

# Pepper Money Home Loan, Commercial and SMSF Lending Product Guide

Effective date: 5 March 2025



**pepper**  
money

# The **Pepper Money** Suite of Home Loans



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# Pepper Money

## Commercial Real Estate

For small business owners and investors purchasing  
or refinancing commercial property.



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# Pepper Money

## Self Managed Super Fund

For small business owners and investors purchasing or refinancing residential or commercial property.

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# Pepper ESSENTIAL

## Prime

Loan Purpose	Purchase or refinance of owner occupied and/or investment properties
Maximum Loan	\$2,500,000 (inclusive of fees)
Credit History	Paid defaults up to \$500 may be considered
Debt Consolidation	Unlimited number of consumer debts (excluding tax and business debt).
Acceptable Securities	<ul style="list-style-type: none"> <li>Residential securities in categories 1 - 4 with a maximum land size of 25 acres (10 hectares)</li> <li>Vacant Residential Land only in categories 1 and 2 with a maximum size of 5 acres (max 80% LVR and max loan size of \$650,000)</li> </ul>
Fee Capitalisation	All fees can be capitalised to maximum LVR available

## Product Specifications

### Full Doc

Maximum LVR	<ul style="list-style-type: none"> <li>Up to 95% for purchases</li> <li>Up to 90% for all other loan purposes</li> </ul>
Genuine Savings	5% required if LVR > 90% (inclusive of fees) or 3 months clear rental conduct
Cash Out	Unlimited up to 80% LVR <sup>^</sup> (not available for business use)
Income Documentation (PAYG)	Last 2 pay slips <u>plus one</u> of the following:      OR      Choose from any <u>two</u> of the following: <ul style="list-style-type: none"> <li>Letter of employment</li> <li>Notice of assessment</li> <li>Latest PAYG Payment Summary</li> <li>3 months bank statements</li> <li>Most recent pay slip</li> <li>3 months bank statements</li> <li>Employment check completed by Pepper or Mortgage Manager</li> </ul>
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>Last 2 years tax returns and last 2 years notice of assessments OR</li> <li>Last 2 years Financial Statements executed by a registered tax agent or Accountant*</li> </ul>

### Alt Doc

Maximum LVR	Up to 85% LVR for purchases and Up to 80% LVR for all other loan purposes
Genuine Savings	Not required
Cash Out	Unlimited up to 80% LVR <sup>^</sup> (not available for business use)
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>ABN registered for 24 months;</li> <li>GST registered for 12 months;</li> <li>Declaration of financial position <u>plus one</u> of the following:               <ul style="list-style-type: none"> <li>6 months business bank statements</li> <li>6 months BAS</li> <li>Pepper Money accountant's letter (acceptable up to \$2.5m customer exposure)</li> </ul> </li> </ul>

For all loan sizes and loan term, please refer to Product Comparison on page 11

<sup>^</sup>Refer to Cash Out policies on page 16

Refer to page 17 for additional notes

\*registered with CPA, CAA or NIA



# Pepper CLEAR

## Near Prime Clear

Loan Purpose	Purchase or refinance of owner occupied and/or investment properties
Maximum Loan	\$5,000,000 (inclusive of fees)
Credit History	Paid/Unpaid Defaults up to \$1,000 may be considered Up to 1 month non-mortgage arrears (within the last 3 months)*
Genuine Savings	Not required
Debt Consolidation	Unlimited number of debts including payout of ATO debt.
Acceptable Securities	Residential securities in categories 1 - 4 with a maximum land size of 25 acres (10 hectares) Vacant residential land only in categories 1 and 2 with a maximum size of 5 acres (max 80% LVR and max loan size of \$650,000)
Fee Capitalisation	All fees can be capitalised to maximum LVR available

## Product Specifications

### Full Doc

Maximum LVR	<ul style="list-style-type: none"> <li>Up to 95% for purchases</li> <li>Up to 90% for all other loan purposes</li> </ul>
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (PAYG)	<div> Last 2 pay slips <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>Letter of employment</li> <li>Notice of assessment</li> <li>Latest PAYG Payment Summary</li> <li>3 months bank statements</li> </ul> </div> OR <div> Choose from any <u>two</u> of the following: <ul style="list-style-type: none"> <li>Most recent pay slip</li> <li>3 months bank statements</li> <li>Employment check completed by Pepper or Mortgage Manager</li> </ul> </div>
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>Last 1 year^ tax returns and last 1 year notice of assessments (tax returns &lt; 6 months old) OR</li> <li>Last 1 year^ tax returns and last 1 year notice of assessments (tax returns &gt; 6 months old) and one of the following: <ul style="list-style-type: none"> <li>Most recent BAS or last 3 months business banks statements OR</li> <li>Interim accounts from Accountant from end of last financial year to date</li> </ul> </li> <li>Last 1 year^ Financial Statements executed by a registered tax agent or Accountant* (Financial Statements &lt; 6 months old) OR</li> <li>Last 1 year^ Financial Statements executed by a registered tax agent or Accountant* (Financial Statements &gt; 6 months old) and one of the following: <ul style="list-style-type: none"> <li>Most recent BAS or last 3 months business banks statements OR</li> <li>Interim accounts from Accountant from end of last financial year to date</li> </ul> </li> </ul>

### Alt Doc

Maximum LVR	<ul style="list-style-type: none"> <li>Up to 90% for purchases</li> <li>Up to 80% for all other loan purposes</li> </ul>
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>ABN registered for 24 months;</li> <li>GST registered for 12 months;</li> <li>Declaration of financial position <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>6 months business bank statements</li> <li>6 months BAS</li> <li>Pepper Money accountant's letter (acceptable up to \$3m customer exposure)</li> </ul> </li> </ul>

For all loan sizes and loan term, please refer to Product Comparison on page 11

Refer to page 17 for additional notes

\*registered with CPA, CAA or NIA

^ If prior years' financial results are also provided, we are obliged to consider this in our assessment.

# Refer to Repayment History Information on page 16



# Pepper EASY

## Near Prime

Loan Purpose	Purchase or refinance of owner occupied and/or investment properties
Maximum Loan	\$2,500,000 (inclusive of fees)
Credit History	<ul style="list-style-type: none"> <li>• Unlimited defaults, judgements and writs &lt;= \$3,000 accepted (paid or unpaid)</li> <li>• Unlimited defaults, judgements and writs &gt; \$3,000, listed &gt; 24 months (paid or unpaid) accepted</li> <li>• Up to 3 months non-mortgage arrears (within the last 3 months)*</li> <li>• Discharged from bankruptcy (1 day accepted)</li> </ul>
Genuine Savings	Not Required
Debt Consolidation	Unlimited number of debts including payout of ATO debts
Acceptable Securities	Residential securities in categories 1 - 4 with a maximum land size of 25 acres (10 hectares) Vacant residential land only in categories 1 and 2 with a maximum size of 5 acres (max 80% LVR and max loan size of \$650,000)
Fee Capitalisation	All fees can be capitalised to maximum LVR available

## Product Specifications

### Full Doc

Maximum LVR	<ul style="list-style-type: none"> <li>• Up to 95% for purchases</li> <li>• Up to 90% for all other loan purposes</li> </ul>
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (PAYG)	<div> Last 2 pay slips <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>• Letter of employment</li> <li>• Notice of assessment</li> <li>• Latest PAYG Payment Summary</li> <li>• 3 months bank statements</li> </ul> </div> OR <div> Choose from any <u>two</u> of the following: <ul style="list-style-type: none"> <li>• Most recent pay slip</li> <li>• 3 months bank statements</li> <li>• Employment check completed by Pepper or Mortgage Manager</li> </ul> </div>
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>• Last 2 years tax returns and last 2 years notice of assessments OR</li> <li>• Last 2 years Financial Statements executed by a registered tax agent or Accountant*</li> </ul>

### Alt Doc

Maximum LVR	<ul style="list-style-type: none"> <li>• Up to 85% for purchases</li> <li>• Up to 80% for all other loan purposes</li> </ul>
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>• ABN registered for 12 month (for clear credit) or 24 months;</li> <li>• GST registered for 6 months (for clear credit) or 12 months;</li> <li>• Declaration of financial position <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>- 6 months business bank statements</li> <li>- 6 months BAS</li> <li>- Pepper Money accountant's letter (Acceptable up to \$1.5m for 12 month ABN clear credit. Must be 24 months ABN for Accountant letter over \$1.5m.)</li> </ul> </li> </ul>

