

Mondus Capital Credit Guide

The intention of this document is to provide policy guidelines to ensure the credit provider assesses the borrowers in a consistent manner and make appropriate lending decisions.

1. Introduction

Zeroo Home Loans is a trading name of Mondus Capital Pty Ltd (ACN 659 284 312) (CRN 562144) ('we', 'us' or 'our'), an Authorised Representative of Loanmaker Pty Ltd (ACN 603 763 220) (Australian Credit License 509175) (Licensee). The Licensee is solely responsible for providing credit pursuant to its Australian Credit License (ACL).

These guidelines set out the credit parameters that we consider when providing your credit application to the Licensee for it to consider providing you with credit. The guidelines are to be read in conjunction with our other related policies and procedures.

These guidelines will be reviewed and updated from time to time in line with our risk appetite, market practice, and/or changes in regulation/legislation.

Business	Mondus Capital Pty Ltd (ACN 659 284 312)
Licensee	Loanmaker Pty Ltd (ACN 603 763 220)
Australian Credit Licence	509175

2. Credit Guidelines

The Licensee takes a risk-based approach to ensure profitability whilst maintaining an acceptable risk profile.

The National Credit Code (NCC) regulates credit provided to individuals where credit is to be used wholly or predominantly¹:

- for personal, domestic or household purposes (this includes buying or improving an owner-occupied property);

¹ *Predominant* (as defined in s5(4) of the NCC) means:

- (a) the purpose for which 'more than half' of the credit is intended to be used); and
- (b) if the credit is intended to be used to obtain goods or services—the purpose for which the goods or services are intended to be '*most used*'

In either case if more than half is for personal, domestic or household purposes, the loan is regulated.

- to purchase, renovate or improve residential property for investment purposes (this includes buying or improving, or refinancing credit to buy or improve, residential property for investment purposes); and
- to refinance credit that has been provided wholly or predominantly to purchase, renovate or improve residential property whether for owner-occupier or investment purposes;

Credit for other investment purposes (eg shares, managed funds) or business purpose is not a 'personal, domestic or household' purpose so are not regulated.

These Guidelines relate to Regulated loans under the NCC only.

2.1 Our obligations before providing a loan to you

We are obliged to only provide you with a loan if it is not unsuitable for you.

In consideration of whether a loan will be unsuitable for you, a loan will be considered unsuitable for you if:

- It does not meet your stated purpose, requirements and/or objectives for obtaining the loan; or
- It is likely that you will be unable to meet your financial obligations under the loan, or you could only comply with your financial obligations under the loan by suffering substantial hardship.

Before providing a loan to you, we must make an assessment that the loan is not unsuitable for you. To do this, we must make reasonable enquiries about your financial situation and your requirements and objections. We must take reasonable steps to verify your financial situation.

Refer to our Credit Reporting Policy to understand the information we collect to consider your credit eligibility.

2.2 Requesting a copy of your assessment

You can request a copy of your credit assessment which will be provided to you at no cost.

A request for your assessment can be made before entering into a credit contract, increase to your credit limit, or any time up to 7 years after you have entered into the credit contract or increase.

2.3 Parameters for the provision of Credit

Any consideration of credit will be assessed in accordance with our loan parameters. Loan parameters include:

- the total amount of credit our Licensee is able to consider loaning to you;
- whether the purpose of the loan is an acceptable loan purpose;
- the credit sought is secured or unsecured; and
- whether you meet the eligibility criteria.

2.4 Eligibility criteria

Borrowers must be one of the following:

- Australian citizen; or
- Australian Permanent Resident.

Borrowers must be residing in Australia.

- Borrowers must be aged 18 years or over.
- Borrowers must agree to use the loan proceeds for the agreed loan purpose.
- Borrowers must not be declared bankrupts nor have judgments pending in a bankruptcy proceeding.
- All joint borrowers to a credit facility must obtain a direct benefit from the loan proceeds.
- Subject to the loan value and term, applications for borrowers that are greater than 55 years of age may require an appropriate exit strategy signed by the borrower. This is on the assumption that if a borrower will only be able to comply with their financial obligations under the credit product by selling their principal place of residence, then the borrower could only comply with those obligations with substantial hardship.

