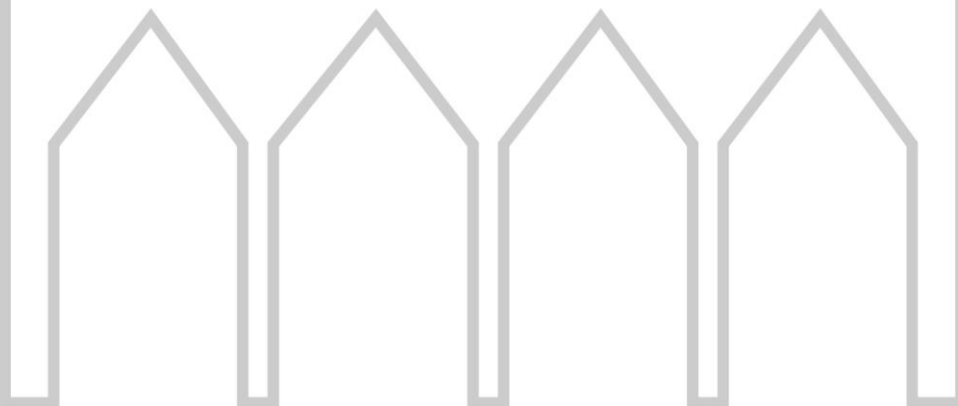




Credit Guide

Correct as at 06/03/2018

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Australian Credit License 391230
Martin Warren Thomas McDonald
Authorised Credit Representative 444479
Lex Luther Enterprises P L t/a Mortgage Experts

Address
Suite 16, 1 Mona vale rd., Mona Vale, 2103
Phone
1300 711 054

Introduction

Lex Luther Enterprises Pty Ltd (ABN 58114636949) is trading as Mortgage Experts. Mortgage Experts is an authorised Credit Representative (number 444479) of Martin Warren Thomas McDonald who holds an Australian Credit License in his own right (number 391230). We comply with s64(1) of the *National Consumer Protection Act 2009*.

Mortgage Experts is also a member of Connective OSN Pty Ltd "Connective" which provides aggregation services for mortgage brokers including IT, training and compliance support.

We are legally obliged to provide you with the following document. If you have any questions about this document, please feel free to contact us to discuss we will be glad to assist you.

Overview

We provide this Credit Guide to you once it becomes apparent that we are likely to provide you with credit assistance. We provide "credit assistance" when we:

- Provide you with suggestions or assistance in the application of a particular credit contract with a particular credit provider; or
- Provide you with suggestions or assistance in the application of an increase to the credit limit of a particular credit contract with a particular credit provider; or
- Suggest you remain in a particular credit contract with a particular credit provider.

Preliminary Assessment

When we provide you with credit assistance, we must only recommend credit products that are not unsuitable for you.

To be able to determine which loan products are not unsuitable, we are required to complete a preliminary assessment. When we make this preliminary assessment, we determine:

- Your requirements and objectives – what kind of loan structure you need, and for what purpose.
- Your financial and relevant personal situation.
- Your ability to repay the loan that you are considering.

In assessing these factors, we are also required to take reasonable steps to verify some of the information you provide us.

This verification may include:

- Asking you for copies of documents that demonstrate your financial situation.
- Contacting third parties to assist in verifying the information that you provide.
- Other checks we may deem prudent.

Obtaining a Copy of your Preliminary Assessment

You may request a copy of our preliminary assessment, and we must give you a copy of it:

- At any time during the first 2 of years of completion of the assessment, within 7 business days; or
- Between 2 years and 7 years after it was conducted we must provide it within 21 business days.

There is no charge for requesting or receiving a copy of the preliminary assessment.

General Disclosure

Mortgage Experts is a specialised mortgage broker and does not offer its own products. Any product information that is provided to you is provided to Mortgage Experts by a third party.

In order to provide our services to you, we have entered into commercial arrangements with the lenders as specified in Attachment A commonly known as our lender panel. Subject to meeting their credit criteria, we are able to arrange credit for you from those lenders. These lenders do not necessarily represent all the lenders who offer credit of the nature that you seek.

We may also from time to time be able to source lenders with whom we have not entered into an ongoing agreement with.

Commissions disclosure

The financial benefit that Mortgage Experts will receive will in most instances be in the form of an upfront commission payment typically between 0.50% and 0.77% of the amount borrowed by you paid to us after your loan settles by the lender and an ongoing payment (trail) of typically between 0.00% and 0.39% per annum of the balance owing by you from time to time also paid by the lender.

We also receive volume, conversion and application quality bonuses from our lending partners of between 0.005% and 0.15% of the amounts borrowed. We generally do not know if these bonuses will apply or what the exact amounts will be before recommending a credit proposal to you.

