

# 'N' SERIES PRIME RESIDENTIAL LENDING

23 YEARS FINANCING RESIDENTIAL MORTGAGES

Effective from 7 July 2008



**Novasure**

# Prime Loan

## LOAN FEATURES

Redraw	✓
Split Loan	✓
Dynamic Repayments	✓
Inward Direct Debits	✓
Inward Direct Credits	✓
Internal Portion Transfer	✓
Inward Deposit Book Payment	✓
Inward BPay	✓
Outward 3rd Party Direct Debit	✓
Loan Access System	✓

<b>Loan Purpose</b>	Purchase, Refinance, Debt Consolidation and Cash Out
<b>Loan Amount</b>	From \$50,000 to \$1,000,000
<b>Loan Term</b>	From 15 - 40 Years
<b>Maximum LVR</b>	90%
<b>Interest Only Option</b>	1 - 10 Years
<b>Fixed Interest Option</b>	1 - 5 Years
<b>LMI Premium Payable</b>	Novasure $\leq$ \$500,000 & $\leq$ 80% LVR (where the loan is insured with Genworth Financial) Borrower $>$ \$500,000 & /or $>$ 80% LVR
<b>LMI Capitalisation</b>	Yes - Maximum 90% LVR (including LMI)
<b>Interest In Advance</b>	Yes - On Interest Only Loans
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

## LINE OF CREDIT

### ADDITIONAL FEATURES

Outward Cheque	✓
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<b>Loan Amount</b>	From \$50,000 to \$1,000,000
<b>Loan Term</b>	From 25 - 40 Years
<b>Maximum LVR</b>	90%
<b>Minimum Portion Amount</b>	\$10,000
<b>Interest Only Option</b>	15 Years
<b>Fixed Interest Option</b>	Not Available
<b>LMI Capitalisation</b>	Yes - Maximum 90% LVR (including LMI)
<b>Capitalisation of Interest</b>	Yes (within approved limit)
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

## FEATURES

All Loan features are available for Prime as above.

## VACANT LAND

<b>Loan Amount</b>	From \$50,000 to \$600,000
<b>Maximum LVR</b>	90%
<b>LMI Capitalisation</b>	Yes - Maximum 90% LVR (including LMI)
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

Note: Construction Loans are not available at present

# Other Prime Loans

## LOAN FEATURES

- Redraw ✓
- Split Loan ✓
- Dynamic Repayments ✓
- Inward Direct Debits ✓
- Inward Direct Credits ✓
- Internal Portion Transfer ✓
- Inward Deposit Book Payment ✓
- Inward BPay ✓
- Outward 3rd Party Direct Debit ✓
- Loan Access System ✓

## Summary

## QUICKSTART LOAN

<b>Loan Purpose</b>	Purchase Only
<b>Loan Amount</b>	From \$50,000 to \$1,000,000
<b>Loan Term</b>	From 15 - 40 Years
<b>Maximum LVR</b>	95% to \$750,000 90% to \$1,000,000
<b>Minimum LVR</b>	85% (any LVR <85% will be treated as Prime)
<b>Interest Only Option</b>	Not Available
<b>Fixed Interest Option</b>	1 - 5 Years
<b>LMI Premium Payable</b>	Borrower
<b>LMI Capitalisation</b>	Yes - Maximum 95% LVR (including LMI)
<b>Novasure Delivery Rate</b>	Prime Rate + 0.20%
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

## LOAN FEATURES

- Redraw ✓
- Split Loan ✓  
(After Intro Rate Period finishes)
- Dynamic Repayments ✓
- Inward Direct Debits ✓
- Inward Direct Credits ✓
- Internal Portion Transfer ✓
- Inward Deposit Book Payment ✓
- Inward BPay ✓
- Outward 3rd Party Direct Debit ✓
- Loan Access System ✓

## Summary

## INTRODUCTORY RATE LOAN

<b>Loan Purpose</b>	Purchase, Refinance, Debt Consolidation and Cash Out
<b>Loan Amount</b>	From \$50,000 to \$1,000,000
<b>Loan Term</b>	From 15 - 40 Years
<b>Maximum LVR</b>	90%
<b>Interest Only Option</b>	Not Available
<b>Fixed Interest Option</b>	1-5 Years ( After 12 month Intro Rate period finishes)
<b>LMI Capitalisation</b>	Yes - Maximum 90% LVR (including LMI)
<b>Interest Rate to Borrower</b>	Novasure Core Rate less a margin of 1.39% (P&I Variable for 1st 12 months) Novasure Core Rate less a margin of 0.41% (P&I Variable after 12 months)
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

