is greater than \$250,000 <p>NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.</p>	<ul style="list-style-type: none"> Unlimited Cash Out to 85% LVR Business Purposes (incl. Tax debts) Any worthwhile purpose considered Statutory Declaration required on purpose/usage if cash out is greater than \$250,000 <p>NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.</p>
Debt Consolidation	Unlimited	Unlimited
Credit History	<ul style="list-style-type: none"> Unlimited defaults, judgements, or writs from 1 event listed (<\$2000, > 1 year paid, > 2 years unpaid are disregarded) Bankruptcy (Part IX & Part X) Discharged - > 12 months Mortgage Arrears - 1 event 	<ul style="list-style-type: none"> Unlimited defaults, judgements, or writs from 1 event listed (<\$2000, > 1 year paid, > 2 years unpaid are disregarded) Bankruptcy (Part IX & Part X) Discharged - > 12 months Mortgage Arrears - 1 event
Income Documentation (SELF EMPLOYED)	<ul style="list-style-type: none"> Last 1 year Full Business/ Company & Personal Tax returns with ATO notice and 6 months BAS statements 	Declaration of Financial Status and any one of the following; <ul style="list-style-type: none"> Accountant's verification (provided the Accountant has acted for the applicant(s) for 12 months or greater) 6 months BAS Statements (annualised) OR 3 months business bank statements (main transactional account) issued within the last 30 days
Income Documentation (PAYG) <i>Applicable for PAYG joint/ co-borrower</i>	<ul style="list-style-type: none"> 2 of the 3 most recent computer-generated payslips OR 3 months statements from a financial institution showing regular salary credits 	<ul style="list-style-type: none"> 2 of the 3 most recent computer-generated payslips OR 3 months statements from a financial institution showing regular salary credits
Self Employed Period	24 months	12 Months
ABN Registration	24 months	12 Months
GST Registration	12 months (if required)	12 months (if required)

Ultimate Specialist Product Features

	FULL DOC	ALT DOC
Loan Term	30 years	30 years
Repayment Types	<ul style="list-style-type: none"> Principal & Interest Interest Only 	<ul style="list-style-type: none"> Principal & Interest Interest Only
Offset	100% Offset available	100% Offset available
Additional Repayments	Yes	Yes
Redraw	Yes	Yes
Split Loan	Yes	Yes
Fees	\$0 Application Fee \$0 Settlement Fee \$330 Legal Fee (excludes disbursements and other charges) Valuation Fee - At Cost (ordered and paid upfront) No Risk Fee (up to 70% LVR)	\$0 Application Fee \$0 Settlement Fee \$330 Legal Fee (excludes disbursements and other charges) Valuation Fee - At Cost (ordered and paid upfront) No Risk Fee (up to 70% LVR)
Risk Fee Capitalisation	Yes (cannot exceed 85% LVR)	Yes (cannot exceed 85% LVR)
Transaction Facilities	<ul style="list-style-type: none"> Internet Banking Redraw facility BPAY Direct Credit* Direct Debit 	<ul style="list-style-type: none"> Internet Banking Redraw facility BPAY Direct Credit* Direct Debit

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Ultimate Specialist Plus Fact Sheet

