

This form only applies to regulated loans that are secured over residential property. It should only be used where there is an application for a loan secured by residential property and where the purpose is wholly or predominantly for:

- personal, domestic or household purposes; or
- to purchase, renovate or improve residential property for investment purposes or to refinance credit provided for that purpose.

REQUIREMENTS AND OBJECTIVES

1. APPLICANT DECLARED PURPOSE

1.1 Tick the applicable box to confirm the loan purpose type: Owner-Occupied Residential Investment

1.2 Select the purpose for which the loan proceeds will be predominately used and specify the proposed amount required for each purpose selected (Multiple purposes can be selected.):

If purpose is wholly or predominantly commercial or investment (other than in residential property), this interview guide is not intended to be used.

Purpose	Amount (\$)	Purpose	Amount (\$)
Purchase a property	\$	Construction	\$
Renovations	\$	Purchase a motor vehicle, boat, trailer etc.	\$
Refinance	\$	Debt consolidation	\$
Investment Purposes	\$	Equity Release	\$
Please detail:		Please detail:	

Other Purpose(s) being: \$

Please detail:

Select the purpose for which the loan proceeds will be used and specify the proposed amount required for each purpose selected (Multiple purposes can be selected.):

If purpose is wholly or predominantly commercial or investment (other than in residential property), this interview guide is not intended to be used.

Where loan purpose declared in 1.2 includes Refinance, Debt Consolidation and/or Purchase a motor vehicle, boat, trailer etc, the following declarations would need to be made by the broker and acknowledged by the applicant(s).

I have discussed that the goods being financed / refinanced may not hold their value for as long as the remaining term of the loan and so the applicant(s) may be paying for those goods beyond their useful lifespan and value. Additionally, I have discussed that the applicant(s) may not be in a position to finance the replacement of those goods if the term exceeds the lifespan of the original goods.

I have discussed with the applicant(s) that they may end up paying more interest compared to taking the loan over a shorter term more in line with the useful life of the goods.

I have discussed with the applicant the option of a separate loan with a shorter term for the part of the loan required for the purpose of the goods.

The applicant(s) appeared to understand and wants to proceed.

Where Debt Consolidation has been selected in 1.2, please complete 1.3 and 1.4.

Otherwise, continue to 1.5.

1.3 If Debt Consolidation was selected in 1.2, will existing credit card limits be reduced or cancelled? Yes No

If Yes, please give details below:

1.4 I have discussed with the applicant(s) that they may end up paying more interest, particularly if the applicant(s) incurs further credit card, personal loan or car loan debt after consolidating existing debts.

The applicant(s) appeared to understand and wants to proceed.

1.5 Term of credit sought:

Years

Months

2. REFINANCE & DEBT CONSOLIDATION

This section is to be completed if the applicant(s) is refinancing or consolidating debts with the proceeds of the proposed loan. If the applicant(s) is not refinancing or consolidating debts, continue to the 3. Possible Adverse Changes to Financial Situation.

2.1 Why does the applicant(s) want to refinance the existing loan? (Multiple options can be selected.)

Reduced repayments

Please specify current and anticipated repayments under the existing loan:

Lower interest rate

Please specify current and anticipated interest rates under the existing loan:

Increase total loan amount

Greater flexibility / extra or specific loan features under proposed loan

Please give details:

Wants to reduce number of lenders / consolidate debts

Please give details:

Dissatisfied with other financial institution

Please give details:

Close to end of current loan term

Please give details:

Other

Please give details:

3. POSSIBLE ADVERSE CHANGES TO FINANCIAL SITUATION

3.1 Do the applicant(s) plan or anticipate changes (other than retirement - see 3.4) to their future financial circumstances that could ADVERSELY impact their ability to repay the loan?

Yes No

If Yes, specify to which applicant(s) the changes apply and answer the remaining questions for all applicants together.

Applicant 1

Applicant 2

Applicant 3

Applicant 4

3.2 If Yes, what is the nature of the planned or anticipated change?

Select one or more of the relevant options and give details of the expected change or changes in the table below.

	Period of Impact	Monthly Financial Impact (\$)
Extended unpaid leave (e.g. parental leave)		
Reduced income		
End of contract / loss of employment		
Leaving employment		
Increased debt repayment(s) for an existing loan		
Large expenditure		
Medical treatment / illness		
Other (please give details below)		

3.3 How do the applicant(s) intend to meet their loan repayments following the planned or anticipated change(s)?

Select one or more of the relevant options and give details of those options in the table below.

Details

Additional income source

Reduce expenditure

Sale of assets

Savings and/or Superannuation (please give details if not already captured in Financials)

Co-applicant's income (please give details if not already captured in Financials)

Other (please give details below)

3.4 At what age is the applicant(s) planning to retire? (If applicant is aged over 55)

Applicant 1 Age:

Applicant 2 Age:

Applicant 3 Age:

Applicant 4 Age:

3.5 How would the applicant(s) propose to repay the loan? (Multiple options can be selected.) (If applicant is aged over 55)

Repayment of loan prior to retirement

Downsizing home

Sale of assets

Recurring income from superannuation

Superannuation lump sum following retirement

Savings

Income from other investments

Co-applicant's income

Other (please give details below)

4. LOAN FEATURES

Loan Features Selection

In order to complete this section, brokers must consider all answers previously given, and in particular, those relating to:

- Loan Purpose (Section 1);
- Refinance & Debt Consolidation (if applicable) (Section 2);
- Possible adverse changes to financial situation (Section 3);

Each feature in the table is to be marked as 'Important', 'Not Important' or 'Don't Want', depending on the broker's discussion with the applicant(s). 'Important' means the feature is a high priority for the applicant(s). 'Not Important' means it is not of high priority to the applicant(s). 'Don't Want' should be selected where the applicant(s) expressly do not want the feature.

