Pepper Money
Home Loan, Commercial and SMSF Lending Product Guide

Effective date: 21 August 2026

pepper money

Pepper Money Home Loans

Our Target Market Determinations is a document which describes who a product is appropriate for (target market), and any conditions around how the product can be distributed to customers. Target Market Determinations (TMD's) are available at pepperbroker.com.au.

Pepper Money
Commercial Real Estate

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

For **PRIME** Commercial Loan

For **NEAR PRIME** Commercial Loan

Our Target Market Determinations is a document which describes who a product is appropriate for (target market), and any conditions around how the product can be distributed to customers. Target Market Determinations (TMD's) are available at pepperbroker.com.au.

254002-LWL-Pepper Money Retail-All Products-Product Guide-100826-V7

Pepper Money Self Managed Super Fund

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

Prime

Prime Home Loan	
Purpose	Purchase or refinance of owner occupied and/or investment properties
Maximum Loan	$5,000,000 (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	• 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 loan size of $1,500,000 up to 75% LVR, AND max loan size of $1,000,000 up to 85%)
Fee Capitalisation	All fees can be capitalised to maximum LVR available

Specifications

Full Doc	
Maximum LVR	• Up to 98% for purchases (Max LVR 95%, LPF can be capitalised to 98%) • Up to 95% (including fee capitalisation) for all other loan purposes
Genuine Savings	Not required
Cash Out	Unlimited up to 95% LVR^ (Max LVR 90%, LPF can be capitalised to 95%, not available for business use)
Income Documentation (PAYG)**	Last Payslip + 3 months bank statements (noting salary credits) OR Either Last Payslip or 3 months bank statement (noting salary credits) with one of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper
Income Documentation (Self-Employed)	• Last 2 years tax returns and last 2 years notice of assessments OR • Last 2 years Financial Statements executed by a registered tax agent or Accountant*

Alt Doc	
Maximum LVR	Up to 95% LVR
Genuine Savings	Not required
Cash Out	Unlimited up to 95% LVR^ (Max LVR 90%, LPF can be capitalised to 95%, not available for business use)
Income Documentation (Self-Employed)	• ABN registered for 24 months; • GST registered for 12 months; • Declaration of financial position plus one of the following: - 6 months business bank statements - 6 months BAS - Pepper Money accountant's letter (acceptable up to $3m customer exposure)

For minimum and maximum terms and sizes, please refer to Product Comparison on page 11
Refer to page 17 for additional notes
^ Refer to Cash Out policies on page 16
* Registered with CPA, CAA or NIA
** For applicants in casual employment and the pay slip YTD is < 6 months or for applicants relying on other variable income types (eg bonus, commission, overtime), they will be required to utilise the ATO payment summary or tax return or tax assessment notice options in addition to the above

Near Prime Clear

Non-conforming Home 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 ATO debt not overdue or on a payment plan
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 loan size of $1,500,000 up to 75% LVR, AND max loan size of $1,000,000 up to 85%)
Fee Capitalisation	All fees can be capitalised to maximum LVR available

Specifications

Full Doc

Maximum LVR	• Up to 98% for purchases (Max LVR 95%, LPF can be capitalised to 98%) • Up to 95% (including fee capitisation) for all other loan purposes
Cash Out	Unlimited up to 95% LVR^ (Max LVR 90%, LPF can be capitalised to 95%, including renovations and business use)
Income Documentation (PAYG)**	Last Payslip + 3 months bank statements (noting salary credits) OR Either Last Payslip or 3 months bank statement (noting salary credits) with one of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper
Income Documentation (Self-Employed)	• Last 1 year^ tax returns and last 1 year notice of assessments OR • Last 1 year^ Financial Statements executed by a registered tax agent or Accountant*

Alt Doc

Maximum LVR	• Up to 90%
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (Self-Employed)	• ABN registered for 24 months; • GST registered for 12 months; • Declaration of financial position plus one of the following: - 6 months business bank statements - 6 months BAS - Pepper Money accountant's letter (acceptable up to $3m customer exposure)