Product Information



Ultimate Specialist Plus Product Specifications

	FULL DOC	ALT DOC
Loan Purpose	<ul style="list-style-type: none"> Owner Occupied & Investment Purchase or Refinance 	<ul style="list-style-type: none"> Debt Consolidation Cash Out
Minimum Loan Size	\$50,000	\$50,000
Maximum Loan Size	\$1,500,000 (see Maximum Loan Amount table for LVR restrictions)	\$1,500,000 (see Table 1 for LVR restrictions)
Applicant Type	PAYG and Self Employed	Self Employed (At least one applicant must be self-employed)
Maximum LVR	85% LVR (see Maximum Loan Amount table for LVR restrictions) <ul style="list-style-type: none"> 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only) 	85% LVR (see Maximum Loan Amount table for LVR restrictions) <ul style="list-style-type: none"> 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only)
Cash Out	<ul style="list-style-type: none"> Unlimited Cash Out to 85% LVR Business Purposes (incl. Tax debts) Any worthwhile purpose considered Statutory Declaration required on purpose/usage if cash out is greater than \$250,000 <p>NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.</p>	<ul style="list-style-type: none"> Unlimited Cash Out to 85% LVR Business Purposes (incl. Tax debts) Any worthwhile purpose considered Statutory Declaration required on purpose/usage if cash out is greater than \$250,000 <p>NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.</p>
Debt Consolidation	Unlimited	Unlimited
Credit History	<ul style="list-style-type: none"> Unlimited defaults, judgements, or writs from 1 event listed (<\$2000, > 1 year paid, > 2 years unpaid are disregarded) Bankruptcy (Part IX & Part X) Discharged - Current or < 12 months Mortgage Arrears - more than 1 event 	<ul style="list-style-type: none"> Unlimited defaults, judgements, or writs from 1 event listed (<\$2000, > 1 year paid, > 2 years unpaid are disregarded) Bankruptcy (Part IX & Part X) Discharged - Current or < 12 months Mortgage Arrears - more than 1 event
Income Documentation (SELF EMPLOYED)	<ul style="list-style-type: none"> Last 1 year Full Business/ Company & Personal Tax returns with ATO notice and 6 months BAS statements 	Declaration of Financial Status and one of the following; <ul style="list-style-type: none"> 3 months BAS Statements (annualised) OR 3 months business bank statements (main transactional account) issued within the last 30 days
Income Documentation (PAYG) <i>Applicable for PAYG joint/ co-borrower</i>	<ul style="list-style-type: none"> 2 of the 3 most recent computer-generated payslips OR 3 months statements from a financial institution showing regular salary credits 	<ul style="list-style-type: none"> 2 of the 3 most recent computer-generated payslips OR 3 months statements from a financial institution showing regular salary credits
Self Employed Period	12 months	3 months
ABN Registration	12 months	3 months
GST Registration	6 months (if required)	3 months (if required)

Ultimate Specialist Plus Product Features

	FULL DOC	ALT DOC
Loan Term	30 years	30 years
Repayment Types	<ul style="list-style-type: none"> Principal & Interest Interest Only 	<ul style="list-style-type: none"> Principal & Interest Interest Only
Offset	100% Offset available	100% Offset available
Additional Repayments	Yes	Yes
Redraw	Yes	Yes
Split Loan	Yes	Yes
Fees	\$0 Application Fee \$0 Settlement Fee \$330 Legal Fee (excludes disbursements and other charges) Valuation Fee - At Cost (ordered and paid upfront) No Risk Fee (up to 70% LVR)	\$0 Application Fee \$0 Settlement Fee \$330 Legal Fee (excludes disbursements and other charges) Valuation Fee - At Cost (ordered and paid upfront) No Risk Fee (up to 70% LVR)
Risk Fee Capitalisation	Yes (cannot exceed 85% LVR)	Yes (cannot exceed 85% LVR)
Transaction Facilities	<ul style="list-style-type: none"> Internet Banking Redraw facility BPAY Direct Credit* Direct Debit 	<ul style="list-style-type: none"> Internet Banking Redraw facility BPAY Direct Credit* Direct Debit

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Ultimate Product & Policy Guide

Key Product Information

Applicants

Acceptable Applicants:

- Applicants must be a natural person and be over 18 years of age
- Australian or New Zealand citizen or that hold permanent Australian or New Zealand residency status and are residing in Australia. At least one applicant must be a Australian citizen or hold permanent Australian residency
- Companies. The company must be registered in Australia with ASIC and the directors must be permanent residents of Australia. A maximum of 4 shareholders is acceptable. The details of all shareholders with more than 25% shareholding (if not a director) must be collected.
- Unit Trusts and Discretionary Trusts (excluding Hybrid Trusts).