For all loan sizes and loan term, please refer to Product Comparison on page 11

Refer to page 17 for additional notes

# Refer to Repayment History Information on page 16

\*registered with CPA, CAA or NIA





# Pepper ADVANTAGE

## Specialist

Loan Purpose	Purchase or refinance of owner occupied or investment properties
Genuine Savings	Not required
Debt Consolidation	Unlimited number of debts including payout of ATO debts

## Specialist

## Specialist PLUS

Maximum Loan	\$2,500,000 (inclusive of fees)	\$1,000,000 (inclusive of fees)
Credit History	<ul style="list-style-type: none"> <li>Unlimited defaults, judgements and writs &lt;= \$3,000 accepted</li> <li>Unlimited defaults, judgements and writs &gt; \$3,000, listed &gt; 12 months (paid or unpaid)</li> <li>Up to 1 month mortgage arrears / RHI 1 (within the last 6 months)</li> <li>Up to 6 months non-mortgage arrears#</li> <li>Discharged from bankruptcy (1 day accepted)</li> </ul>	<p><b>Additional PLUS allowances (not available for Alt-Doc ABNs registered 6 - 12 months):</b></p> <ul style="list-style-type: none"> <li>Unlimited defaults, judgements or writs from 1 credit event &lt; 12 months (paid or unpaid)</li> <li>Unlimited mortgage arrears (within last 6 months)</li> </ul>
Acceptable Securities	Residential securities in categories 1 - 4 <sup>1</sup> with a maximum land size of 25 acres (10 hectares)	Residential securities in categories 1 and 2 <sup>1</sup> with a maximum land size of 25 acres (10 hectares)
Fee Capitalisation	All fees can be capitalised to maximum LVR available	

## Product Specifications

### Full Doc

Maximum LVR	<ul style="list-style-type: none"> <li>Up to 95% for purchases (Standard)</li> <li>Up to 85% for all other loan purposes (Standard)</li> <li><b>Up to 80% for all loan purposes (PLUS)</b></li> </ul>	
Cash Out	Unlimited for acceptable purposes, including renovations and business use	
Income Documentation (PAYG)	Last 2 pay slips <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>Letter of employment</li> <li>Notice of assessment</li> <li>Latest PAYG Payment Summary</li> <li>3 months bank statements</li> </ul>	OR Choose from any <u>two</u> of the following: <ul style="list-style-type: none"> <li>Most recent pay slip</li> <li>3 months bank statements</li> <li>Employment check completed by Pepper or Mortgage Manager</li> </ul>
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>Last 2 years tax returns and last 2 years notice of assessments OR</li> <li>Last 2 years Financial Statements executed by a registered tax agent or Accountant*</li> </ul>	

### Alt Doc

Maximum LVR	<ul style="list-style-type: none"> <li>Up to 85% for purchases (Standard)</li> <li>Up to 80% for all other loan purposes (Standard)</li> <li><b>Up to 75% for all loan purposes (PLUS)</b></li> </ul>	
Cash Out	Unlimited for acceptable purposes, including renovations and business use	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>ABN registered for 6 months <b>(12 months for Specialist PLUS)</b></li> <li>GST registered for 6 months <b>(12 months for Specialist PLUS)</b></li> <li>Declaration of financial position <u>plus one</u> of the following:               <ul style="list-style-type: none"> <li>6 months business bank statements</li> <li>6 months BAS</li> <li>Pepper Money accountant's letter (not accepted if ABN registered for &lt; 12 months or on PLUS)</li> </ul> </li> </ul>	

For all loan sizes and loan term, please refer to Product Comparison on page 11  
Refer to page 17 for additional notes

# Refer to Repayment History Information on page 16

\*registered with CPA, CAA or NIA





# Pepper ESSENTIAL Construction

## Product Specifications

	Full Doc	Alt Doc
Loan Purpose	Purchase or refinance of land for the primary purpose of constructing up to two residential owner occupied or investment properties. Can also be used to finance structural changes to an existing owner occupied or investment property.	
Maximum Loan Size (inclusive of fees)	NSW/VIC/QLD 1 or 2 properties: \$2,000,000  All Other locations 1 or 2 properties: \$800,000	NSW/VIC/QLD 1 or 2 properties: \$2,000,000  All Other locations 1 or 2 properties: \$800,000
Maximum LVR	Available up to 95% LVR for both Owner Occupied and Investment purposes	Available up to 85% LVR for both Owner Occupied and Investment purposes
Credit History	Paid defaults up to \$500 may be considered	
Genuine Savings	5% required if LVR > 90% (inclusive of fees) or 3 months clear rental conduct	
Cash Out	Cash out not available on construction loans	
Debt Consolidation	Debt consolidation not available on construction loans	
Income Documentation (PAYG)	Last 2 pay slips <u>plus one</u> of the following: <ul style="list-style-type: none"><li>• Letter of employment</li><li>• Notice of assessment</li><li>• Latest PAYG Payment Summary</li><li>• 3 months bank statements</li></ul>	OR Choose from any <u>two</u> of the following: <ul style="list-style-type: none"><li>• Most recent pay slip</li><li>• 3 months bank statements</li><li>• Employment check completed by Pepper or Mortgage Manager</li></ul>
Income Documentation (Self-Employed)	<ul style="list-style-type: none"><li>• Last 2 years tax returns and last 2 years notice of assessments OR</li><li>• Last 2 years Financial Statements executed by a registered tax agent or Accountant*</li></ul>	<ul style="list-style-type: none"><li>• ABN registered for 24 months</li><li>• GST registered for 12 months</li><li>• Declaration of financial position <u>plus one</u> of the following:<ul style="list-style-type: none"><li>- 6 months business bank statements</li><li>- 6 months BAS</li><li>- Pepper Money accountant's letter</li></ul></li></ul>
Acceptable Securities	<ul style="list-style-type: none"><li>• Registered first mortgage on residential property</li><li>• Residential securities in categories 1 and 2 with a maximum land size of 2.5 acres</li></ul>	

## Product Features

Loan Term	10 – 30 years
Repayment Options	<ul style="list-style-type: none"><li>• Variable interest rate</li><li>• Interest Only (IO) on balance of loan during construction period (maximum of 18 months followed by P&amp;I)</li><li>• Loan converts to principal and interest (P&amp;I) repayments upon completion of construction</li></ul>
Redraw	Available only post construction at no extra cost
Offset Sub-Account	Available only post construction at no extra cost
Account Splits	Single account only during construction period and up to four splits post construction (including 100% Interest Offset Sub-Account split).
Lump Sum Payments	Additional payments are allowed during both the construction (IO) phase and the P&I phase
Fee Capitalisation	All fees can be capitalised to maximum LVR available
Transaction Facilities	<ul style="list-style-type: none"><li>• Online</li><li>• Telephone</li><li>• ATM</li><li>• Visa Debit Card (inclusive payWave) (post construction)</li><li>• Redraw facility (post construction only)</li><li>• BPAY</li></ul>

\* registered with CPA, CAA or NIA

The VISA Debit card is issued by Indue Limited ABN 97 087 822 464 and distributed by Pepper Finance Corporation Limited ACN 094 317 647 and/or through Pepper Money accredited mortgage brokers, refer to the conditions of use and TMD.