## LOAN FEATURES

- Redraw ✓
- Split Loan ✓
- Dynamic Repayments ✓
- Inward Direct Debits ✓
- Inward Direct Credits ✓
- Internal Portion Transfer ✓
- Inward Deposit Book Payment ✓
- Inward BPay ✓
- Outward 3rd Party Direct Debit ✓
- Loan Access System ✓

## Summary

## NON-RESIDENT LOAN

<b>Loan Purpose</b>	Purchase of investment property only
<b>Loan Amount</b>	From \$50,000 to \$500,000
<b>Loan Term</b>	From 15 - 30 Years
<b>Maximum LVR</b>	75%
<b>Interest Only Option</b>	1 - 10 Years
<b>Fixed Interest Option</b>	1 - 5 Years
<b>LMI Premium Payable</b>	Novasure (where the loan is insured with Genworth Financial as a full documentation loan under their standard LMI product); else Borrower pays LMI premium
<b>LMI Capitalisation</b>	Yes - Maximum 75% LVR (including LMI)
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

# LoDoc Loan

## LOAN FEATURES

Redraw	✓
Split Loan	✓
Dynamic Repayments	✓
Inward Direct Debits	✓
Inward Direct Credits	✓
Internal Portion Transfer	✓
Inward Deposit Book Payment	✓
Inward BPay	✓
Outward 3rd Party Direct Debit	✓
Loan Access System	✓

<b>Loan Purpose</b>	Purchase, Refinance, Debt Consolidation and Cash Out
<b>Loan Amount</b>	From \$50,000 to \$1,000,000
<b>Loan Term</b>	From 15 - 30 Years
<b>Maximum LVR</b>	80%
<b>Interest Only Option</b>	1 - 10 Years
<b>Fixed Interest Option</b>	1 - 5 Years
<b>LMI Premium Payable</b>	Borrower
<b>LMI Capitalisation</b>	Yes -Maximum 82% LVR (including LMI)
<b>Interest In Advance</b>	Yes - On Interest Only Loans
<b>Financial Statement</b>	Declaration of Financial Status required
<b>Asset &amp; Liabilities Statement</b>	Yes
<b>Novasure Delivery Rate</b>	Prime Rate + 0.60%
<b>Self Employed</b>	Yes - 2 Years
<b>ABN</b>	Yes - 2 Years
<b>GST Registered</b>	Yes
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

## LINE OF CREDIT

<b>Maximum LVR</b>	80% to \$750,000 70% to \$1,000,000
<b>Loan Amount</b>	From \$50,000 to \$1,000,000
<b>Loan Term</b>	From 25 - 30 Years
<b>Minimum Portion Amount</b>	\$10,000
<b>Interest Only Option</b>	15 Years
<b>Fixed Interest Option</b>	Not Available
<b>LMI Capitalisation</b>	Yes - Maximum 82% LVR (including LMI)
<b>Capitalisation of Interest</b>	Yes (within approved limit)
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

## VACANT LAND

<b>Loan Amount</b>	From \$50,000 to \$600,000
<b>Maximum LVR</b>	80%
<b>LMI Capitalisation</b>	Yes - Maximum 82% LVR (including LMI)
<b>Lenders Application Fee</b>	\$275 (payable at settlement)

Note: Construction Loans are not available at present

## ADDITIONAL FEATURES

Outward Cheque	✓
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## FEATURES

All Loan features are available for LoDoc as above.

# Features & Parameters

## Loan Features

<b>Inward Direct Debits</b>	Borrowers may make regular repayments to their loan from their savings account or cheque account with their Bank, Credit Union or Building Society.
<b>Inward Direct Credits</b>	Borrowers may make regular electronic repayments to their loan e.g. crediting salary payments, rental income, dividend payments etc.
<b>Internal Portion Transfer</b>	Borrowers may establish internal portion transfers, between loan portions (in a split loan) on a monthly or fortnightly cycle.
<b>Inward Deposit Book Payment</b>	Borrowers may make manual payments to their loan "over the counter" using a deposit book at Westpac Branches.
<b>Inward BPay</b>	Borrowers may access their loan using the internet or telephone to make one-off principal reduction payments to their loan using their Bank's, Credit Union's or Building Society BPay system.
<b>Outward Third Party Direct Debit</b>	Borrowers can set up regular payments to be taken from their loan account by a Third Party Service Provider i.e. credit card provider, health insurer, local council etc.
<b>Outward Cheques</b>	Borrowers may make cheque payments using their Line of Credit Facility.
<b>Loan Access System</b>	Borrowers may access their loan using the internet or telephone.
<b>Dynamic Repayments</b>	Dynamic Repayments is a feature that allows for the amortisation of your loan on a monthly basis, based on the loan balance at the time. If activated on your loan, any additional payments you make to your loan will be used to reduce your regular P&I repayment amount, as opposed to reducing the amount of time you will take to pay off the loan. Regardless of the frequency, the recalculation of the repayments will occur once a month on the Interest charge date.
<b>Split Loan</b>	Where applicable minimum loan portion is \$10,000.