3. Borrower Identification

3.1 Identification requirements

Your identity must be verified in accordance with the “Know Your Customer (KYC) requirements pursuant to the *Anti-Money Laundering & Counter Terrorism Financing Act 2006* (Cth). We will require photographic identification to be sighted, collected and verified for:

- New customers.
- Existing customers, where an application is made 12 month or later from identification.
- Customers who have changed their name, when relating to an existing borrower.

For further information, refer to our KYC procedures as contained in our Anti-Money Laundering & Counter Terrorism Financing (AML/CTF) Policy.

3.2 Employment and income verification

The Licensee will consider the following means of employment types and will require the following minimum information in order to verify a Borrower’s employment.

Employment type	Employment requirements	Verification
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Permanent full time	<ul style="list-style-type: none"> • Minimum of 24 months in current employment • One change of employer acceptable within a similar industry or role in a 24 month period. • If borrower is on probation, will be considered on a case by case basis 	<p>Two consecutive payslips to confirm income and employment, with the most recent payslip being no more than 30 days old on receipt by the Licensee.</p> <p>Payslips must include the following information as a minimum:</p> <ul style="list-style-type: none"> • employers name and ABN number; • employee (borrower's) name; • income particulars i.e. hourly rate or base salary; • year to Date (YTD) earnings; • date; • overtime/allowances (where applicable); and • superannuation.
Permanent Part Time	<ul style="list-style-type: none"> • Minimum of 24 months in current employment • One change of employer acceptable within a similar industry or role in a 24 month period. • In all cases, must work more than 20 hours per week 	
Contract	<ul style="list-style-type: none"> • Minimum of 24 months in current employment • One change of employer acceptable within a similar industry or role in a 24 month period. • Minimum 3 months remaining on contract term 	<p>In some cases they may be required to provide three month's bank statements in the name of the employee showing regular salary credits from the employer.</p> <p>Verify employer by:</p> <ul style="list-style-type: none"> • Obtaining employer's contact details through an independent source eg website, internet search, or check via ABN or ASIC etc. • Contact the employer's HR department to verify details provided. If privacy requirements restrict the employer from providing information via telephone then an email request can be sent.
Casual	<ul style="list-style-type: none"> • Minimum of 24 months in current employment • One change of employer acceptable within a similar industry or role in a 24 month period. 	<p>Note: In some cases the employer may require a copy of the borrowers signed Privacy consent before releasing any information.</p> <p>The key verification points must be documented, including:</p> <ul style="list-style-type: none"> • employee name; • length of employment; • employment status; • gross/net salary; • probation period (if any);

		<ul style="list-style-type: none"> confirm income with documentation provided' date and time of verification; method of contact (ie phone, email); and name and role of person within the organisation who verified the information.
Self Employed	<ul style="list-style-type: none"> Minimum 2 year trading in the current business Must have ABN and ATO Notice of Assessment 	<p>Self Employed borrowers who either pay themselves a salary, dividends or directors fees from their business or receive distributions from their partnerships or trust and do not rely on any other sources of income need to provide most recent years personal tax assessment notice.</p> <p>Where the most recent tax assessment notices are greater than 15 months old, the two most recent BAS submissions must also be provided.</p> <p>When assessing self-employed or partnership borrowers the business income and expenses are treated separately from personal income and expenses so as to determine base gross income, base net income and other personal income.</p> <p>If the business financial statements show a net loss or missing key details the following documents will be required to assist further assessment:</p> <ul style="list-style-type: none"> previous year's tax return (if available); an accountant's letter explaining the income variance; and interim financials prepared by a qualified accountant. <p>Verify the self-employment details by:</p> <ul style="list-style-type: none"> confirming business existence and trading status via searches on Google, businesses website and independent business or government search registries;

		<ul style="list-style-type: none"> • check that the business has been registered for a minimum of 2 years via www.abr.gov.au; and • check that the business has been registered for GST for a minimum of 12 months where income exceeds \$75,000.
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4. Serviceability

Every borrower must be assessed using a serviceability calculation and must pass the serviceability test as part of their overall assessment for credit.