# Pepper EASY Construction

## Product Specifications

	Full Doc	Alt Doc
Loan Purpose	Purchase or refinance of land for the primary purpose of constructing up to two residential owner occupied or investment properties. Can also be used to finance structural changes to an existing owner occupied or investment property.	
Maximum Loan Size (inclusive of fees)	NSW/VIC/QLD 1 and 2 properties: \$2,000,000  All Other locations 1 or 2 properties: \$800,00	NSW/VIC/QLD 1 or 2 properties: \$1,000,000  All Other locations 1 or 2 properties: \$800,000
Maximum LVR	Available up to 95% LVR for both Owner Occupied and Investment purposes	Available up to 85% LVR for both Owner Occupied and Investment purposes
Credit History	<ul style="list-style-type: none"> <li>• Unlimited defaults, judgements and writs &lt;= \$3,000 accepted (paid or unpaid)</li> <li>• Unlimited defaults, judgements and writs &gt; \$3,000, registered &gt; 24 months (paid or unpaid) accepted</li> <li>• Discharged from bankruptcy (1 day accepted)</li> </ul>	
Genuine Savings	Not required	
Cash Out	Cash out not available on construction loans	
Debt Consolidation	Debt consolidation not available on construction loans	
Income Documentation (PAYG)	Last 2 pay slips <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>• Letter of employment</li> <li>• Notice of assessment</li> <li>• Latest PAYG Payment Summary</li> <li>• 3 months bank statements</li> </ul>	OR Choose from any <u>two</u> of the following: <ul style="list-style-type: none"> <li>• Most recent pay slip</li> <li>• 3 months bank statements</li> <li>• Employment check completed by Pepper or Mortgage Manager</li> </ul>
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>• Last 2 years tax returns and last 2 years notice of assessments OR</li> <li>• Last 2 years Financial Statements executed by a registered tax agent or Accountant*</li> </ul>	<ul style="list-style-type: none"> <li>• ABN Registered for 12 months (for Clear Credit History) or 24 months;</li> <li>• GST registered for 6 months (for Clear Credit History) or 12 months;</li> <li>• Declaration of financial position <u>plus one</u> of the following:               <ul style="list-style-type: none"> <li>- 6 months business bank statements</li> <li>- 6 months BAS</li> <li>- Pepper Money accountant's letter</li> </ul> </li> </ul>
Acceptable Securities	<ul style="list-style-type: none"> <li>• Registered first mortgage on residential property</li> <li>• Residential securities in categories 1 - 2 with a maximum land size of 2.5 acres.</li> </ul>	

## Product Features

Loan Term	10 – 30 years	
Repayment Options	<ul style="list-style-type: none"> <li>• Variable interest rate</li> <li>• Interest Only (IO) on balance of loan during construction period (maximum of 18 months followed by P&amp;I)</li> <li>• Loan converts to principal and interest (P&amp;I) repayments upon completion of construction</li> </ul>	
Redraw	Available only post construction at no extra cost	
Offset Sub-Account	Available only post construction at no extra cost	
Account Splits	Single account only during construction period and up to four splits post construction (including 100% Interest Offset Sub-Account split).	
Lump Sum Payments	Additional payments are allowed during both the construction (IO) phase and the P&I phase	
Fee Capitalisation	All fees can be capitalised to maximum LVR available	
Transaction Facilities	<ul style="list-style-type: none"> <li>• Online</li> <li>• Telephone</li> <li>• ATM</li> </ul>	<ul style="list-style-type: none"> <li>• Visa Debit Card (inclusive payWave) (post construction)</li> <li>• Redraw facility (post construction only)</li> <li>• BPAY</li> </ul>

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# Product Comparison

	Pepper ESSENTIAL		Pepper CLEAR		Pepper NEAR PRIME		Pepper ADVANTAGE			
	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Full Doc PLUS	Alt Doc	Alt Doc PLUS
Max LVR	95% (purchase) 90% (refinance)	85% (purchase) 80% (refinance)	95% (purchase) 90% (refinance)	90% (purchase) 80% (refinance)	95% (purchase) 90% (refinance)	85% (purchase) 80% (refinance)	95% (purchase) 85% (refinance)	80%	85% (purchase) 80% (refinance)	75%
Loan Term	10 - 40 years		10 - 40 years		10 - 40 years		10 - 40 years			
Credit impairments < = \$3,000*	⊗ (paid defaults up to \$500 considered)		⊗ (paid/unpaid defaults up to \$1000 considered)		✔		✔			
Credit impairments < 12 months*	⊗		⊗		⊗		⊗	✔ (unlimited when due to 1 credit event)	⊗	✔ (unlimited when due to 1 credit event)
Credit impairments > 12 months*	⊗		⊗		Unlimited when registered >24 months		✔			
Mortgage Arrears	⊗		⊗		⊗		✔ Up to 1 month mortgage arrears / RHI 1 (within the last 6 months)	✔	✔ Up to 1 month mortgage arrears / RHI 1 (within the last 6 months)	✔
Non-mortgage Arrears	⊗		Up to 1 month non-mortgage arrears (within the last 3 months)*		Up to 3 months (within last 3 months)		✔	✔	✔	✔
Cash Out	Unlimited (up to 80% LVR)		Unlimited (up to max allowable LVR)							

\* Refer to Repayment History Information on page 16

Loan size limits (applicable to residential securities in categories 1 and 2)

LVR	Pepper ESSENTIAL		Pepper CLEAR		Pepper EASY		Pepper ADVANTAGE			
	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Full Doc PLUS	Alt Doc	Alt Doc PLUS
Up to 65%	\$2.5m	\$2.5m	\$5.0m	\$5.0m	\$2.5m	\$2.5m	\$2.5m	\$1.0m	\$2.5m	\$1.0m
Up to 70%	\$2.5m	\$2.5m	\$5.0m	\$5.0m	\$2.5m	\$2.5m	\$2.0m	\$1.0m	\$2.0m	\$1.0m
Up to 75%	\$2.5m	\$2.5m	\$3.0m	\$3.0m	\$1.75m	\$1.75m	\$1.75m	\$750k	\$1.75m	\$750k
Up to 80%	\$2.5m	\$2.5m	\$2.0m	\$2.0m	\$1.5m	\$1.5m	\$1.25m	\$750k	\$1.25m	-
Up to 85%	\$1.75	\$1.75m^	\$1.75m	\$1.75m^	\$1.0m	\$1.0m^	\$750k	-	\$650k^	-
Up to 90%	\$1.5m	-	\$1.5m	\$1.0m^	\$1.0m	-	\$750k	-	-	-
Up to 95%	\$1.0m^	-	\$1.0m^	-	\$900k^ (Syd/ Mel/Bri) \$750k^ other locations	-	\$650k^	-	-	-

^purchase only

LVR	Pepper ESSENTIAL Construction*		Pepper EASY Construction*	
	Full Doc	Alt Doc	Full Doc	Alt Doc
Up to 55				
>55 - 65	\$2.0m	\$2.0m	\$2.0m	\$1.0m
>65 - 70				
>70 - 75	\$1.75m	\$1.75m	\$1.75m	\$1.0m
>75 - 80	\$1.50m	\$1.50m	\$1.75m	\$1.0m
>80 - 85	\$1.50m - 2 properties \$1.0m - 1 property	\$1.0m	\$1.20m - 2 properties \$1.0m - 1 property	\$1.0m
>85 - 90	\$1.20m - 2 properties \$950k - 1 property		\$1.0m - 2 properties \$950k - 1 property	
>90 - 95	\$1.20m - 2 properties \$950k - 1 property		\$1.0m - 2 properties \$950k - 1 property	

\*Available for both Owner Occupier and Investment purposes. Loan limits apply to NSW , VIC , QLD only. \$800k applies to all other states, (all LVRs for 1 or 2 properties)

## Product Features

	Variable	Fixed
Minimum Loan Amount	<ul style="list-style-type: none"> <li>• \$100,000 (Prime)</li> <li>• \$50,000 (Near Prime Clear, Near Prime and Specialist)</li> </ul>	
Repayment Options	<ul style="list-style-type: none"> <li>• Principal and Interest</li> <li>• Interest Only (maximum 5 years followed by Principal and Interest)</li> <li>• Interest Only available on terms up to 30 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Principal and Interest</li> <li>• Interest Only (2, 3, 5 year terms followed by Principal and Interest). Interest Only period must equal Fixed Rate period.</li> </ul>
Interest Rate Type	Variable	Fixed (2, 3, 5, 7 & 10 years)
Redraw	<ul style="list-style-type: none"> <li>• Minimum manual redraw amount is \$1,000</li> <li>• Minimum online redraw is \$50</li> </ul>	N/A
Offset Sub-Account	100% Interest Offset Sub-Account available	N/A
Account Splits	Maximum of four splits (including 100% Interest Offset Sub-Account split).	
Lump Sum Payments	Free additional payments are allowed	
Break Costs	N/A	No Break Costs
Rate Lock	N/A	Rate lock available on new fixed rate home loan options
Transaction Facilities	<ul style="list-style-type: none"> <li>• Online</li> <li>• ATM</li> <li>• Redraw Facility</li> <li>• Telephone</li> <li>• Visa Debit Card (including payWave)</li> <li>• BPAY</li> </ul>	N/A

The VISA Debit card is issued by Indue Limited ABN 97 087 822 464 and distributed by Pepper Finance Corporation Limited ACN 094 317 647 and/or through Pepper Money accredited mortgage brokers, refer to the conditions of use and TMD.