Unacceptable Applicants:

- Minors under any circumstances.
- Overseas Citizens e.g., American Citizens.
- Companies or company trustee's involving disqualified directors.
- Existing Bankrupts, unless the application involves discharging from bankruptcy
- Applicants under external administration unless the application involves closure of the administration.
- Superannuation funds (either applicant or security provider).
- Superannuation Funds (SMSF).
- Public companies.
- Owner Builders.
- Non-Resident applicants.
- Limited Liability Companies.
- Associations.
- Churches.
- Clubs.
- Borrowers of Convenience.

Exit Strategy

There is no maximum age limit above which we will not lend, however either:

- an exit strategy must be demonstrated; or
- the applicant must be able to demonstrate the capacity to repay the loan past the normal age of retirement.

Where the loan term exceeds the normal age of retirement and the security property is the applicant's principal place of residence, or significant tangible and verifiable asset, a detailed written confirmation may be requested from the applicant's outlining their proposed exit strategy must be supplied and found satisfactory

Genuine Savings

There is no minimum savings requirement for Specialist Lending loans. The remaining deposit may come from:

- Savings
- First Home Owners Government Grant (FHOG)
- Equity from real estate
- The sale of a personal asset
- An inheritance
- A family gift
- Borrowed funds

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Make the Better Choice

P 1300 334 336
E scenarios@betterchoice.com.au

For funds being gifted, a statutory declaration confirming the donor's name and address, their relationship to the borrower and whether the gift is repayable (if repayable, terms must be stated) is to be provided.

Security

Acceptable title includes the following:

- Freehold Land
- Torrens Title
- Strata Title
- Common Law Title
- Community Title (if the development has been fully completed)
- Crown leasehold land in the ACT with a lease term at least 5 years longer than the loan term

Unacceptable Title includes the following:

- Company Title
- Stratum Title
- Mining Leases
- Crown Lease (except for ACT)
- Leasehold Properties
- Native Title
- Moiety Title (SA): where a person owns a share of the whole of the land and leases a defined portion of the land for themselves from the other owner(s)
- Purple Title (WA): ownership of an undivided share in a property

Acceptable forms of Securities include the following:

For private residential use only.

A minimum of 40 sqm in living area excluding parking / balconies / courtyards.

A maximum land area of 10 hectares (25 acres).

Of good quality, well presented, and free of defects.

Readily saleable.

Compatible with the prevailing styles in the security location.

Houses with at least 2 bedrooms.

Undertaking from the Borrower/s that no construction will take place whilst mortgage held with Better Choice Home Loans.

Acceptable securities include:

- Residential houses
- Townhouses*^A
- Unit*^A
- Apartments*^A
- Villa*^A
- High density securities*^A
- Vacant Land (as collateral security only, i.e. it can't be the primary security but may be used as the additional security), Undertaking from the Borrower/s that no construction will take place whilst mortgage held with Better Choice Home Loans required.

* A maximum of 4 or 25% exposure of a development (whichever is the lowest applies). Exposure includes exposure to Better Choice across multiple borrowers or ownership by any single borrower.

^A A maximum of 3 residential properties of a development can be retained by the Developer to be refinanced as investment properties for Specialist Plus product only.

Loan Purpose

Loans will be provided to assist with the following:

- Purchase of residential property, for either owner occupation or investment purposes.
- Refinance of residential property, for either owner occupation or investment purposes.
- Consolidation of debt (e.g. credit cards, personal loans, business loans etc.).
- General consumer purposes (e.g. car, holiday etc.).
- Home improvements.
- Non-real estate investments (shares, managed funds, etc.).
- "Off the Plan" purchases.
- Owner Occupied and Investment residential property with an approved DA (not being developed)
- Any other purpose deemed worthwhile will be subject to approval by Better Choice Home Loans.

Cash Out Policy

Any loan or component of a loan that is to be used for anything other than for the purchase of a residential property or refinance / consolidation of a current mortgage / loan(s) where proceeds are being either fully or in part released directly to the applicant will be classified as cash out.