We utilise the most commonly used baseline cost of living benchmark being the Household Expenditure Measure (HEM). HEM calculation includes allowance for cost of food, clothing, motor vehicle costs, rates, insurances, property maintenance/repairs, telephone, gas, electricity, transport, fares, entertainment and basic education. It excludes other expenses such as private school fees, additional motor vehicle expenses, pay TV, mobile phone expenses, gym or other memberships.

We will endeavor to understand each individual borrower's needs by requesting actual living costs. Once the living costs are obtained a borrower's net disposable income will be calculated.

A borrower's net disposable income and debt to income ratio will be calculated and considered by the Licensee in calculating whether the borrower can service any loan.

4.1 Income

Acceptable income sources are primarily from employment or self-employment.

If borrowers have existing joint commitments with parties who are not included in the application, the Licensee will consider 50% of the existing commitments to be used when calculating serviceability for the loan.

Allowable addbacks may apply for self-employed borrowers including (but not limited to):

- Income/salaries of directors (where not already included in income calculations)
- Business depreciation (not exceeding 20% of business taxable income)
- Superannuation contributions in excess of the compulsory 10.5% of gross annual income
- Non-recurring expenses (confirmation from borrower's accountant required).

4.2 Living and discretionary expenses

We will consider the following expenses:

Basic costs	Discretionary living expenses	Other considerations
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<ul style="list-style-type: none"> • cost of food and groceries • housing / rental costs, mortgage repayments • clothing / footwear • motor vehicle costs • rates • insurances • property maintenance/repairs • telephone • Utilities (power, gas, telephone) • transport – fares / fuel • entertainment • health costs • basic education costs • other expenses which may not be listed. 	<ul style="list-style-type: none"> • education – private school fees, after school activities etc. • childcare • insurance – health, life, income • investment property expenses (strata, utilities, insurances, maintenance) • non-compulsory asset insurance, particularly where the asset is used to maintain the • consumer's income • elective medical costs (repeat prescriptions, aid / care) • additional superannuation contributions • recreation – dining out, entertainment, holidays • communications – internet, Pay TV • memberships / subscriptions (eg gym) • other expenses 	<p>Factors which may have a bearing on the overall expenditure of the borrower/s such as:</p> <ul style="list-style-type: none"> • Residing in an area that costs more for goods/services/commuting etc • The number and types of dependents supported (child, adult, special/medical needs etc)
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4.3 Debts, liabilities and commitments

We will consider all debts liabilities and/or commitments which will continue (or cannot be reduced/eliminated), including:

- education – private school fees, after school activities etc.
- childcare
- insurance – health, life, income
- investment property expenses (strata, utilities, insurances, maintenance)
- non-compulsory asset insurance, particularly where the asset is used to maintain the borrower's income
- elective medical costs (repeat prescriptions, aid / care)
- additional superannuation contributions
- recreation – dining out, entertainment, holidays
- communications – internet, Pay TV
- memberships / subscriptions (eg gym)
- other expenses

The following undisclosed debts are required to be searched:

- Any borrower provided transaction listings for undisclosed debt/s;
- A Title Search.

Where additional debt/s are identified that have not been included in the loan application, we will make further inquiries as to their status. The application must be re-assessed where facilities are still open.

When calculating the serviceability, credit cards, store cards and line of credit limits must be included in the servicing calculations.

4.4 Considerations that are unacceptable

The Licensee will not provide credit to any borrower who displays the following behaviors:

- Evidence of dishonored payments;
- The loan or any other account of the borrower is currently in arrears;
- There is evidence the loan has exceeded the approved limit or scheduled balance; and
- There has been more than two of the following across all facilities subject to verification during the verification period:
 - o Late Payment/s;
 - o Overdue Fee/s; and / or
 - o Other penalty charge.