# Servicing and additional Lending Policies

## Acceptable Employment & Income

Employment Type	Income Definition	Allowance
Full or Part-Time or Contract (PAYG)	Base salary, allowances and shift penalties. <b>PRIME</b> <sup>^</sup> <ul style="list-style-type: none"> <li>Minimum 12 months continuous employment within same industry, or</li> <li>Minimum 6 months employment with current employer.</li> </ul> <b>NEAR PRIME CLEAR, NEAR PRIME OR SPECIALIST</b> No minimum time frame required.	100%
Casual or Second Job	<b>PRIME or SPECIALIST PLUS</b> Minimum 12 months continuous service with current employer. <b>NEAR PRIME CLEAR, NEAR PRIME OR SPECIALIST</b> Minimum 6 months continuous service with current employer (with minimum of 18 months continuous employment within the same industry)	100%
Overtime	100% if a condition of a borrowers employment, 50% if confirmed as being regular for 6 months from the same employer.	100%
Commission/Bonuses	<b>PRIME</b> 100% if confirmed as received for the last 2 years from current employer. The average of the last 2 years is to be used in the servicing assessment. <b>NEAR PRIME CLEAR, NEAR PRIME or SPECIALIST</b> Must be demonstrated over the last 12 months.	100%
Self-Employed	Acceptable forms of income including Net Profit Before Tax, Directors wages/salaries, Depreciation, Interest on debts being refinanced and Superannuation contribution in excess of 11%. <b>Full Doc</b> - Minimum self-employed period of 24 months <b>Alt Doc</b> <b>PRIME &amp; NEAR PRIME CLEAR</b> - Minimum self-employed period of 24 months. <b>NEAR PRIME</b> - Minimum self-employed period of 12 months (clear credit) else 24 months <b>SPECIALIST and SPECIALIST PLUS</b> - Minimum self-employed period of 6 months.	100%
Centrelink Pensions	Centrelink Pension received (e.g. aged, invalid etc.). <sup>^^</sup>	100%
Superannuation	Pension or annuities.	100%
Rental Income	Rental income to be received post settlement.	80%
Housing Allowance	Allowance provided by employer or government bodies (not accepted on PRIME).	100%
Interest and Dividends	Income from cash deposits held or share portfolios. Two years consistency required. Capital gains on sale of assets is not acceptable.	100%
Forms of Guaranteed Income	Inheritance and trust beneficiaries etc (not accepted on PRIME).	100%
Child Support Payments	If a court order or a child support agency agreement exists or proof of receipt for a period of 3 months continuous payments with no age restrictions. The following evidence of receipt of payments is required: <ul style="list-style-type: none"> <li>Proof of receipt of maintenance for a continuous period of at least 3 months by way of savings statements; or</li> <li>Child Support Agency letter to confirm the maintenance agreement.</li> </ul> <i>Accepted for prime home loans if the customer receives the payment for the next 5 years or more.</i> <i>Accepted for non-conforming* loans if the payment is received for less than 5 years and if the customer can maintain servicing once the payment ends.</i>	100%
Family Payments	Family assistance payment for dependent children regardless of age (Part A, Part B and parenting payments will be used; rental, sickness and pharmaceutical allowances will not be used). <i>Accepted for prime home loans if the customer receives the payment for the next 5 years or more.</i> <i>Accepted for non-conforming* loans if the payment is received for less than 5 years and if the customer can maintain servicing once the payment ends.</i> Foster Income only to be used to offset the living expense of any foster children. Income received above this value cannot be used for servicing of other commitments.	100%
Fully Maintained Company Car	Maximum of \$5,000 can be added to the Gross Taxable Income.	Up to \$5,000
Car Allowance	100% if a condition of a borrower's employment.	100%

<b>Maternity Leave</b>	If a customer is on or due to go on Maternity Leave, servicing will be based on the lowest income being received during the leave period. Period gap in income needs to be covered by savings and cannot exceed 3 months. The following evidence of income is required: <ul style="list-style-type: none"> <li>• Last 2 payslips and letter from employer stating commencement and return to work date, work arrangement and Salary upon return. OR</li> <li>• Letter issued by Centrelink confirming paid parental leave</li> <li>• Savings evidence to cover gap in income (If applicable)</li> </ul>	100%
<b>Foreign Income</b>	Accepted for non-conforming home loans. Customers must be Australian residents and have PAYG income deposited into an Australian bank account by the employer. Income can be from a foreign company and doesn't need to have tax paid in Australia. Foreign self-employed income is not considered.	100%

^Where the borrower is on probation, application can be considered based on the strength of the borrower's overall position

^^ Applicants that derive majority of their income from Centrelink and Social Benefits Income can qualify for a maximum 75% LVR.

Please note:

- The % of income allowed is based on the borrower being able to meet the Acceptable Employment Type policy.

- An average of the last 2 years income is used for servicing unless the most recent year is less than the average. In this case, the most recent year is used. Applies to Full Doc applications only.

\*Near Prime Clear, Near Prime and Specialist

## Servicing

All loans to be serviced at a benchmark rate of 5.50% or 2.00% above the applicable rate (serviceability interest rate buffer), whichever is higher.

The serviceability interest rate buffer may be adjusted down to 1% where the:

- transaction is for a Prime or Near Prime Clear loan up to 80% LVR; AND
- transaction is the purchase of an investment property; OR
- transaction is to refinance a home loan or consolidate debts with no more than \$20,000 cash out; OR
- loan interest rate will have an initial Fixed period.

Applicants that have majority of their income from Centrelink and Social Benefit Income can only qualify for a maximum 75% LVR and serviceability must be a minimum of 1.25x. For loans with an LVR of greater than 90%, serviceability must be a minimum of 1.25x.

Refer to Pepper Money's serviceability calculator on [pepper.com.au/broker](http://pepper.com.au/broker)

### Negative Gearing:

Negative Gearing is accounted for during the loan assessment.

### Sole Applicants in Spousal Relationships:

If a sole borrower is in a spousal relationship and household cash flow is split, we will take 50% of joint debt repayments and apply a single living expense view for our applicant. The loan will be subject to a servicing test at both a household and applicant level. The following documentation is required for the non-borrowing spouse:

- Income verification documents
- Asset and Liability Statement
- Living Expenses Statement
- Signed Privacy Act

## Security

### Lending Areas:

#### Lending areas based on postcode listing:

- Category 1 Maximum LVR 95%
- Category 2 Maximum LVR 95%
- Category 3 Maximum LVR 75%
- Category 4 Maximum LVR 70%

### Maximum Exposure Limits:

- The maximum exposure per client is \$5,000,000 for Prime, Near Prime Clear and Near Prime loans (can be made up of multiple securities)
- The maximum exposure for Specialist loans is \$4,000,000 (can be made up of multiple securities)
- The maximum exposure limits cannot be combined.
- Where maximum exposure is greater than \$3,000,000 the maximum aggregate LVR is 80%.

### Developments and Units:

Maximum three securities per development or maximum exposure not more than 25%.

Unit blocks cannot be comprised of more than 35 units when located within a high-density post code (see website for locations).

New units (<12 months old) have a maximum LVR 75% and are not acceptable if part of a development of more than 35 units. Units must have a minimum internal floor size of 40sqm.

### Darwin Securities

Securities located within Darwin and where the value is >1.5 times the local (postcode) median house price are considered not acceptable.

When a unit is located in a development consisting of 35 or more units it is an unacceptable security. The maximum LVR on all other units located in Darwin is 70% (exclusive of fees).