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
** For applicants in casual employment and the pay slip YTD is < 6 months or for applicants relying on other variable income types (eg bonus, commission, overtime), they will be required to utilise the ATO payment summary or tax return or tax assessment notice options in addition to the above.
^ 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

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Near Prime

Non-conforming Home Loan	
Purpose	Purchase or refinance of owner occupied and/or investment properties
Maximum Loan	$2,500,000 (inclusive of fees)
Credit History	• Unlimited defaults, judgements and writs <= $3,000 accepted (paid or unpaid) • Unlimited defaults, judgements and writs > $3,000, listed > 24 months (paid or unpaid) accepted • Up to 3 months non-mortgage arrears (within the last 3 months)# • Discharged from bankruptcy (1 day accepted)
Genuine Savings	Not Required
Debt Consolidation	Unlimited number of debts including 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 loan size of $1,500,000 up to 75% LVR, AND max loan size of $1,000,000 up to 85%)
Fee Capitalisation	All fees can be capitalised to maximum LVR available

Specifications

Full Doc	
Maximum LVR	• Up to 95% for purchases • Up to 90% for all other loan purposes
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (PAYG)**	Last Payslip + 3 months bank statements (noting salary credits) OR Either Last Payslip or 3 months bank statement (noting salary credits) with one of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper
Income Documentation (Self-Employed)	For clear credit • Last 1 year^ tax returns and last 1 year notice of assessments OR • Last 1 year^ Financial Statements executed by a registered tax agent or Accountant* If not clear credit • Last 2 years tax returns and last 2 years notice of assessments OR • Last 2 years Financial Statements executed by a registered tax agent or Accountant*

Alt Doc	
Maximum LVR	• Up to 85% for purchases • Up to 80% for all other loan purposes
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (Self-Employed)	• ABN registered for 12 month (for clear credit) or 24 months; • GST registered for 6 months (for clear credit) or 12 months; • Declaration of financial position plus one of the following: - 6 months business bank statements - 6 months BAS - 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.)

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
** For applicants in casual employment and the pay slip YTD is < 6 months or for applicants relying on other variable income types (eg bonus, commission, overtime), they will be required to utilise the ATO payment summary or tax return or tax assessment notice options in addition to the above.
^ If prior years' financial results are also provided, we are obliged to consider this in our assessment.

Specialist

Non-conforming Home 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	• Unlimited defaults, judgements and writs <= $3,000 accepted • Unlimited defaults, judgements and writs > $3,000, listed > 12 months (paid or unpaid) • Up to 1 month mortgage arrears / RHI 1 (within the last 6 months) • Up to 6 months non-mortgage arrears# • Discharged from bankruptcy (1 day accepted)	*Additionally:* • Unlimited defaults, judgements or writs from 1 credit event < 12 months (paid or unpaid) • Unlimited mortgage arrears (within last 6 months)
Acceptable Securities	Residential securities in categories 1 - 4[1] with a maximum land size of 25 acres (10 hectares)	Residential securities in categories 1 and 2[1] with a maximum land size of 25 acres (10 hectares)
Fee Capitalisation	All fees can be capitalised to maximum LVR available	

Specifications

Full Doc		
Maximum LVR	• Up to 95% for purchases (Standard) • Up to 85% for all other loan purposes (Standard) • **Up to 80% for all loan purposes (PLUS)**	
Cash Out	Unlimited for acceptable purposes, including renovations and business use	
Income Documentation (PAYG)**	Last Payslip + 3 months bank statements (noting salary credits)	OR Either Last Payslip or 3 months bank statement (noting salary credits) with <u>one</u> of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper
Income Documentation (Self-Employed)	• Last 2 years tax returns and last 2 years notice of assessments OR • Last 2 years Financial Statements executed by a registered tax agent or Accountant*	

Alt Doc	
Maximum LVR	• Up to 85% for purchases (Standard) • Up to 80% for all other loan purposes (Standard) • **Up to 75% for all loan purposes (PLUS)**
Cash Out	Unlimited for acceptable purposes, including renovations and business use
Income Documentation (Self-Employed)	• ABN registered for 6 months **(12 months for Specialist PLUS)** • GST registered for 6 months **(12 months for Specialist PLUS)** • Declaration of financial position <u>plus one</u> of the following: - 6 months business bank statements - 6 months BAS - Pepper Money accountant's letter (not accepted if ABN registered for < 12 months or on PLUS)