5. Decision and funding

Following assessment of the application, the following steps will be confirmed as completed:

- Reasonable inquiries have been made about the consumers financial situation, loan purpose, requirements/objectives and maximum credit limit required
- Any information relevant to the application which may have an adverse impact on the borrower's financial circumstances has been considered
- The ability of the borrower to meet their financial obligations without substantial hardship has been assessed;
- Prudent steps have been taken to verify the borrower's financial situation
- The loan has been assessed as appropriate and suitable for the borrower according to the information provided by the borrower about their financial situation, objectives and requirements
- The Licensee has determined whether or not the loan is "not unsuitable" including having regard to the stated loan purpose.

The application, assessment and recommendation will be forwarded to the Licensee's Credit Committee for review and a final decision (approved or declined).

All other loans will be approved or declined by a Credit Manager, who may delegate authority where appropriate.

If the loan is determined "not unsuitable", the application will proceed to the notification and funding stage.

If the loan is determined as "unsuitable" the application will proceed to notification and file closure.

5.1 Timing of decision

When an application is lodged, the decision will be communicated as soon as the assessment has been completed, but within 90 days of receipt of the application.

5.2 Notification of decision

All communications with applicants regarding the decision of an application will be confirmed in writing where appropriate.

5.3 Increase to credit

The Licensee is prohibited from entering into, or increasing credit under a credit contract that is deemed “unsuitable” pursuant to section 126(2) of the NCCP Act

6. Fees, charges and commissions

We do not charge any fees or charges for providing our credit assistance services to you. Any fees and charges that you are required to pay in connection with loans from the Licensee are charged to you by the Licensee.

6.1 Commissions and other benefits we may receive from our lender

We receive commissions and benefits from our lenders. When a commission or benefit is received from a lender in connection with the credit provided to you, we will provide to you, on written request:

- an estimate of the total amount of commission or benefit we are likely to receive; and
- the manner in which the commission or benefit is calculated by us and/or the lender.

6.2 Commission and other benefits payable to third parties

We do not pay any commissions or conflicted remuneration to any third party for introducing credit business to us.

6.3 Volume bonus arrangements

We do not have any volume bonus arrangements with our lender.

7. Resolving disputes and Complaints

We are committed to providing you with a high level of customer service.

7.1 Concerns and complaints

If you are concerned about how your personal information is being handled or if you have a complaint about a breach by us under the Australian Privacy Principles, please contact us.

We will acknowledge your complaint as soon as we can after receipt of your complaint. We will contact you if any further information is required to resolve your complaint.

We aim to resolve complaints as quickly as possible. We strive to resolve complaints within five business days, but some complaints take longer to resolve. If your complaint is taking longer, we will let you know what is happening and a date by which you can reasonably expect a response in writing where appropriate.

7.2 Internal dispute resolution procedure

If our customer service does not meet your expectations, you may contact us through our Internal Disputes Resolution team on:

Telephone: 0422 362 290
Email: contact@mymondus.com
Website: www.mymondus.com
Mail: 1/2 Keith Campbell Court, Scoresby VIC 3179

When contacting us about your concerns, don't forget to include contact information and details about your concerns. When we receive a complaint, we will attempt to resolve it promptly. We will keep you informed of our progress in resolving your complaint.

7.3 External dispute resolution scheme

If we do not resolve your complaint to your satisfaction, you can seek assistance from the Australian Financial Complaints Authority (AFCA). The AFCA is a free, fair and independent dispute resolution scheme. The AFCA scheme can be contacted on:

Telephone: 1800 931 678 (free call)
Email: info@afca.org.au
Website: www.afca.org.au
Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Under the Privacy Act, you may complain to the Office of the Australian Information Commissioner (OAIC) about the way we handle your personal information. The OAIC can be contacted at:

Telephone: 1300 363 992
Email: enquiries@oaic.gov.au
Website: www.oaic.gov.au
Mail: GPO Box 5218
Sydney NSW 2001

8. How to contact us

For any general inquiries, you can contact us on 0422 362 290 on Monday to Friday (except for public holidays) between 9am to 5pm if you have any questions. We can be also be contacted by email on info@mymondus.com or through our website at [Mondus Capital \(mymondus.com\)](http://Mondus Capital (mymondus.com)).

Zeroo Home Loans is a trading name of Mondus Capital Pty Ltd (ACN 659 284 312) and does not constitute a separate legal entity.