The different commission rates paid by our panel lenders are outlined at the end of this document. The percentages of commission include GST. In all cases and to the best of our knowledge all commissions will be disclosed to you in the "Quote and Credit Proposal Disclosure" document before you proceed with a credit application with us.

Prior to us submitting a loan application on your behalf to your chosen lender, we will disclose to you:

- The amount of financial benefit or any other benefit that Mortgage Experts and any of our related entities expect to receive from the lender.
- The amount of financial benefit or any other benefit that anybody else will

receive which could reasonably be expected to influence our recommendation.

- Any interest or relationship we have that could reasonably be expected to influence our recommendation.

Mortgage Experts will disclose to you in writing, if any referral fee is to be paid by us to a third party for your introduction.

Our Fees

We generally do not charge fees for home and investment loans. Most lenders we deal with regularly pay us a commission for introducing your business to them as outlined in the preceding commission disclosure section.

There are circumstances when we do charge a fee, some of these instances are outlined below.

We will always discuss if any fees are likely to become payable by you to Mortgage Experts and it will be disclosed in writing to you in our "Quote and Credit Disclosure Document" before we make a formal application to a lender on your behalf.

- **Home & Investment loans "Claw back provision fee"**: It is industry standard for lenders to "claw back" any commissions they have paid to us for introducing your loans if your loans are repaid in full in the first 18 or 24 months (varies depending on lender).

We reserve the right to therefore recover a fee for service from you in the event of a clawback occurring. This is to partially compensate us for our time and advice to you and our general cost of doing business.

The fee is currently \$700 per transaction. Our fee is waived or refunded if we arrange your subsequent loan(s) within 3 months.

The claw back provision fee can be higher if we think the loan is likely to be paid out during the clawback period. This will always be discussed with you upfront and your agreement sought before your application is submitted to a lender.

- **Commercial or business purpose loans**: Our fee for service is negotiable.

Protecting your Privacy Our Privacy Policy

Mortgage Experts understands how important it is to protect your personal information. The information within this document sets out our commitment to respect your personal information.

This policy ensures your right to privacy, as we recognise that any personal information that you provide will only be used for the purposes indicated in our policy. It is of paramount importance to us that you are confident that any personal information provided, will be treated with appropriate respect ensuring protection of your privacy.

We are committed to abide by the National Privacy principles for the protection of personal information, as set out in the Privacy Act and any other relevant law.

Why we collect personal information

Mortgage Experts offers financial products and services within the mortgage industry. We obtain information in respect of loan applications. We act as an intermediary between lenders and potential clients in order to source suitable loans products to consumers. We may also market other products. We collect information from our clients or from other sources in order to conduct our business.

In order to provide you with our services, we may disclose your information with other organisations that provide products or services marketed by us.

Personal Information

When we refer to personal information we mean information from which your identity is apparent. This information may include information or an opinion about you, from which your identity can reasonably be ascertained.

Organisations we are likely to disclose information about you to

Mortgage intermediaries, lenders, property valuers, lenders mortgage insurers, surveyors, accountants, credit reporting agencies, conveyancers and lawyers. We may also disclose your personal information to any other organization that may have or is considering having an interest in your loan, or in our business.

We will take all reasonable steps to satisfy ourselves that the organizations we disclose your personal information to have a commitment to protecting your information at least equal to our commitment.

We may be required or instructed to disclose your information

Circumstances in which we may disclose your information without your consent would be to a Court or Tribunal in response to request or in response to a request or in response to a subpoena or to the Australian Taxation Office.

Collection of Information

Where practical we will collect your information directly from you.

Direct Marketing

We may use your information to provide you with information about products or special offers you may find of interest, changes to our business, or new products or services being offered by us or any company we are associated with. If you do not wish to receive marketing information, you may at any time decline to receive such information by contacting our office.

We will not charge you for giving effect to your request and will take all reasonable steps to meet your request at the earliest possible opportunity.

Updating your Information

It is crucial to our relationship that the information we hold about you is accurate and up to date. During the course of our relationship with you, we will ask you to inform us if any of your information has changed. You may change the information held by us by contacting us. Generally, we rely on you to inform us if the information we hold is inaccurate or incomplete.

Access to your Information

We provide you with access to your information that we hold. You can request access to any of the information we hold about you at any time.

To access your information, you can use the contact details specified above. We may charge a fee for our costs in retrieving and supplying the information to you.

Denied access to your Information

Situations may occur where we are not required to provide you with access to your information. For example, such a situation would be information relating to an existing or anticipated legal proceeding with you, or if you request is vexatious. An explanation will be provided to you, if we deny you access to your information.