### Western Australian Securities:

- Maximum LVR of 85% where the loan is secured by a unit.
- Maximum LVR of 85% for Interest Only loans

### Will Not Lend On:

Rural properties, commercial properties, relocatable and mobile homes, serviced apartments, studio apartments, resort complexes, retirement villages, bedsits and heritage listed buildings.



## Responsible Lending

Pepper Money is committed to responsible lending. We recognise the importance of working with our valued distribution partners to ensure we all play our part in conducting business in an ethical and responsible manner. To find out more about Pepper Money's approach to responsible lending visit [pepper.com.au/responsible-lending](http://pepper.com.au/responsible-lending)

## Cash Out

Pepper will accept the stated purpose at credit assessors discretion however for loans with cash out of >100,000, Pepper may also require verification of the use of cash out when assessing the intended purpose and the customers overall profile.

### Prime

No limit on cash out if LVR is < 80%. Cash out portion is limited to 20% of security valuation if LVR > 80%.

## Additional Lending Policies

**All mortgage applications must clearly demonstrate a financial benefit to the applicant(s).**

### Pepper Money Will Lend To:

- Private partnerships, individuals, companies, trustees (maximum 6 borrowers).

### Security Titles Considered:

Torrens, old system, community, crown lease.

### Non-Conforming and Private or Solicitor Loans:

Will refinance non-conforming, private and solicitor loans.

### Portability:

Pepper Money offers portability on all new loans subject to eligibility criteria. Portability policy allows for like for like change of security i.e. Category 1 postcode to Category 1 postcode, House to a House, Unit to a Unit.

### Personal Bank Statements:

Applicants' last three months personal bank statements may be needed at credit assessors discretion for positive confirmation of their declared living expenses.

### Loan Statements:

- Loan statements are not required where the loan Repayment History Information (RHI) can be verified on the Applicant's credit file obtained by Pepper Money. In such cases proof of balance and payment details may still be required prior to settlement.

Where the RHI is not available, then the following is required:

- 6 months mortgage statements required on any owner occupied or investment loan being refinanced.
- 12 months mortgage statements required on refinancing of non-conforming loans.
- Most recent statement (or last 3 months statements for Prime loans) for consumer debts (credit cards, personal loans) being refinanced.

### Repayment History Information (RHI)

Repayment History Information indicates whether the minimum repayment on a credit account was made on time (or within a 14-day grace period) and if not, how late the payment was made. The RHI column shows the number of months that the minimum repayment was not met. The corresponding product column shows product placement for such repayment history.

## Mortgages

RHI	Product
0	Prime / Near Prime Clear / Near Prime
1	Specialist
2	Specialist Plus
3	Specialist Plus
4	Specialist Plus
5	Specialist Plus
6	Specialist Plus
X	Specialist Plus

## Non Mortgages

RHI	Product
0	Prime
1	Near Prime Clear
2	Near Prime
3	Near Prime
4	Specialist
5	Specialist
6	Specialist
X	Specialist Plus

## ATO Debts

Pepper will accept ATO Debts with payment plans to remain after settlement on Near Prime and Specialist.

## Additional Advance

- The loan must have settled at least 3 months for PRIME and 6 months for Non-Conforming prior to the application for further borrowing.
- The loan must be current with no dishonoured payments within the 3 months for PRIME and 6 months for Non-Conforming prior to application.
- Minimum amount \$10,000.
- Maximum amount - LVR cannot be varied >10% or an internal refinance is required.
- \$395 Establishment fee or \$100 if broker orders valuation.
- 1% Mortgage Risk Fee (on Additional Advance amount only)
- For PRIME loans, Lender Protection Fee (LPF) payable is LPF on total amount less LPF already paid.
- Legal Fees of \$200 plus disbursements are payable.

When an application for an Additional Advance is received, customer and security information will need to be updated. The documentation that will be required is as follows:

- New fully completed Pepper Money Additional Advance Application Form.
- Updated income evidence, including pay slips or Alt Doc Income Declaration.
- A new Equifax report will be ordered.
- A new Valuation will be requested.
- The Building Insurance figure will be updated.
- If there is any new adverse credit information a request for further details will be made.
- Funds will be disbursed by a Pepper Money panel Solicitor after receipt of all security documents.

## Construction Documentation:

Prior to the first progress payment being processed, Pepper Money requires the following documents:

- Copy of executed Fixed Price (inclusive of GST) building contract from a licensed builder (not owner builder) executed in standard HIA or equivalent format;
- Council approved plans and specifications;
- Evidence of Construction All Risk Insurance (including public liability) from the builder with a Certificate of Currency showing Pepper Finance Corporation Limited as mortgagee;
- A copy of the builder's insurance under the Home Building Compensation Fund (previously Home Warranty Insurance) covering the subject property during the course of construction;
- Certificate of registration of the builder; and
- Builder's bank account details on their letterhead.

### Progress Payments:

- Pepper Money to sight and approve the progress payment schedule prior to settlement;
- Progress payment requests are to be made using Pepper Money's Progress Payment Authority form. This must be signed by all borrowers;
- A copy of the builder's invoice is required to accompany each Progress Payment Authority form;
- Progress payments are paid into the builder's bank account via EFT - within 24 hours of Pepper Money receiving valuation and signed PPA;
- The valuer who completed the on-completion valuation is to complete all property inspections;
- The cost of the progress inspections is at the borrower's expense (at cost and organised by Pepper Money);
- A minimum of 4 progress inspections will be required by Pepper Money. Typically, this will be at Slab, Frame or Roof, Lockup and Practical Completion stages. This remains at the discretion of Pepper Money.

### Final Payment:

- Valuer's final progress inspection report is to advise current valuation figure and confirm all works have been completed as per plans and specifications;
- Prior to release of the final progress payment: Evidence of building insurance with 'Pepper Finance Corporation Limited' noted as first mortgagee, for an amount not less than replacement value as advised by Options;
- Copy of completion certificate (or equivalent) from local council (not applicable for SA or WA).

### Account Statements:

Monthly (statements produced 15th of each month during IO construction period, followed by half yearly thereafter).

### Valuations:

An appraisal of the security property is required to determine its value and state. This can be done via a Full Valuation, Electronic Valuation Report, or an Automated Valuation Model. The following criteria applies for Maximum security values (eligibility conditions apply).

Valuation Eligibility Criteria	LVR				
	≤65%	65-70%	70-75%	75-80%	80-95%
AVM Purchase (FSD)	≤12	≤10	≤10	≤8	N/A
Max Security Value	\$2m	\$1.5m	\$1.5m	\$1m	N/A
AVM Refinance (FSD)	≤12	≤10	≤8	≤5	N/A
Max Security Value	\$2m	\$1.5m	\$1.5m	\$1m	N/A
EVR	✓	✓	✓	✓	N/A
Max Security Value	\$2m	\$2m	\$2m	\$2m	N/A
Full Valuation	✓	✓	✓	✓	✓

### Acceptable Visa Class:

Pepper accepts all Visa that provide permanent residency. In addition, the following pathway Visa's are acceptable across all Product options: 309, 475, 482, 489, 491, 820, 494.

### Additional Notes

- <sup>1</sup> Refer to Pepper Money's Postcode Search in Tools section on [pepper.com.au/broker/white-label](https://pepper.com.au/broker/white-label) for category lending limits
- <sup>2</sup> Additional terms and conditions apply to Interest Only loans which are set out in the customer's loan agreement. Principal and Interest repayments are calculated on the residual loan term
- <sup>3</sup> The terms and conditions applicable to Offset Sub-Accounts are set out in the customer's loan agreement
- <sup>4</sup> Refer to LPF Calculator in Tools section on [pepper.com.au/broker](https://pepper.com.au/broker)
- <sup>5</sup> Pepper Money is not liable for any taxation related assumptions or representations associated with the negative gearing.

**DISCLAIMER:** This product guide is accurate as at the effective date of this document. Pepper Money reserves the right to alter the policies at any time without notice. We will notify borrowers of changes in accordance with their loan agreement and the National Consumer Credit Protection Act.