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
** For applicants in casual employment and the pay slip YTD is < 6 months or for applicants relying on other variable income types (eg bonus, commission, overtime), they will be required to utilise the ATO payment summary or tax return or tax assessment notice options in addition to the above

Prime Construction

<table>
<tr><th colspan="3">Prime Construction Home Loan</th></tr>
<tr><th></th><th>Full Doc</th><th>Alt Doc</th></tr>
<tr><td>Purpose</td><td colspan="2">Purchase or refinance of land for the primary purpose of constructing up to two residential owner occupied or investment dwellings. Can also be used to finance structural changes to an existing owner occupied or investment dwelling.</td></tr>
<tr><td>Maximum Loan Size (inclusive of fees)</td><td colspan="2">$2,000,000</td></tr>
<tr><td>Maximum LVR</td><td>Available up to 95% LVR for both Owner Occupied and Investment purposes</td><td>Available up to 85% LVR for both Owner Occupied and Investment purposes</td></tr>
<tr><td>Credit History</td><td colspan="2">Paid defaults up to $500 may be considered</td></tr>
<tr><td>Genuine Savings</td><td colspan="2">Not required</td></tr>
<tr><td>Cash Out</td><td colspan="2">Cash out not available on construction loans</td></tr>
<tr><td>Debt Consolidation</td><td colspan="2">Debt consolidation not available on construction loans</td></tr>
<tr><td>Income Documentation (PAYG)**</td><td>Last Payslip + 3 months bank statements (noting salary credits)</td><td>OR Either Last Payslip or 3 months bank statement (noting salary credits) with <u>one</u> of the following:
• Letter of Employment
• Notice of Assessment
• Latest PAYG Payment Summary
• Employment check completed by Pepper</td></tr>
<tr><td>Income Documentation (Self-Employed)</td><td>• Last 2 years tax returns and last 2 years notice of assessments OR
• Last 2 years Financial Statements executed by a registered tax agent or Accountant*</td><td>• ABN registered for 24 months
• GST registered for 12 months
• Declaration of financial position <u>plus one</u> of the following:
- 6 months business bank statements
- 6 months BAS
- Pepper Money accountant's letter</td></tr>
<tr><td>Acceptable Securities</td><td colspan="2">• Registered first mortgage on residential property
• Residential securities in categories 1 and 2 with a maximum land size of 5 acres</td></tr>
<tr><th colspan="3">Features</th></tr>
<tr><td>Term</td><td colspan="2">10 – 30 years</td></tr>
<tr><td>Repayment Options</td><td colspan="2">• Variable interest rate
• Interest Only (IO) on balance of loan during construction period (maximum of 18 months followed by P&I)
• Loan converts to principal and interest (P&I) repayments upon completion of construction</td></tr>
<tr><td>Redraw</td><td colspan="2">Available only post construction at no extra cost</td></tr>
<tr><td>Offset Sub-Account</td><td colspan="2">Available only post construction at no extra cost</td></tr>
<tr><td>Account Splits</td><td colspan="2">Single account only during construction period and up to four splits post construction (including 100% Interest Offset Sub-Account split).</td></tr>
<tr><td>Lump Sum Payments</td><td colspan="2">Additional payments are allowed during both the construction (IO) phase and the P&I phase</td></tr>
<tr><td>Fee Capitalisation</td><td colspan="2">All fees can be capitalised to maximum LVR available</td></tr>
<tr><td>Transaction Facilities</td><td colspan="2">• Online
• Telephone
• ATM
• Visa Debit Card (inclusive payWave) (post construction)
• Redraw facility (post construction only)
• BPAY</td></tr>
</table>

* Registered with CPA, CAA or NIA
** For applicants in casual employment and the pay slip YTD is < 6 months or for applicants relying on other variable income types (eg bonus, commission, overtime), they will be required to utilise the ATO payment summary or tax return or tax assessment notice options in addition to the above
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.