Identifying You

It will be necessary for us to identify you in order to successfully do business with you, however, where, it is lawful and practicable to do so, we will offer you the opportunity of doing business with us, without providing us with information. Such a situation would be where you make general inquiries about interest rates or current promotional offers.

Where sensitive information is collected, stored, used or transferred about you, we will only use this information if you have consented or in the exercise or defence of a legal claim. Sensitive information may include memberships in trade or professional association or trade unions, sexual preferences, criminal record, or health.

Security of Information

We take reasonable measures to protect your information by storing it in a secure environment, and when the information is no longer required for any purpose for which the information may be used or disclosed, it will be destroyed or permanently de-identified.

We also take reasonable measures to protect any personal information from misuse, loss and unauthorized access, modification or disclosure.

Further Information

You can request further information about how we manage your information by contacting us.

Maintaining our Privacy Policy

We continually review our policies and endeavour to keep up to date with market expectations and the various laws governing the use of your information. As a consequence, we may change our policy from time to time as the need arises. This policy came into existence in October 2003.

Dispute Resolution Process

Initial Point of Contact

If you wish to lodge a complaint regarding any contact with Mortgage Experts please contact the principal Martin McDonald on phone number 1300711054 or by written correspondence to the Principal, Mortgage Experts, Suite 2A, 308 Penshurst Street, Willoughby NSW 2068 or in person at Suite 2A, 308 Penshurst Street, Willoughby NSW 2068 during normal business hours.

Handling Complaints

We ensure that all staff that deal with, or are likely to deal with you, are aware of the name, title and telephone number of the Complaints Contact Person.

All staff have been given written instructions:

1. About how to transfer a client who has a complaint to the Complaints Contact Person; and
2. What client details to record if the Complaints Contact Person is for any reason unavailable (this information is to include as a minimum the client's name, telephone number and description of the product or transaction to which the client's complaint relates).

Your complaint need not be in writing and may be presented to any of the persons above by any reasonable means for example letter, telephone, in person or email.

Mortgage Experts will not charge any fee in respect of your complaint pursuant to these Rules.

Investigating your complaint

The Complaints Contact Person has the authority to access any and all documents and records of information (including computer systems) as may be necessary to properly investigate your complaint.

Timeliness

We will provide a written acknowledgement of receipt of your complaint promptly, unless your complaint is otherwise resolved in the meantime. Mortgage Experts will provide a substantive response to your complaint as soon as possible, but within twenty (20) days after receipt of it.

If we cannot respond to your complaint within twenty (20) days, we will inform you of the reasons for the delay and of your rights to refer the complaint to an independent body.

Our Top 6 Credit Providers (by number of loans submitted)



(Funding by Advantedge, a Nab owned subsidiary and Macquarie Bank)



We will have substantially responded to your complaint if we:

- (a) Accept the complaint and, if appropriate, offer redress;
 - (b) Offer redress without accepting the complaint; or
3. Rejects the complaint.

Written response to consumer

We will give a written response to your complaint, which will include reasons for reaching a particular decision on the complaint that adequately address the issues that were raised in your complaint. Where practicable, our response will refer to applicable provisions in legislation, Codes, Standards or Procedures.

Remedies

Where we accept your complaint and we are of the view that it is appropriate to offer redress to you, that redress may be non-financial as well as, or instead of, financial. If we consider a financial remedy is appropriate then we may give you compensation for any direct loss that you have suffered.

When we are determining the appropriate remedy to be given to you and the extent of loss or damage suffered by you, consider relevant legal principles, the MFAA Code of Practice and other relevant codes of conduct, concepts of fairness and relevant industry best practice.

Data Collection

We will keep such data concerning the client's complaint in such form and manner as we think fit, the type of data that we may keep will include: Type of complainant; Subject of complaint; Outcome of complaint; Timeliness of response;

In order that we can identify any systematically recurring problems, we will so far as practicable and relevant, classify complaints according to the particular provision of the MFAA Code of Practice alleged by the consumer to have been breached. Subject to legal constraints including constraints as to defamation and privacy, we will make available data collected in respect of consumer complaints to the Australian Securities and Investments Commission.

Review

We review our Internal Dispute Resolution Procedures every year to ensure that the complaints systems are operating effectively.

Additional Contact Points

In addition to Mortgage Experts internal dispute resolution process our clients may contact the following external party for assistance with the complaint.

