



Better Choice
Make a Better Choice

Ultimate Product & Policy Guide

6th January 2025

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Product & Policy Guide

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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* (Minimum \$50,000)	\$5.0M <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 (If required)	12 months	12 months	12 months	6 months	3 months
Genuine Savings	No	No	No	No	No

* Please note: e.g. < \$2M = \$1,999,999.99. See Maximum Loan Amounts Table below

The Better Choice Team
Make the Better Choice

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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 ^{*1}	\$5.00m*	N/A	\$3.50m*	N/A	\$2.00m*	N/A	\$2.00m*	N/A	N/A	N/A
Prime Alt Doc ¹	\$5.00m	N/A	\$5.00m	N/A	\$1.75m	N/A	\$1.75m	N/A	N/A	N/A
Specialist Full & Alt Doc ^{#1}	< \$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}	< \$1.50m	\$1.25m	< \$1.50m	\$1.25m	\$1.25m	\$1.00m	\$1.00m	\$750k	\$750k	\$500k

* Multiple security properties required

Category 3 locations are acceptable up to a maximum loan amount of \$500k and a maximum LVR of 70%. (Conditions apply, see page 11)

¹ Pricing may vary based upon loan amounts and LVR tiers. Where "<" symbol is shown e.g. "<\$2M" = \$1,999,999.99. "<\$1.5M" = \$1,499,999.99. Contact your Better Choice BDM for any questions.

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)

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Acceptable Income

Acceptable Income

Income Type	Allowance %	Definition
PAYG	100%	Base salary/wage - including permanent allowances whereby they are ongoing and a permanent part of income, excluding meal, travel and entertainment allowances
PAYG Salary Packaging	100%	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
Permanent Part Time	100%	Employed minimum 6 months
Second Job	100%	Employed minimum 6 months
Casual	100%	Employed minimum 6 months and prior employment can be verified for at least another 6 months. Income assessment is based on 48 weeks.
Commission/Bonuses	100%	Paid regularly for last 12 months
Overtime	100%	Regular for at least 6 months
Contractor	100%	Must be in similar type of work for last 2 years
Investment (Interest/dividends)	100%	Earned for at least 12 months and demonstrated from tax returns or bank statements
Rental - Residential	80%	Gross income from residential income
Rental - Commercial	65%	Gross income from commercial income
Family Payments	100%	Family Tax benefit A & B are accepted where the allowance is determined to be available for a minimum of 5 years.
Pensions/ Centrelink	100%	Ongoing Disability Pensions, Widows allowance accepted. Continuing Government Income/Welfare is considered as a supplementary source of income
Child Support Payments	100%	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: • 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
Fully Maintained Company Car	Up to \$5,000	Maximum \$5,000 net - must be verified as permanent
Air BNB / Holiday Letting	80%	Air BNB & Holiday Letting rental income acceptable with provision of a minimum 12 months evidence via rental statements or tax returns. A rental appraisal may be requested.

Ultimate Product & Policy Guide

Other Fees & Income Verification Requirements

Other Fees

	Prime Alt Doc	Specialist & Specialist Plus
Application Fee	-	-
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	-	-
Settlement Fee	\$395	\$395
Annual Fee	-	-

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	- 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.)	- 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	- 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): - 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; - 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; 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

Version 2.7

Ultimate Prime Alt Doc Product Specifications

ALT DOC

Loan Purpose	- Owner Occupied & Investment - Purchase or Refinance - Debt Consolidation - Cash Out
Minimum Loan Size	\$50,000
Maximum Loan Size	\$2,500,000 (\$5,000,000 for multiple securities - see Maximum Loan Amount table for LVR restrictions). \$5,000,000 Jumbo loans Pricing may vary based upon loan amounts and LVR tiers. Contact your Better Choice BDM for any questions.
Applicant Type	Self Employed (At least one applicant must be self-employed)
Maximum LVR	80% LVR (see Maximum Loan Amount table for LVR restrictions) 70% LVR High Density
Cash Out	- Unlimited Cash Out to 80% LVR - Business Purposes acceptable - Statutory Declaration required on purpose/usage if cash out is greater than \$250,000 NB: Repayment of Tax Debt and refinance / consolidation of Private / Solicitor loans are an unacceptable purpose.
Debt Consolidation	Unlimited
Credit History	Clear
Income Documentation (SELF EMPLOYED)	Declaration of Financial Status and any one of the following: - 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>	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	- Principal & Interest - Interest Only
Offset	100% Offset available
Additional Repayments	Yes
Redraw	Yes
Split Loan	Yes
Fees	\$0 Application Fee \$330 Legal Fee (excludes disbursements and other charges) \$395 Settlement Fee Valuation Fee - At Cost (ordered and paid upfront)
Risk Fee Capitalisation	Yes (cannot exceed 85% LVR)
Transaction Facilities	- Internet Banking - Redraw facility - 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 Pay Anyone, redraws and transfers between accounts and are available through internet banking.