**CONFIDENTIAL:** This Product Guide is a reference guide for mortgage professionals accredited to distribute Pepper Money products and is not intended as an advertisement to the public. It is made available on a strictly confidential basis and must not be reproduced in whole or part, or distributed to any person or organisation without Pepper Money's prior written consent. It must not be made available to the public under any circumstances. Whilst every effort has been made to ensure this Product Guide is accurate, it should not be relied upon for any purpose or used as a substitute for independent professional advice.

**WARNING:** You must comply with all legal requirements. Non-compliance with the law may attract civil and/or criminal penalties.



# Pepper PRIME Commercial

## Product Specifications

	Full Doc	Alt Doc
Loan Purpose	Purchase or refinance of commercial properties	
Minimum Loan Size	\$100,000	
Maximum Loan Size	\$5,000,000**	
Maximum LVR	Up to 80%^ for all loan purposes (inclusive of fees)	Up to 80%^ for all loan purposes (inclusive of fees)
Credit History	One paid default up to \$500 (Consumer) and \$1,000 (Commercial) may be considered	
Cash Out	Unlimited*	
Debt Consolidation	Unlimited number of debts including payout of ATO debt	
Income Documentation (PAYG)	Last 2 payslips <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>Letter of employment</li> <li>Latest PAYG Payment Summary</li> <li>Notice of assessment</li> <li>3 months bank statements</li> </ul>	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> <li>Last 2 years tax returns;</li> <li>Last 2 years notice of assessments;</li> <li>Last 2 years Financial Statements</li> <li>Copy of current lease documentation (where applicable)</li> </ul>	<ul style="list-style-type: none"> <li>ABN Registered for 24 months;</li> <li>GST registered for 12 months;</li> <li>Declaration of financial position <u>plus one</u> of the following:               <ul style="list-style-type: none"> <li>6 months business bank statements (inclusive of the last 1 month);</li> <li>6 months BAS;</li> <li>Pepper Money accountant's letter (not accepted on loan sizes &gt; \$3,000,000)</li> <li>Copy of current lease documentation (where applicable)</li> </ul> </li> </ul>
Acceptable Securities	<ul style="list-style-type: none"> <li>Commercial Securities for categories 1 and 2 nationwide;</li> <li>Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size \$750,000);</li> <li>Residential securities in categories 1-3;</li> <li>Vacant Industrial / Commercial Land (Hardstand)</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Securities for categories 1 and 2 nationwide;</li> <li>Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size \$750,000);</li> <li>Residential securities in categories 1-3;</li> <li>Vacant Industrial / Commercial Land (Hardstand)</li> </ul>

## Product Features

Loan Term	10 - 30 years
Repayment Options	<ul style="list-style-type: none"> <li>Principal and Interest: OR</li> <li>Interest Only (maximum 5 years followed by Principal and Interest)</li> </ul>
Redraw	<ul style="list-style-type: none"> <li>Minimum manual redraw amount is \$1,000;</li> <li>Minimum online redraw is \$50</li> </ul>
Offset Sub-Account	100% Interest Offset Sub-Account available
Account Splits	Maximum of four splits (including 100% interest offset sub-account split)
Lump Sum Payments	Free additional payments are allowed if funded on a variable rate.
Transaction Facilities	<ul style="list-style-type: none"> <li>Online</li> <li>Redraw facility</li> <li>Telephone</li> <li>BPAY</li> </ul>

\* Cash out for working capital not an acceptable purpose on Alt Doc loans

^ Subject to security type.

\*\* Maximum \$3,000,000 for residential securities



# Pepper NEAR PRIME Commercial

## Product Specifications

### Full Doc

### Alt Doc

Loan Purpose	Purchase or refinance of commercial properties	
Minimum Loan Size	\$100,000	
Maximum Loan Size	\$4,000,000*	
Maximum LVR	Up to 80%^ for all loan purposes (inclusive of fees)	Up to 80%^ for all loan purposes (inclusive of fees)
Credit History	<ul style="list-style-type: none"> <li>• Unlimited defaults, judgements and writs up to \$1,000 accepted (paid or unpaid),</li> <li>• Unlimited defaults, judgements and writs &gt; \$1,000, listed &gt; 24 months (paid or unpaid) accepted,</li> <li>• Up to 3 months non-mortgage arrears (within the last 3 months)</li> <li>• Discharged from bankruptcy (&gt; 24 months) accepted.</li> </ul>	
Cash Out	Unlimited	
Debt Consolidation	Unlimited number of debts including payout of ATO debt.	
Income Documentation (PAYG)	Last 2 payslips <u>plus one</u> of the following: <ul style="list-style-type: none"> <li>• Letter of employment</li> <li>• Latest PAYG Payment Summary</li> <li>• Notice of assessment</li> <li>• 3 months bank statements</li> </ul>	
Income Documentation (Self-Employed)	1 year income verification available when the customer has no adverse credit listings and the loan amount is no greater than \$1,000,000. See additional lending policies, or <ul style="list-style-type: none"> <li>• Last 2 years tax returns;</li> <li>• Last 2 years notice of assessments; and</li> <li>• Last 2 years Financial Statements</li> <li>• Copy of current lease documentation (where applicable)</li> </ul>	<ul style="list-style-type: none"> <li>• ABN registered for 24 months</li> <li>• GST registered for 12 months</li> <li>• Declaration of financial position <u>plus one</u> of the following:               <ul style="list-style-type: none"> <li>- 6 months business bank statements (inclusive of the last 1 month)</li> <li>- 6 months BAS</li> <li>- Pepper Money accountant's letter (not accepted on loan sizes &gt; \$3,000,000)</li> <li>- Copy of current lease documentation (where applicable)</li> </ul> </li> </ul>
Acceptable Securities	<ul style="list-style-type: none"> <li>• Commercial Securities for categories 1 and 2 nationwide;</li> <li>• Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size \$750,000);</li> <li>• Residential securities in categories 1-3;</li> <li>• Vacant Industrial / Commercial Land (Hardstand)</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Securities for categories 1 and 2 nationwide;</li> <li>• Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size \$750,000);</li> <li>• Residential securities in categories 1-3;</li> <li>• Vacant Industrial / Commercial Land (Hardstand)</li> </ul>

## Product Features

Loan Term	10 - 30 years
Repayment Options	<ul style="list-style-type: none"> <li>• Principal and Interest: OR</li> <li>• Interest Only (maximum 5 years followed by Principal and Interest)</li> </ul>
Redraw	<ul style="list-style-type: none"> <li>• Minimum manual redraw amount is \$1,000;</li> <li>• Minimum online redraw is \$50</li> </ul>
Offset Sub-Account	100% Interest Offset Sub-Account available
Account Splits	Maximum of four splits (including 100% interest offset sub-account split)
Lump Sum Payments	Free additional payments are allowed if funded on a variable rate.
Transaction Facilities	<ul style="list-style-type: none"> <li>• Online</li> <li>• Redraw facility</li> <li>• Telephone</li> <li>• BPAY</li> </ul>

^ Subject to security type.

\* Maximum \$3,000,000 for residential securities

# Product Comparison

	Pepper PRIME Commercial		Pepper NEAR PRIME Commercial	
	Full Doc	Alt Doc	Full Doc	Alt Doc
Max LVR	Up to 80%	Up to 80%	Up to 80%	Up to 80%
Loan Term	up to 30 years		up to 30 years	
Interest Only	Maximum 5 years		Maximum 5 years	
Income Documentation (PAYG)	Last 2 payslips <u>plus one</u> supporting document	⊗	Last 2 payslips <u>plus one</u> supporting document	⊗
Income Documentation (Self-Employed)	<ul style="list-style-type: none"><li>• Last 2 years tax returns;</li><li>• Last 2 years notice of assessments; and</li><li>• Last 2 years Financial Statements</li></ul>	<ul style="list-style-type: none"><li>• ABN Registered for 24 months;</li><li>• GST registered for 12 months;</li><li>• Declaration of financial position <u>plus one</u> supporting document</li></ul>	<ul style="list-style-type: none"><li>• 1 year tax return verification also available. See additional lending policies, or</li><li>• Last 2 years tax returns;</li><li>• Last 2 years notice of assessments; and</li><li>• Last 2 years Financial Statements</li></ul>	<ul style="list-style-type: none"><li>• ABN Registered for 24 months;</li><li>• GST registered for 12 months;</li><li>• Declaration of financial position <u>plus one</u> supporting document</li></ul>
Impairment up to \$1,000 (defaults, judgementsand writs)	One paid default up to \$500 (Consumer) and \$1,000 (Commercial) may be considered		✓	
Impairment > 24 months (defaults, judgements and writs)	⊗		✓	
Mortgage Arrears	⊗		⊗	
Non-mortgage Arrears	⊗		✓	
Cash Out	Unlimited			

^ Subject to security type.