Near Prime Construction

Non-conforming Construction Home Loan

	Full Doc	Alt Doc
Purpose	Purchase or refinance of land for the primary purpose of constructing up to two residential owner occupied or investment dwellings. Can also be used to finance structural changes to an existing owner occupied or investment dwelling.	
Maximum Loan Size (inclusive of fees)	$2,000,000	$1,000,000
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	• Unlimited defaults, judgements and writs <= $3,000 accepted (paid or unpaid) • Unlimited defaults, judgements and writs > $3,000, registered > 24 months (paid or unpaid) accepted • Discharged from bankruptcy (1 day accepted)	
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 Payslip + 3 months bank statements (noting salary credits)	OR Either Last Payslip or 3 months bank statement (noting salary credits) with one of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper
Income Documentation (Self-Employed)	For clear credit • Last 1 year^ tax returns and last 1 year notice of assessments OR • Last 1 year^ Financial Statements executed by a registered tax agent or Accountant* If not clear credit • Last 2 years tax returns and last 2 years notice of assessments OR • Last 2 years Financial Statements executed by a registered tax agent or Accountant*	• ABN Registered for 12 months (for Clear Credit History) or 24 months; • GST registered for 6 months (for Clear Credit History) or 12 months; • Declaration of financial position plus one of the following: - 6 months business bank statements - 6 months BAS - Pepper Money accountant's letter
Acceptable Securities	• Registered first mortgage on residential property • Residential securities in categories 1 - 2 with a maximum land size of 5 acres	

Features

Term	10 – 30 years	
Repayment Options	• Variable interest rate • Interest Only (IO) on balance of loan during construction period (maximum of 18 months followed by P&I) • Loan converts to principal and interest (P&I) repayments upon completion of construction	
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	• Online • Telephone • ATM	• Visa Debit Card (inclusive payWave) (post construction) • Redraw facility (post construction only) • BPAY

* Registered with CPA, CAA or NIA
** For applicants in casual employment and the pay slip YTD is < 6 months or for applicants relying on other variable income types (eg bonus, commission, overtime), they will be required to utilise the ATO payment summary or tax return or tax assessment notice options in addition to the above
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Product Comparison

Product	Prime Home Loan		Non-conforming Home Loan							
Options	Prime		Near Prime Clear		Near Prime		Specialist			
	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Full Doc PLUS	Alt Doc	Alt Doc PLUS
Max LVR*	98% (purchase) 95% (refinance)	95%	98% (purchase) 95% (refinance)	90%	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 95% LVR		Unlimited (up to max allowable LVR)							

* Max LVR may be different for Vacant Land, refer to product information on previous pages
# Refer to Repayment History Information on page 16

Loan size limits

Product	Prime Home Loan		Non-conforming Home Loan							
	Prime		Near Prime Clear		Near Prime		Specialist			
LVR %	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	$5.0m	$5.0m	$5.0m	$5.0m	$2.5m	$2.5m	$2.5m	$1.0m	$2.5m	$1.0m
>65 - 70	$5.0m	$5.0m	$5.0m	$5.0m	$2.5m	$2.5m	$2.0m	$1.0m	$2.0m	$1.0m
>70 - 75	$5.0m	$5.0m	$5.0m	$5.0m	$1.75m	$1.75m	$1.75m	$750k	$1.75m	$750k
>75 - 80	$5.0m	$5.0m	$5.0m	$5.0m	$1.5m	$1.5m	$1.25m	$750k	$1.25m	-
>80 - 85	$3.0m	$3.0m	$3.0m	$3.0m	$1.0m	$1.0m^	$750k	-	$650k^	-
>85 - 90	$3.0m	$3.0m	$3.0m	$3.0m	$1.0m	-	$750k	-	-	-
>90 - 95	$3.0m	$3.0m	$3.0m	-	$900k^ (Syd/Mel/Bri) $750k^ other locations	-	$650k^	-	-	-