Ultimate Specialist Fact Sheet

Product Information

Version 2.5

Ultimate Specialist Product Specifications

	FULL DOC	ALT DOC
Loan Purpose	- Owner Occupied & Investment - Purchase or Refinance	- 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) Pricing may vary based upon loan amounts and LVR tiers. Contact your Better Choice BDM for any questions.	
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) 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only)	85% LVR (see Maximum Loan Amount table for LVR restrictions) 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only)
Cash Out	- 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 NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.	- 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 NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.
Debt Consolidation	Unlimited	Unlimited
Credit History	- 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	- 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)	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; - 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>	2 of the 3 most recent computer-generated payslips OR 3 months statements from a financial institution showing regular salary credits	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	- Principal & Interest - Interest Only	- 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 \$330 Legal Fee (excludes disbursements and other charges) \$395 Settlement Fee Valuation Fee - At Cost (ordered and paid upfront) No Risk Fee (up to 70% LVR)	\$0 Application Fee \$330 Legal Fee (excludes disbursements and other charges) \$395 Settlement Fee 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	- Internet Banking - Redraw facility	- Direct Credit* - Direct Debit

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). 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.

*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 Pay Anyone, redraws and transfers between accounts and are available through internet banking.

Ultimate Specialist Plus Fact Sheet

Product Information

Version 2.5



Ultimate Specialist Plus Product Specifications

	FULL DOC	ALT DOC
Loan Purpose	- Owner Occupied & Investment - Purchase or Refinance	- 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) Pricing may vary based upon loan amounts and LVR tiers. Contact your Better Choice BDM for any questions.	
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) 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only)	85% LVR (see Maximum Loan Amount table for LVR restrictions) 70% LVR High Density 75% LVR Centrelink Income 80% LVR Owner Occupied (Interest Only)
Cash Out	- 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 NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.	- 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 NB: Repayment of Private / Solicitor loans are an acceptable purpose (repayment history must be evident), but cash out is limited to \$20,000.
Debt Consolidation	Unlimited	Unlimited
Credit History	- Unlimited defaults, judgements, or writs from more than 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	- Unlimited defaults, judgements, or writs from more than 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)	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; 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>	2 of the 3 most recent computer-generated payslips OR 3 months statements from a financial institution showing regular salary credits	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	- Principal & Interest - Interest Only	- 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 \$330 Legal Fee (excludes disbursements and other charges) \$395 Settlement Fee Valuation Fee - At Cost (ordered and paid upfront) No Risk Fee (up to 70% LVR)	\$0 Application Fee \$330 Legal Fee (excludes disbursements and other charges) \$395 Settlement Fee 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	- Internet Banking - Redraw facility	- Direct Credit* - Direct Debit

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). 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.

*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 Pay Anyone, redraws and transfers between accounts and are available through internet banking.