## Loan size limits

LVR	Pepper PRIME Commercial		Pepper NEAR PRIME Commercial	
	Full Doc	Alt Doc	Full Doc	Alt Doc
Up to 50%	\$5.0m	\$4.0m* \$3.5m**	\$4.0m	\$4.0m* \$3.0m**
>50% - 60%	\$4.5m	\$4.0m* \$3.0m**	\$4.0m* \$3.5m**	\$4.0m* \$2.0m**
>60% - 65%	\$4.5m	\$4.0m* \$3.0m**	\$4.0m* \$3.5m**	\$4.0m* \$2.0m**
>65% - 70%	\$4.0m* \$3.5m**	\$3.0m* \$2.0m**	\$4.0m* \$2.5m*	\$3.0m* \$1.5m**
>70% - 75%	\$3.0m* \$2.5m**	\$2.0m* \$1.25m**	\$3.0m* \$2.0m**	\$2.0m*
>75% - 80%	\$2.0m*	\$2.0m*	\$2.0m*	\$2.0*
>80% - 85%^	\$1.0m	\$1.0m	\$1.0m	\$1.0m

\*Metro

\*\*Non Metro

^ Up to 85% LVR for residential securities, available on request. Refer to your Pepper Money BDM for more information.

**Maximum loan limit is \$3,000,000 for residential securities**

# Securities

## Acceptable Securities

Security Type	Maximum LVR
Serviced Apartments*	80%
Lifestyle Properties**	80%
Studio Apartments	80%
Dual Key	80%
Residential (single security)	80%
Residential ≤3 dwellings (on one title)	80%
Residential >3 dwellings (on one title)	80%
Industrial Units/Warehouses/Factories	80% Full Doc 75% Alt Doc
Mixed Residential & Commercial Use	80% Full Doc 70% Alt Doc
Medical Suites	80%
Permitted Residential Residual Stock (see additional lending policy)	75%
Retail/Shop Front	80%
Strata Office & Office Showrooms	80%
Vacant Industrial land (Hardstand)	65%
Boarding houses	70% Full Doc 65% Alt Doc
Child Care Centres	65%
Student Accommodation	70%
NDIS* (High Care)	55%
NDIS* (Non High Care)	70%

## Unacceptable Securities

Development Sites, Rural Properties, Motels, Hostels/ Backpackers, Construction Projects, Places of Worship, Private Hospitals, Retirements Villages, Resorts/Theme Parks, Recreation Complexes, Marinas, Brothels, Casino/Clubs, Caravan Parks, Vineyards, Display Homes^, Petrol Stations, Properties registered under the National Rental Affordability Scheme (NRAS), Abbatoirs, Contaminated land sites, Farms, Hotels/Clubs.

## Property Development

Pepper does not consider applications for the purpose of constructing property space.

Pepper will not consider applications for the purposes of funding developers' residual stock.

\*Serviced Apartments acceptable subject to:

- Permitted for permanent occupation based on zoning and planning permits
- Able to be removed from the letting pool. Copy of management agreement may be required to confirm.
- Valued as a standard residential property (Unit) with satisfactory comparable.

\*\*Lifestyle Properties acceptable subject to: Not zoned rural or primary production and not considered to be income producing.

\*Maximum loan amount for NDIS is \$2,000,000.00

^Display Homes acceptable if not in a Display Village

# Servicing and additional Lending Policies

## Acceptable Employment & Income

Employment Type	Income Definition
Self-Employed	Minimum self-employed period of 24 months
Full or Part-Time or Contract (PAYG)	<ul style="list-style-type: none"> <li>• Minimum 12 months continuous employment within same industry, or</li> <li>• Minimum 6 months employment with current employer</li> </ul>

## Acceptable Income - PAYG

Employment Type	Income Definition	Allowance
Full or Part-Time	Base salary, allowances and shift penalties	100%
Second Job, Casual	<b>PRIME and NEAR PRIME</b> Minimum 12 months continuous service with current employer	100%
Commission/bonuses (paid at least quarterly) and Overtime	<b>PRIME</b> <ul style="list-style-type: none"> <li>• Commission and Bonus - 100% if confirmed as received for the last 2 years from current employer. The average of the last 2 years is to be used in the servicing assessment</li> <li>• Overtime - 100% if a condition of a borrowers employment, 50% if confirmed as being regular for 6 months from the same employer</li> </ul> <b>NEAR PRIME</b> Only 12 months continuous employment will be considered	100%
Superannuation	Pension or annuities income	100%
Rental Income (Residential)	Rental income to be received post settlement	80%
Rental Income (Commercial Security)	Rental income after all outgoings to be received post settlement	100%
Housing Allowance	Allowance provided by employer or government bodies (not accepted on PRIME)	100%
Interest and Dividends*	Income from cash deposits held or share portfolio. 2 years consistency required and capital gains on sale of assets is not acceptable	100%
Forms of Guaranteed Income	Inheritance and trust beneficiaries etc (NEAR PRIME only)	100%
Fully Maintained Company Car	Maximum of \$5,000 can be added to the Gross Taxable Income	Up to \$5,000
Car Allowance	Allowed provided it is a permanent part of income and is applied to car loan or lease payments. A letter from the employer stating the condition of the allowance is required for verification	100% to shortfall car loan or lease payments



## Servicing-Non Regulated Loans Debt Service Coverage Ratio (DSCR)

### Full Doc / Alt Doc

1.00/1.20

Pepper will assess all non-regulated loans at the actual interest rate at time of application plus 2.0%.

## Servicing-Regulated Loans

Pepper will assess all loans secured by residential property as regulated, and as such, will be serviced at a benchmark rate of 5.50% or 2.00% above the applicable rate, whichever is the higher. A minimum NSR of 1.00 is required on all regulated loans. Refer to Pepper's serviceability calculator at [www.pepper.com.au/broker/](http://www.pepper.com.au/broker/)

### Lending Areas (Based on postcode listing):

- Category 1 & Category 2 Maximum LVR 80%
- Category 3 Maximum LVR 60% and Maximum Loan \$750,000 NSW/VIC/QLD/ACT/TAS

## Responsible Lending

Pepper is committed to responsible lending. We recognise the importance of working with our valued distribution partners to ensure we all play our part in conducting business in an ethical and responsible manner.

Where the product is regulated the introducer is expected to:

- ensure compliance with the National Consumer Credit Protection Act and associated regulations, as well as guidance published by ASIC and the Australian Financial Complaints Authority (AFCA);
- seek and verify information about the customer's requirements and objectives and financial situation; and
- not recommend a loan that are not unsuitable for a customer.

To find out more about Pepper's approach to responsible lending visit [www.pepper.com.au/responsible-lending](http://www.pepper.com.au/responsible-lending)

## Additional Lending Policies

**All mortgage applications must clearly demonstrate a financial benefit to the applicant(s).**

**Pepper Money Will Lend To:** Private partnerships, individuals, companies, trustees (maximum 6 borrowers).

**Non-Conforming and Private or Solicitor Loans:** Will refinance non-conforming, private and solicitor loans.

**Maximum Exposure Limits:** The maximum exposure per applicant is \$7,000,000

**Security Titles Considered:** Torrens, community, crown lease

**Annual Reviews:** Pepper reserves the right to review non regulated facilities with:

Loan sizes > \$3.0M

IO Loans > \$1m and >70% LVR

### Personal Bank Statements:

Applicants' last three months personal bank statements may be needed at credit assessors discretion for positive confirmation of their declared living expenses.

### Loan Statements:

- Loan statements are not required where the loan Repayment History Information (RHI) can be verified on the Applicant's credit file obtained by Pepper Money. In such cases proof of balance and payment details may still be required prior to settlement.