Where a feature is identified as 'Not Important' or 'Don't Want', no further action is required for the purposes of this table.

Where a feature is identified as 'Important', the broker must ascertain from the applicant(s) why that feature is important to them. Please select the appropriate reasons in the 'Reason' column for any feature that is marked 'Important'. In selecting the reasons, the broker should ensure the applicant(s) consider the particular benefit(s) of the feature that is/are important to them (e.g. if fixed rate period is important a reason may be because the applicants want certainty of the repayment amount during the fixed rate period).

Where the feature has been selected for reasons other than for reasons already provided, ensure details of those 'Other' reasons are captured in the same column.

Where a feature is identified as 'Important', confirm the applicant(s) understands each of the risks contained in the 'Features' column by ticking the relevant box alongside that risk.

Feature	Important	Reason	Not important	Don't Want
<p>4.1 Rate Type</p> <p>Variable rate</p> <p>Interest charged and repayments will change to reflect interest rate movements.</p> <p><i>Ensure each applicant understands the following risk:</i></p> <ul style="list-style-type: none"> Interest rate and repayment amount may increase while the loan is on a variable rate. 	<p>If feature is marked 'Important', confirm that each of the risks listed in 'Features' have been explained to the applicant(s): been explained to the applicant(s):</p>	<p>Where variable rate is important, why is this?</p> <p>To take advantage of potential future decreases in the interest rate.</p> <p>Flexibility with respect to repayment, redraw and/or early repayment of loan.</p> <p>Other.</p> <p>Details for "Other":</p>		
<p>4.2 Repayment Type</p> <p>Principal and Interest</p> <ul style="list-style-type: none"> Repayments cover loan principal and interest so that the loan is repaid in full by the end of the loan term. Applicant(s) could pay less interest over the life of the loan when compared to a loan which features a period of interest only repayments. Interest rates on principal and interest repayments are generally lower than interest only. 	<p>If feature is marked important, indicate preferred repayment frequency:</p> <p>weekly</p> <p>fortnightly</p> <p>monthly</p>	<p>Where principal and interest is important, why is this?</p> <p>Minimise interest paid over life of loan.</p> <p>Higher lending limit.</p> <p>Lower deposit required.</p> <p>Build up equity from the start.</p> <p>Other.</p> <p>Details for "Other":</p>		

Feature	Important	Reason	Not important	Don't Want
<p>Interest Only</p> <p>Allows smaller payments during the interest only period enabling:</p> <ul style="list-style-type: none"> Higher cash on hand for other purposes. Flexibility to manage cash flow. Smaller initial payments on investment home loans may serve a tax purpose. <i>Has the applicant(s) sought tax advice?</i> <p>Ensure each applicant understands each of the following risks:</p> <ul style="list-style-type: none"> Higher interest rates may apply to interest only loans. Interest only payments will not reduce the loan principal. Not repaying loan principal will result in the applicant paying more interest over the loan term. After the end of the interest only period, principal and interest repayments will be required and these will be higher than they would have been if the loan had principal and interest repayments throughout the loan term. The amount of equity that is built-up in the property securing the loan will be less with an interest only loan. 	<p>If feature is marked 'Important', confirm that each of the risks listed in 'Features' have been explained to the applicant(s):</p> <p>AND</p> <p>indicate the preferred duration of the interest only period:</p> <ul style="list-style-type: none"> 1 year 2 years 3 years 4 years 5 years 	<p>Where interest only is important, why is this?</p> <ul style="list-style-type: none"> Accommodate temporary reduction in income (e.g. parental leave, changing circumstances). Accommodate anticipated non-recurring expense item (e.g. education, renovation/construction, furniture). Variable and unpredictable income. Recommendation provided by an independent financial advisor/accountant. Taxation or accounting reasons (no tax advice is being given), including: <ul style="list-style-type: none"> Release funds for investment purposes (e.g. shares, investment property, super contributions) Priority is paying off non-deductable debts (this loan is for investment purposes) Plan to convert to an investment property in future Other. <p>Details for "Other":</p>		

Feature	Important	Reason	Not important	Don't Want
<p>4.3 Product Type</p> <p>Redraw</p> <p>Allows applicant(s) to access extra repayments that they made over and above the required minimum repayments.</p> <p><i>Ensure each applicant understands each of the following risks:</i></p> <ul style="list-style-type: none"> • Each redraw may be subject to the lender's discretion. 	<p>If feature is marked 'Important', confirm that each of the risks listed in 'Features' have been explained to the applicant(s):</p>	<p>Where having a redraw feature is important, why is this?</p> <p>Flexibility to access prepaid funds if needed.</p> <p>Other.</p> <p>Details for "Other":</p>		

4.4 Conflicts between loan features

4.3.1 Are there any conflicts between any of the loan features marked 'Important' in section 4. Loan Features

Yes No

If Yes:

4.3.2 Explain the conflicts to the applicant(s) and ask them to consider the priority of the loan features they identify as 'Important' so that the conflict can be resolved. Once this is done, set out those priorities and reasons for those priorities below.

4.5 Other

4.5.1 Do the applicant(s) have any other requirements and objectives not already stated which may affect whether the loan, for which they propose to apply, is suitable, including whether there are any particular personal circumstances of the applicant(s) not documented in any previous responses in this interview guide that are relevant to the loan features that have been identified as 'Important'?

4.6 Acknowledgement by Broker

I acknowledge that I have asked all the above questions and notified the applicant(s) of the risks associated with their selected loan features, including the risks identified above.

Broker Full name

Signature (Broker)

Date: / /