- Ultimate Prime Alt Doc: Unlimited cash out to 80% LVR. (Statutory Declaration required on purpose/usage if cash out is greater than \$250,000). Cash out for business purposes acceptable.
- Ultimate Specialist: Full Doc unlimited cash out to 85% LVR and Alt Doc to 85% (Statutory Declaration required on purpose/usage if cash out is greater than \$250,000).
- Ultimate Specialist Plus: Full Doc unlimited cash out to 85% LVR and Alt Doc to 80% (Statutory Declaration required on purpose/usage if cash out is greater than \$250,000).
- Ultimate Specialist and Specialist Plus Only - Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident) but cash out is limited to \$20,000

Credit Impairment

Ultimate Specialist & Specialist Plus only

- All Bureau listings under \$2,000 are disregarded for applicant credit rating purposes.
- All Bureau listings paid > 1 year ago at the time of application are disregarded for applicant credit rating purposes.
- All Bureau listings unpaid > 2 years ago at the time of the application are disregarded for applicant credit rating purposes.
- If the applicant fits into more than one credit rating, then the highest level is to apply
- A 'default event' is described as any single event that caused an adverse credit bureau listing or listings. A single credit event can consist of multiple bureau listings, provided the applicant can demonstrate that all listings were caused by that single event and the period over which the listings were reported does not exceed 6 months.
- Any current Part IX or Part X must be finalised at or prior to settlement.
- Mortgage / Rent Arrears - The applicant will be given a 7 days grace period from the end of the month to adjust any missed mortgage / rent payment. Should a subsequent adjustment be effected within that period than the matter will not be classified as 'in arrears'.

Alt Doc Loans

A Declaration of Financial Status is required to be executed by all of the applicants. This acknowledges that the applicants are aware that the lender is relying on the disclosed income for debt service assessment purposes. The applicant further confirms that the information disclosed is true and correct and the loan commitment can be serviced without undue financial hardship

The level of income must support the applicant's asset and liability statement of position. In addition, Better Choice Home Loans will also determine whether this stated income and assets, and liabilities are 'reasonable', given the nature of the applicant's line of work. Better Choice Home Loans reserves full discretion as to whether or not it will accept the applicant's stated level of income and assets and liabilities. Better Choice Home Loans will not consider Alt Doc loan application where, it is readily apparent, the applicant is not declaring income for tax purposes. The applicant further confirms that the information disclosed is true and correct and the loan commitment can be serviced without undue financial hardship.

Acceptable Applicants:

- At least one applicant must be self-employed
- Pay As You Go (PAYG) applicants are permitted as secondary applicants and proof of the PAYG income must be obtained.

Length of Business:

The applicants must have continually operated the same business for a minimum of:

- Ultimate Prime Alt Doc - 2 years (24 months)
- Ultimate Specialist Alt Doc - 1 year (12 months)
- Ultimate Specialist Plus Alt Doc - Three (3) months

Alt Doc Declaration of Financial Status

- Both regulated and unregulated.
- Applicants must have a valid ABN with GST registration where applicable.

Valuation Standards

A formal valuation serves as an independent opinion of value, provides information that helps assess whether the asset is suitable security. Only an accredited Panel Valuer of Better Choice Home Loans, can value properties as security for a loan.

Acceptable Property Locations

All security locations should be checked by referencing the Acceptable Property Suburb tables available on our website at www.betterchoice.com.au for acceptable security locations, products for varying loan types and loan amounts prior to loan submission.

Loan Features

Direct crediting to customer account/s using the BSB and account number will not be accepted if the payment is sent using OSKO. Customers can arrange with their financial institution to send the payment as a Single Credit Transfer (SCT) which is an alternative to OSKO for quick payments. Payment options for your loan include BPAY Biller, BPAY Payer, Pay Anyone, redraws and transfers between accounts and are available through internet banking.



Phone 1300 334 336

Email scenarios@betterchoice.com.au

Website www.betterchoice.com.au

Disclaimer: This product guide is accurate as at the effective date of this document. Better Choice reserves the right to alter the policies at any time without notice. We will notify borrowers of changes in accordance with their loan agreement and the National Consumer Protection Act.

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Warning: You must comply with all legal requirements. Non-compliance with the law attract civil and/or criminal penalties.