Where the RHI is not available, then the following is required:

- 6 months mortgage statements required on any owner occupied or investment loan being refinanced.
- 12 months mortgage statements required on refinancing of non-conforming loans.
- Most recent statement (or last 3 months statements for Prime loans) for consumer debts (credit cards, personal loans) being refinanced.

**Current Lease Agreement:** Supporting documentation for any rental income (inclusive of all outgoings)

**Loan Term:** The minimum loan term is 1 year and the maximum loan term is 30 years. When formulating the term provided to the borrowers, Pepper will take into consideration the property quality, likely reletting periods and the remaining lease lengths for CRE securities.

## Residential Residual Stock

Acceptable residential residual stock if the security:

- Is a category 1 location
- Contains less than 10 units
- Development was completed at least 2 years before the application.
- Valued in a one line basis

Meets max LVR caps:

- LVR doesn't exceed 60% (on a valued in one line basis) if the applicant owns between >80% to 100% stock in development over 4 units
- LVR doesn't exceed 70% (on a valued in one line basis) if the applicant owns between <=80% stock in development over 4 units
- LVR doesn't exceed 75% (on a valued in one line basis) if the applicant owns 100% of the development with less than or equal to 4 units
- LVR doesn't exceed 75% (on a valued in one line basis) in all other cases



Size of development	% of Units owned within development by applicant	Max LVR
Over 4 units	>80 -100%	60%
Over 4 units	≤80%	70%
Up to 4 units	Up to 100%	75%

### Unacceptable residential residual stock if:

- The applicant(s) is the developer owning more than two units of the proposed security; and acquires land to undertake construction to improve the asset and is looking to sell these properties for profit.
- Proposed security is in a high density location.

### One Year Tax Returns verification (Commercial loans)

If the Applicant(s) is self-employed and the product is Near Prime, the customer has no adverse credit listings and the loan amount is no greater than \$1,000,000, they are required to provide:

- Most recent year lodged Tax Returns
- Most recent year Notice of Assessments; and
- Most recent year Financial Statements prepared by borrower's Accountant\*
- Most recent quarter BAS if the financials submitted are greater than 6 months old at the time of application
- Copy of current lease documentation (where applicable)

All financials must only contain a single years results.

\*Registered with CPA, CCA or NIA

### Additional Notes

- <sup>1</sup> Refer to Pepper's Postcode Search in Tools section on [www.pepper.com.au/broker/](http://www.pepper.com.au/broker/) for category lending limits
- <sup>2</sup> Additional terms and conditions apply to Interest Only loans which are set out in the customer's loan agreement. Principal and Interest repayments are calculated on the residual loan term
- <sup>3</sup> The terms and conditions applicable to Offset Sub-Accounts are set out in the customer's loan agreement

# Pepper Money Self Managed Super Fund

## Product Specification

	Pepper Prime SMSF	Pepper Near Prime SMSF
	Full Doc / Alt Doc	Full Doc / Alt Doc
Loan Purpose	Purchase or refinance of residential or commercial properties	
Minimum Loan Size	\$100,000	
Maximum Loan Size	\$3,000,000	
Maximum LVR	Up to 80% for residential properties Up to 75% for commercial properties	
Credit History*	<ul style="list-style-type: none"> <li>One paid default up to \$500 (Consumer) and \$1,000 (Commercial) may be considered</li> </ul>	<ul style="list-style-type: none"> <li>Unlimited defaults, judgements and writs up to \$1,000 accepted (paid or unpaid),</li> <li>Unlimited defaults, judgements and writs &gt; \$1,000, listed &gt; 24 months (paid or unpaid) accepted,</li> <li>Up to 3 months non-mortgage arrears (within the last 3 months)</li> <li>Discharged from bankruptcy (&gt; 24 months) accepted.</li> </ul>
Cash Out	No	
Debt Consolidation	No	
Minimum Assets within SMSF	\$150K	
Liquidity Test	Not required	
Financial Requirements	Most recent two years Financial Statements evidencing SMSF income**	
Acceptable Securities	<ul style="list-style-type: none"> <li>Commercial Securities for categories 1 and 2 nationwide;</li> <li>Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS; (max LVR 60% and max loan size \$750,000)</li> <li>Residential securities in categories 1-4;</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Securities for categories 1 and 2 nationwide;</li> <li>Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS; (max LVR 60% and max loan size \$750,000)</li> <li>Residential securities in categories 1-4;</li> </ul>

## Product Features

Loan Term	10 - 30 years
Repayment Options	<ul style="list-style-type: none"> <li>Principal and Interest: OR</li> <li>Interest Only (maximum 5 years followed by Principal and Interest)</li> </ul>
Redraw	<ul style="list-style-type: none"> <li>Maximum 2 manual redraws per year from the loan anniversary date.</li> <li>Redraws need to be SIS Act compliant.</li> <li>Minimum Redraw N/A</li> <li>Maximum Redraw \$50,000</li> </ul>
Account Splits	Not available
Lump Sum Payments	Free additional payments are allowed if funded on a variable rate.
Additional Advance	Unacceptable

\* Director's credit history

\*\*For additional contribution, PAYG or Self Employed income evidence is required.

# Product Requirements

	Pepper Prime SMSF	Pepper Near Prime SMSF
	Full Doc / Alt Doc	Full Doc / Alt Doc
SMSF Income	Most recent 2 years financial statements  OR  If a new Self Managed Superannuation Fund, 2 years of either Retail or Industry superannuation fund statements	
Income Documentation (PAYG) Only required if additional contributions sought	Two recent payslips within 30 days  Plus <b>one</b> of the following: <ul style="list-style-type: none"> <li>• Most recent Income Statement/Payment Summary,</li> <li>• Lodged Tax Returns and Notice of Assessment,</li> <li>• Letter of Employment (On company letterhead, dated within last 30 days, signed by payroll and must state the applicants' name, position, length of service and salary), or</li> <li>• Three-month bank statements showing salary credits</li> </ul>	
Income Documentation (Self-Employed) Only required if additional contributions sought	Full Doc	Alt Doc
	<ul style="list-style-type: none"> <li>• Last 2 years of tax returns</li> <li>• Last 2 years of Notice of Assessments</li> <li>• Last 2 years of Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>• ABN registered for 24 months</li> <li>• GST registered for 12 months</li> <li>• Declaration of financial position <u>plus one</u> of the following:                             <ul style="list-style-type: none"> <li>- 6 months business bank statements</li> <li>- 6 months BAS</li> <li>- Pepper Money accountant's letter</li> </ul> </li> </ul>
Complying SMSF	☑	
Owner Occupied Residential Security	☒	

## Loan size limits

LVR	Pepper Prime SMSF	Pepper Near Prime SMSF
	Full Doc / Alt Doc	Full Doc / Alt Doc
Up to 50%	\$3.0m	\$3.0m
>50% - 60%	\$3.0m	\$3.0m
>60% - 65%	\$3.0m	\$2.5m
>65% - 70%	\$2.5m	\$2.0m
>70% - 75%	\$2.5m	\$2.0m
>75% - 80%*	\$2.0m	\$1.5m

\*SMSF Residential Only

# Securities

## Acceptable Securities

Security Type	Maximum LVR
Residential (single title)	80%
Serviced Apartments*	75%
Lifestyle Properties**	75%
Studio Apartments	75%
Dual Key	75%
Commercial (single title)	75%

Office	70%
Industrial	75%
Retail	75%
Boarding houses or Rooming	60%

\*Serviced Apartments acceptable subject to:

- Permitted for permanent occupation based on zoning and planning permits.
- Able to be removed from the letting pool. Copy of management agreement may be required to confirm.
- Valued as a standard residential property (Unit) with satisfactory comparable.

\*\*Lifestyle Properties acceptable subject to: Not zoned rural or primary production and not considered to be income producing.

**Home loan scenarios**

[scenarios@pepper.com.au](mailto:scenarios@pepper.com.au)

**Commercial lending scenarios**

[crescenarios@pepper.com.au](mailto:crescenarios@pepper.com.au)

**Commercial lending general enquiries**

[cre@pepper.com.au](mailto:cre@pepper.com.au)

**New broker applications**

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**New applications and pre-settlement enquiries**

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**Settlement enquiries – funding**

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