^purchase only

Product	Prime Construction Home Loan		Near Prime Construction Home Loan	
LVR %	Full Doc	Alt Doc	Full Doc	Alt Doc
Up to 70	$2.0m	$2.0m	$2.0m	$1.0m
>70 - 75	$1.75m	$1.75m	$1.75m	$1.0m
>75 - 80	$1.50m	$1.50m	$1.75m	$1.0m
>80 - 85	$1.50m	$1.0m	$1.20m	$1.0m
>85 - 90	$1.20m		$1.0m	
>90 - 95	$1.20m		$1.0m	

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Product Features

	Variable	Fixed
Minimum Loan Amount	• $100,000 (Prime) • $50,000 (Non-conforming)	
Repayment Options	• Principal and Interest • Interest Only (maximum 5 years followed by Principal and Interest) • Interest Only available on terms up to 30 years.	• Principal and Interest • Interest Only (2, 3, 5 year terms followed by Principal and Interest). Interest Only period must equal Fixed Rate period.
Interest Rate Type	Variable	Fixed (2, 3, 5, 7 & 10 years)
Redraw	• Minimum manual redraw amount is $1,000 • Minimum online redraw is $50	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	• Online • ATM • Redraw Facility • Telephone • Visa Debit Card (including payWave) • BPAY	N/A

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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. **PRIME^** • Minimum 12 months continuous employment within same industry, or • Minimum 6 months employment with current employer. **NEAR PRIME CLEAR, NEAR PRIME OR SPECIALIST** No minimum time frame required.	100%
Casual or Second Job	**PRIME or SPECIALIST PLUS** Minimum 12 months continuous service with current employer. **NEAR PRIME CLEAR, NEAR PRIME OR SPECIALIST** 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	**PRIME** 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. **NEAR PRIME CLEAR, NEAR PRIME or SPECIALIST** 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 12%. **Full Doc** - Minimum self-employed period of 24 months **Alt Doc** **PRIME & NEAR PRIME CLEAR** - Minimum self-employed period of 24 months. **NEAR PRIME** - Minimum self-employed period of 12 months (clear credit) else 24 months **SPECIALIST and SPECIALIST PLUS** - Minimum self-employed period of 6 months.	100%
Centrelink Pensions	Centrelink Pension received (e.g. aged, invalid etc.).^^	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: • Proof of receipt of maintenance for a continuous period of at least 3 months by way of savings statements; or • Child Support Agency letter to confirm the maintenance agreement. *Accepted for prime home loans if the customer receives the payment for the next 5 years or more.* *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.*	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). *Accepted for prime home loans if the customer receives the payment for the next 5 years or more.* *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.* 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%

Maternity Leave	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: • Last 2 payslips and letter from employer stating commencement and return to work date, work arrangement and Salary upon return. OR • Letter issued by Centrelink confirming paid parental leave • Savings evidence to cover gap in income (If applicable)	100%
Foreign Income	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 pepperbroker.com.au

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 1-4 up to 98% LVR
• Category 5 not accepted

Maximum Exposure Limits:

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

Developments and Units:
100% exposure accepted to individual borrowers up to 6 strata titled units, townhouses or villas. If over 6, the maximum exposure cannot exceed 25% or limit of 3.

Prime and Near Prime Clear Loans

- Units in inner-city and metro postcode locations must have a minimum internal floor size of 30sqm, all other locations minimum must be 40sqm.

Near Prime Clear, Near Prime, Specialist Loans

- Max LVR 75% for new units (<12mths)

Near Prime and Specialist Loans

- A unit in a "High Density" postcode AND in a development with >35 units maximum 80% LVR and maximum loan amount $1,500,000.

A unit in a "High Density Exclusion" postcode will not be accepted.

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).

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.

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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

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.

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.

Private or Solicitor Loans:

Will refinance 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 column shows placement for such repayment history.

Mortgages

RHI	
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	
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% Lenders Protection Fee (LPF) (on Additional Advance amount only)
- For PRIME loans, LFP payable is 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.

Construction 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.

Construction 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).

Construction 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, SMARTval, Electronic Valuation Report, or an Automated Valuation Model.

Target Market Determination reporting
The Design and Distribution Obligations require distributors to report information outlined in Pepper Money's Target Market Determinations within a specified timeframe to Pepper Money.