## Product Parameters

### Prime Loan

- Where LVR > 85% borrowers must demonstrate genuine savings of at least 3% of the proposed purchase price, held or accumulated over a minimum period of 6 months

### Introductory Rate Loan

- No loan increases during intro rate period
- Not available for QuickStart, Line of Credit, LoDoc, Non Resident, Business Purpose and Vacant Land Loans

### QuickStart Loan

QuickStart loans can cater to borrowers who have little in the way of a deposit, do not have 3% genuine savings to contribute as a deposit, and where their equity contribution may be by way of a gift, First Home Owners' Grant (FHOG) or debt. Loan applications should be noted as "QuickStart" loans and must disclose the source of equity to both the mortgage insurer and Novasure. In the case of a gift forming the deposit, a statutory declaration must be obtained from the provider of the gift to inform of their relationship with the recipient, and confirm that the gift does not have to be repaid or to advise of the terms of any required repayment. If the deposit is borrowed, either by another loan or by a credit card advance, these new repayments must be included for serviceability calculation.

- Borrowers must be in their current employment for a minimum of 12 months
- Borrowers must be in the same/similar field of employment for minimum of 24 months
- Borrowers must disclose the source of funds and provide appropriate evidence
- Borrowers should not have any previous credit defaults

### LoDoc Loan

The level of income must support the borrower's asset and liability statement of position. In addition, Novasure will also determine whether this stated income and assets and liabilities are "reasonable", given the nature of the borrower's line of work.

Novasure reserves full discretion as to whether or not it will accept the borrower's stated level of income and assets and liabilities. Novasure will not consider LoDoc loan applications where, it is readily apparent the borrower is not declaring income for tax purposes.

The borrower further confirms that the information disclosed is true and correct and the loan commitment can be serviced without undue financial hardship.

Due to the additional risk associated with LoDoc loans, the following LoDoc summary is produced for your information:

- Acceptable Borrowers - At least one borrower must be self employed, but may not have up to date financial statements prepared.
- Pay As You Go ("PAYG") borrowers are permitted as secondary borrowers and proof of the PAYG income must be obtained.
- Evidence of PAYG income must be obtained and provided if using to service debt.
- Age of Business - The borrowers must have continually operated the same business for a minimum of 2 years.
- Number of Borrowers- Limited to 4
- LoDoc Declaration of Financial Status - Both regulated and unregulated: Borrowers must have a valid ABN.
- Where the borrower has a declared income or a business with gross turnover in excess of \$75,000 there must be a valid GST registration in place.

### Vacant Land Loan

- Only one land security per loan is available
- Vacant Land Loans are not available for property developer i.e. multiple block purchases in one of more sub-divisions
- Land must not be zoned "rural"
- Maximum land size of 2.2 hectares (5 acres)
- Security must be fully serviced i.e. water, electricity, sewer
- Security cannot be income producing
- Novasure will consider vacant land as collateral security under other loan types.

Novasure's Line of Credit facility provides for capitalisation of interest. As long as the borrower is within their approved limit, no set repayment is required.

The Line of Credit portion will be Interest Only for a period of 15 years and then will amortise over the remaining loan term. The monthly instalment will switch to principal and interest, on the maximum available amount, regardless of drawings.

### Interest In Advance

Interest In Advance is only available on loans (or loan portions) that are Interest Only, either Fixed or Variable. This is **NOT** available on existing fixed rate loans.

- Borrowers may pay interest in advance for a period not exceeding 12 months during any 1 financial year on an Interest Only loan
- The current interest rate applying to the loan is discounted by 0.10%
- The interest prepayment must be made by June 25 and the tax advantage will be set up by July 15 of each year
- In the event of an interest rate rise the borrower must resume loan repayments when the lump sum deposit is exhausted
- Borrower's must complete, sign and return the Tax Advantage Loan Variation Agreement

### Non-Resident Loan Conditions

- Written evidence of Foreign Investment Review Board (FIRB) approval is required (where applicable)
- An irrevocable Power of Attorney in favour of a permanent Australian resident to be provided
- Confirmation of overseas income should be provided
- Only applicable for Prime Loans (no LoDoc loans).
- Non Resident loans to comprise a maximum of 20% of individual originators monthly loan settlements.
- Where the non-rental income cannot be adequately verified, 80% of gross rental income must be sufficient to cover the proposed loan repayments at the test rate using the RESIMAC Serviceability Calculator.

# Contact

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