Credit Ombudsman Service Limited

(Martin McDonald
member number M0003905)

Level 6, 50 Park St
Sydney NSW 2000

T - 1300 78 08 08

F - 02 9267 3125

info@creditombudsman.com.au

Attachment A:
Residential Lender Panel



Commission Schedule: (commission %'s include GST)

Adelaide bank			
Residential	Upfront	0.715%	
	Trail	0.165%	
AMP			
Residential	Upfront	0.715%	
	Trail	0.187%	
ANZ			
Residential	Upfront	0.687% - 0.715%	0.6875% + 0.0275% if LVR is less than 80%
	Trail	0.165% - 0.22%	Effective on loans settled on or after 15 August 2008* Trail in the first 3 years is 0.165% increasing to 0.22% in year 4 and beyond.
Bankwest			
Residential	Upfront	0.77%	Commission is calculated and capped on a maximum loan of \$3 million.
	Trail	0.275%	Trail effective on loans settled on or after 1 August 2013. Year 1 = 0% Year 2 = 0.165% Year 3 = 0.22% Year 4 = 0.22% Year 5 + = 0.275%
Citibank			
Residential	Upfront	0.715%	Line of credits 70% of approved credit limits. Commission paid will be based on higher of principal balance or 70% of credit limit
	Trail	0.165%	Trail is paid on following loans at 0.11% - Standard Variable - Premium Variable - Line of Credit
Commonwealth Bank			
Residential	Upfront	0.715%	
	Trail	0.275%	Years 1 to 3 - 0.165% Tear 4 onwards - 0.22%
Connective Home Loans			
Residential	Upfront	0.66% - 0.77%	Advantagedge 0.77% Macquarie 0.66%
	Trail	0.165%- 0.1925 %	Varies depending on product
Heritage Bank			
Residential	Upfront	0.715%	
	Trail	0.165%	0.165% for year 1 and 2 0.22% for year 3 0.275 for year 4 and beyond.
Firstmac			
Residential	Upfront	0.66%	
	Trail	0.165%	
Nab			
Residential	Upfront	0.715%	Effective for loans settled from 01/01/2012 Lines of Credit are calculated on 75% of the Approved Limit
	Trail	0.33%	loans settled from 01/10/14 the following trail applies Years 1 & 2 = 0.165% Year 3 = 0.22% Year 4 = 0.275% Year 5 on = 0.33%
Virgin Money			
Residential	Upfront	0.66%	
	Trail	0.22%	

ING Direct			
Residential	Upfront	0.825%	Where loan has an LVR less than or equal to 60% = 0.77%. Where loan has an LVR greater than 60% and less than or equal to 80% = 0.66% Where loan has an LVR greater than 80% = 0.55. Bonus Fee - Where a loan is owner occupied and Orange Advantage product taken an additional 0.055% will be paid for loans settling from 1 July 2016 .
	Trail	0.22%	0.165% years 1-3. Years 4 and above 0.22%
LaTrobe Financial			
Residential	Upfront	0.55%	
	Trail	0.275%	
ME Bank			
Residential	Upfront	0.715%	Upfront increased from 0.66% to 0.715% effective from 1 July 2015
	Trail	0.165%	
MKM Capital			
Residential	Upfront	1.00%	1.00%- 6+6 & 12 month loans 0.50% inc GST - 30 year loans
	Trail	0.00% - 0.30%	Depends on product. - 6+6 & 12 month loans 0.30% incl GST - 30 year loans
Homeloans Limited			
Residential	Upfront	0.77%	0.66% - Accelerate, FlexiChoice, FlexiChoice Prime, ProSmart, MoniPower and Classic loan products. 0.77% - Optima, Ultra Plus Loan products
	Trail	0.165%	Trail of 0.165% is paid on MoniPower, Classic SMSF, ProSmart, Accelerate & FlexiChoice products Trail of 0.11% is paid on MoniPower 2 & 3 year fixed, Ultra Plus, Optima, Classic & FlexiChoice Prime products No trail is paid on the MoniPower LOC product
St George Bank Ltd			
Residential	Upfront	0.715%	
	Trail	0.165%	
Suncorp Bank			
Residential	Upfront	0.715%	
	Trail	0.275%	Trail Year 1,2 & 3 0.165%
Westpac			
Residential	Upfront	0.715%	75% of approved LOC Limit
	Trail	0.165%	
Auswide Bank			
Residential	Upfront	0.77%	
	Trail	0.20%	
Gateway Credit Union			
Residential	Upfront	0.715%	EquiSmart Line of Credit will be paid an upfront of 0.495%
	Trail	0.22%	
Pepper Money			
Residential	Upfront	0.803%	
	Trail	0.165%	
Macquarie Bank			
Residential	Upfront	0.66%	
	Trail	0.165%	Trail for years 1-3 = 0.165% Trail for years 4 plus = 0.22%