

Dealing with customers - Checklist for adherence to responsible lending obligations		
Action	Requirement	Description
Initial discussion Select 1: Credit Guide then select your template	<u>Credit Guide</u>	As soon as it becomes apparent that you are likely to provide credit assistance, you must provide Credit Guide (includes privacy statement) and then record file note how/when provided.
If charging for your services Select 2: Quote – complete template to reflect fees to be charged	<u>Credit Quote</u>	<p>If you charge a fee for your services/advice, you must provide a quote to your customer. The quote must be signed and dated, then a copy provided to client and a copy uploaded to file. The Quote can be completed and signed between the time period of providing the Credit Guide (initial discussion) and the Credit Proposal (recommendation).</p> <p>If you do not charge a fee, then no Quote document is required.</p>
Fact Find & Needs Analysis Questionnaires section – select ‘Needs Analysis’ for client to complete (email link) OR broker completes on behalf of client based on verified information Bank statement technology – select ‘Client Statements’ from toolbar to request client to authorise retrieval of bank statements and expense analysis tool via CashDeck Contacts section – input clients’ details: addresses and financial position (income/expenses, ‘current credit commitments & total verified monthly living expenses’) A and L section – input current assets (including property to be purchased) & liabilities	<u>Needs Analysis</u>	<p>Regardless of whether you are assisting a new or an existing client the information captured will form the basis of your preliminary credit assessment, confirming you have made reasonable enquiries and taken reasonable steps to verify.</p> <p>If you use a paper based fact find document to capture the client’s personal and financial details scan it and upload to ‘Attachments’ – ensure your client signs the Privacy Disclosure Statement and Consent if you are providing their personal information to a nominated third party such as a referral partner (e.g. accountant) or credit reporting agency (e.g. Equifax)</p> <p>If using CashDeck from the Opportunity, data will be automatically uploaded to ‘Notes’ and ‘Attachments’</p>
Do your research Calculations section – add and complete the three calculators		<ol style="list-style-type: none"> Funding Position *must be surplus Borrowing Capacity Product Comparison *must consist of three comparable lenders/products with one being the loan(s) proposed.
Prepare assessment Select 4: Preliminary Assessment	<u>Preliminary Assessment</u>	You must be able to prove that you conducted a preliminary assessment of suitability before you submit a loan application.
Present solution - Mercury Select 5: Credit Proposal Disclosure Prepare draft submission to proposed lender – ApplyOnline/LoanApp Select Lodge To – input, validate and complete application Under Supporting Docs > Broker Checklists > Compliance Checklist upload NCCP disclosure documents Under Supporting Docs > Lender Checklists > Submission upload supporting documents as required by lender Print electronic lodgement pack	<u>Credit Proposal Disclosure</u> Best Practice - have your client(s) sign the CPD & lender documents at the same time	<p>Prior to submitting you must provide a CPD which must be signed and dated by the client. The CPD acknowledges acceptance of the proposed loan and insurance offering. Upload the signed CPD and provide a copy to the client</p> <p>All NCCP disclosure documents must be completed and attached to the Opportunity BEFORE you submit any application</p> <p>All supporting docs (application, signed consents, ID, income, financial, statements, servicing calculator, contract and notices) are to be uploaded to ‘Attachments’</p> <p>Tax File Numbers must be removed - use TFN Redaction’ tool</p>
Implement solution Submit application to proposed Lender	<u>Lender Application</u>	The person providing credit assistance to the consumer must be same person who lodges the application
Acknowledgement Questionnaires section – select ‘Checklist and Declaration’	<u>Checklist and Declaration</u>	Once application is submitted to lender - generate and complete acknowledgement of your adherence to NCCP, AML/CTF and privacy requirements

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Record Management Notes section – add and complete records of each interaction throughout the life of the transaction Good file notes are invaluable in the event of a complaint and are essential for AFCA (external dispute resolution scheme) and ASIC to understand the reasons for any recommendations and confirmation of your discussions.	<u>File Notes</u>	At the time, you must record all client, lender and/or third-party interactions, such as emails; phone calls; SMS; internal notes. File note should include:- - Reason for selecting lender/loan product (your recommendation of lenders) - Detail the client's needs and objectives - What steps were taken to verify the customer's financial including: • Employment and Income • Current credit commitments • Equity/source of funds • Living expenses (especially variance between the client's declared vs. your verification).

Mandatory compliance documents to be completed and held for each Opportunity

- **Credit Guide**
- **Quote** - signed copy Note: Only if charging a fee for your services
- **Needs Analysis**
- **Preliminary Assessment** - showing Client details/Funding Position/Product Comparison/Needs Analysis responses
- **Credit Proposal Disclosure** - signed copy
- **Checklist and Declaration**

Mandatory supporting documents to be obtained and held for each Opportunity

A – Your client	<ul style="list-style-type: none"> • Identification – sight and obtain photo ID for adherence to lender's AML/CTF requirements • Latest 3 months transaction account statements for all customers to confirm income crediting, expenses and credit commitments
B – Income type	<u>PAYG</u> <ul style="list-style-type: none"> • Latest 2 payslips (YTD calculations included) or • Policy alternative (i.e. contract, casual, probation) – refer wiki <u>SELF EMPLOYED</u> Sole trader: Latest Personal Tax Return and ATO Notice of Assessment Trust: Latest trust tax return and Financial Statements (P&L and A&L) and Latest Personal Tax Return and ATO Notice of Assessment Partnership: Latest partnership tax return and Financial Statements (P&L and A&L) and Latest Personal Tax Return and ATO Notice of Assessment Company: Latest Company tax return and Financial Statements (P&L and A&L) and Latest Personal Tax Return and ATO Notice of Assessment A 2 nd year, or 12 Months BAS or Tax Portal <u>recommended</u>
C – Loan purpose	<u>Purchase/Construction</u> <ul style="list-style-type: none"> • Purchase Contract and confirmation of source(s) of funds: Note: Funds must be evidenced • Min. 3 to 6 months dedicated savings history via bank statements and/or • If funds are being gifted a letter or statutory declaration and/or • Evidence of equity to complete purchase • Council approved plans, specifications, contract, insurance <u>Refinance</u> <ul style="list-style-type: none"> • Latest 3 - 6 Months statements for all loans being refinanced
D – Lender	<ul style="list-style-type: none"> • Completed Application form and Broker Interview Guide and/or Broker Declaration • Serviceability calculator and all supporting documents relating to transaction

IMPORTANT NOTE: Where necessary, take additional steps to enquire and/or obtain additional documents to support your enquiry and verifications of the client's current personal and financial situation - it's your responsibility to Know Your Customer