SMSF Fact Sheet

Product Information

Version 2.5

SMSF Product Specifications

Loan Purpose	Purchase or refinance of an acceptable investment residential property only
Minimum Loan Size	\$100,000
Maximum Loan Size	\$2.0M - 70% LVR (Cat 1) or \$1.5M - 80% LVR (Cat 1) \$1.50M - 65% LVR (Cat 2) or \$1.25M - 70% LVR (Cat 2) or \$1M - 80% LVR (Cat 2) \$1M - 65% LVR (Cat 3) or \$500K - 70% LVR (Cat 3)
Applicant Type	Corporate Trustee borrowers only
Acceptable Security Types	- Residential houses - Townhouses - Unit - Apartments - Villa - High density securities. A maximum of 4 or 25% exposure of a development (whichever is the lowest applies) at maximum 70% LVR
SMSF Documentation	- Established SMSF – 12 months SMSF bank statements evidencing regular member contributions. - New/ recently established SMSF – 12 months superannuation statements for all the SMSF beneficiaries from their current industry fund/ retail fund. 2 years tax returns and full financial accounts for the SMSF, if available.
Income Documentation (SELF EMPLOYED)	- Last two years bank account statements, or current industry or retail fund statements to be rolled over, evidencing member contributions and cash / investments. - Last 2 years Business trading financial statements and tax returns confirming profitable trading after superannuation payments have been made. - Last 2 years personal taxation returns & ATO Assessment notices for all members/guarantors.
Income Documentation (PAYG)	2 most recent payslips showing superannuation contributions
Easy Refinance	Loan tenure and repayment behaviour are key determinants when assessing well established SMSF refinance applications. As a result, a reduced set of auxiliary documentation will be accepted for all SMSF refinance applications from ADI's and tier one nonbank lenders with a minimum of 12 months tenure and good repayment behaviour. A well-established SMSF easy refinance application must meet the below eligibility criteria. - Loan was settled over 12 months ago with clean repayment conduct on this loan. - Credit Report for borrower, Guarantors, and any associated entity to be clean with nothing adverse evident. - Security currently tenanted and has been rented for 9 out of the last 12 months. - Satisfactory benefit to borrower with a lower interest rate and new P&I repayments must be lower than the existing P&I repayments. - LVR must be less than or equal to 80%. If all the above criteria are met, then a full servicing assessment is not required to be undertaken. Rental income for well-established SMSF refinance applications must be supported with a minimum of 12 months CMA bank account statements along with current rental statement and/or Rental Lease Agreement. Refer to Easy Refinance Checklist for Eligibility Criteria and required Verification Documents.
Minimum Fund Position	N/A
Liquidity	N/A

SMSF Product Features

Loan Term	15 - 30 years
Repayment Types	- Principal & Interest - Interest Only (1 - 5 Years)
Offset	Not Available
Additional Repayments	Yes
Redraw	No
Split Loans	Not Available
Fees	Application Fee - \$0 Legal Fees - From \$770 (Excludes disbursements & other charges) Valuation Fee – At Cost (ordered and payable upfront) Settlement Fee - \$0 Annual Fee - \$0
Transaction Facilities	Internet Banking

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).
- The Unit Holders must be individuals/ joint individuals/ husband & wife
- No complex structures, ie, unit holders cannot be companies or trust structures. Guarantees required from the Unit Holders.

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

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
- Limited 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:

Properties zoned residential, rural residential or equivalent type where residential use is permitted under the zoning.

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) and a 'as is' valuation
- 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.

Ultimate Specialist & Specialist Plus only: Category 3 locations are acceptable up to a maximum loan amount of \$500k and a maximum LVR of 70%. In these locations the valuation report will need to confirm a minimum of 3 comparable sales within last 6 months, and a selling period of no greater than 6 months. This in addition to Valuer commentary, risk ratings, market data etc. within the report will be used to determine that there is an active market in this proposed location.

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 Pay Anyone, redraws and transfers between accounts and are available through internet banking.

SMSF Key Policy Summary

Key Product Information

Policy Information

Self-Managed Super Funds (SMSF)

All self-managed superannuation funds must comply with the Superannuation Industry (Supervision) Act 1993 (SIS Act) as amended.

The aim of the SIS Act and Regulation is to provide a framework for trustees and auditors for the management of all superannuation funds, including SMSF's.

Trustee for Complying Self-Managed Super Fund (SMSF)

The borrower is the SMSF trustee, which holds the beneficial interest in the security property.

Acceptable Borrowers

- Trustee for Complying Self-Managed Superannuation Fund (SMSF). The SMSF Trustee(s) must be a trustee company (where all beneficiaries must be directors and Shareholders of the trustee company), on behalf of a SMSF.
- The SMSF is the beneficial owner of property.
- The Property Trustee is the legal owner of property. The Property Trustee must be a company (and must be a different company to the SMSF company trustee).
- The SMSF must have fewer than five members.
- For SMSF with one member:
- The member of the fund must be the sole director of the company.

Personal Guarantees from all SMSF Beneficiaries:

- Direct limited recourse mortgage and guarantee from the property trustee.
- For the trustee company(s), the directors and shareholders are required to provide unconditional joint and several personal guarantees.

The SMSF Trustee must hold a beneficial interest in the security property and must have a right to acquire the property from the property trustee and is permitted to borrow in accordance with all the relevant legislative requirements and any associated regulations.

The Property Trustee, which holds the legal interest in the security property on trust for the SMSF Trustee, must meet all the relevant legislative requirements and any associated regulations.

All beneficiaries of the SMSF must be a personal guarantor on the loan and must meet all the relevant legislative requirements and any associated costs. Copies of all trust deeds must be submitted with the application.

Independent Legal Advice

SMSF borrowers and guarantors are to obtain independent legal and financial advice to determine suitability for their own circumstances. Evidence of the advice must be obtained prior to settlement. For refinances where the SMSF and guarantors can provide evidence that independent legal and financial advice has previously been obtained for the loan being refinanced, or alternatively, provide a signed Statutory Declaration that such advice was obtained and no changes have arisen in relation to the SMSF structure, this would be considered acceptable.

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.

Must have zoning/town planning classification of 'residential', rural residential, 'rural living' or equivalent type where residential is a permitted use.

Properties zoned Commercial / Industrial and/ or use is commercial/ industrial are unacceptable. Commercial zoned properties that contain residential apartments within the same development

where residential is a permitted use, may be considered under exception".

Unacceptable title includes the following:

- Company Title
- Stratum Title
- Mining Leases
- Crown Lease (except for ACT)
- Leasehold Properties
- Native Title
- Moiety Title (SA)
- Purple Title (WA)
- Limited Title

Acceptable Forms of Security:

All properties must be:

- A minimum of 50sqm in living area excluding parking / balconies/courtyards (must have a separate bedroom)
- A maximum land area of 2.5 hectares
- Of good quality, well presented, and free of defects.
- Readily saleable.
- Compatible with prevailing styles in the security location.
- Established high rise dwellings acceptable.

Acceptable Security Types:

- Residential houses
- Townhouses
- Unit
- Apartments
- Villa
- High density securities (i.e. complex > 50 apartments). A maximum of 4 or 25% exposure of a development (whichever is the lowest applies). Maximum 70% LVR.

High Density Units/Apartments:

- Apartments/ units in a complex with more than 50 apartments are considered high density units/apartments.
- Maximum 70% LVR only.

Serviceability Assessment

Serviceability is to be minimum 1.00:1 required.

"Off the Plan". These include:

- Those purchased during construction.
- Those purchased at the completion of construction in an 'off market' transaction between the developer (or their agent) and the purchaser (i.e., not at public auction/sale).

Off the plan developments are acceptable where both the development is to be completed and the loan settles within 3 months. A full valuation report is obtained prior to approval of the loan confirming the property is now complete.

If the 'On Completion' value is higher than the original purchase price and the contract of sale was signed more than 12 months ago, BNK will rely on the valuation. However, the loan amount cannot exceed the original purchase price.

If the 'On Completion' value is lower than the purchase price, BNK will rely upon the valuation for LVR purposes.

Restricted to Category 1 locations only.

Ongoing Expenses

For an existing SMSF that has been established for a period longer than 12 months and has accountant prepared financial statements then the actual expenses as detailed in the financial

statements for the latest financial year are to be used. Running costs associated with the property (eg: building insurance, tenant insurance, capital works, depreciation etc) are not costs associated with running the SMSF.

Division 293 Tax and Excessive Contributions Tax are to be included as an expense of the SMSF, if applicable

For newly established SMSF's a letter from the client accountant or financial planner advising of the estimated annual running expenses is to be obtained and used for servicing.

The higher of either the accountant or financial planner letter or \$2,000 is to be used.

Easy Refinance Well Established SMSF

Loan tenure and repayment behaviour are key determinants when assessing well established SMSF refinance applications. As a result, a reduced set of auxiliary documentation will be accepted for all SMSF refinance applications from ADI's and tier one nonbank lenders with a minimum of 12 months tenure and good repayment behaviour.

A Well Established SMSF easy refinance application must meet the below eligibility criteria.

1. Loan was settled over 12 months ago with clean repayment conduct on this loan.
2. Credit Report for borrower, Guarantors, and any associated entity to be clean with nothing adverse evident.
3. Security currently tenanted and has been rented for 9 out of the last 12 months.
4. Satisfactory benefit to borrower with a lower interest rate and new P&I repayments must be lower than the existing P&I repayments.
5. LVR must be less than or equal to 80%.

If all the above criteria is met, then a full servicing assessment is not required to be undertaken.

Rental income for well-established SMSF refinance applications must be supported with a minimum of 12 months CMA bank account statements along with current rental statement and/or Rental Lease Agreement.



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