If you need to report information to Pepper Money as detailed in Pepper Money's Target Market Determinations, please contact your Pepper Money BDM or email ddoreporting@pepper.com.au.

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

[1] Refer to Pepper Money's Postcode Search in Tools section on pepperbroker.com.au for category lending limits

[2] 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

[3] The terms and conditions applicable to Offset Sub-Accounts are set out in the customer's loan agreement

[4] Refer to LPF Calculator in Tools section on pepperbroker.com.au

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Prime Commercial

Prime Commercial Loan		
	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 $2,500 (Commercial) may be considered	
Cash Out	Unlimited*	
Debt Consolidation	Unlimited number of debts including payout of ATO debt	
Income Documentation (PAYG)	Last Payslip and 3 month bank statements (noting salary credits) OR one of the above plus <u>one</u> of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper	
Income Documentation (Self-Employed)	• Last 2 years tax returns and either; • Last 2 years notice of assessment OR Last 2 years Financial Statements • Copy of current lease documentation (where applicable)	• ABN Registered for 24 months; • GST registered for 12 months; • Declaration of financial position plus <u>one</u> of the following: - 6 months business bank statements (inclusive of the last 1 month); - 6 months BAS; - Pepper Money accountant's letter (not accepted on loan sizes > $3,000,000) - Copy of current lease documentation (where applicable)
Acceptable Securities	• Commercial Securities for categories 1 and 2 nationwide; • Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size $750,000); • Residential securities in categories 1-3; • Vacant Industrial / Commercial Land (Hardstand)	• Commercial Securities for categories 1 and 2 nationwide; • Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size $750,000); • Residential securities in categories 1-3; • Vacant Industrial / Commercial Land (Hardstand)

Features		
Loan Term	10 - 30 years	
Repayment Options	• Principal and Interest: OR • Interest Only (maximum 5 years followed by Principal and Interest)	
Redraw	• Minimum manual redraw amount is $1,000; • Minimum online redraw is $50	
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	• Online • Redraw facility	• Telephone • BPAY

* Cash out for working capital not an acceptable purpose on Alt Doc loans
^ Subject to security type.

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Near Prime Commercial

Near Prime Commercial Loan		
	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	• Unlimited defaults, judgements and writs up to $3,000 accepted (paid or unpaid), • Unlimited defaults, judgements and writs > $3,000, listed > 24 months (paid or unpaid) accepted, • Up to 3 months non-mortgage arrears (within the last 3 months) • Discharged from bankruptcy (> 1 day) accepted.	
Cash Out	Unlimited	
Debt Consolidation	Unlimited number of debts including payout of ATO debt.	
Income Documentation (PAYG)	Last Payslip and 3 month bank statements (noting salary credits) OR one of the above plus <u>one</u> of the following: • Letter of Employment • Notice of Assessment • Latest PAYG Payment Summary • Employment check completed by Pepper	
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 $1,500,000. See additional lending policies, or • Last 2 years tax returns and either; • Last 2 years notice of assessment OR Last 2 years Financial Statements • Copy of current lease documentation (where applicable)	• ABN registered for 24 months • GST registered for 12 months • Declaration of financial position <u>plus one</u> of the following: - 6 months business bank statements (inclusive of the last 1 month) - 6 months BAS - Pepper Money accountant's letter (not accepted on loan sizes > $3,000,000 - Copy of current lease documentation (where applicable)
Acceptable Securities	• Commercial Securities for categories 1 and 2 nationwide; • Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size $750,000); • Residential securities in categories 1-3; • Vacant Industrial / Commercial Land (Hardstand)	• Commercial Securities for categories 1 and 2 nationwide; • Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS (max LVR 60% and max loan size $750,000); • Residential securities in categories 1-3; • Vacant Industrial / Commercial Land (Hardstand)

Features

Loan Term	10 - 30 years	
Repayment Options	• Principal and Interest: OR • Interest Only (maximum 5 years followed by Principal and Interest)	
Redraw	• Minimum manual redraw amount is $1,000; • Minimum online redraw is $50	
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	• Online • Redraw facility	• Telephone • BPAY

^ Subject to security type.

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Product Comparison

	Prime Commercial Loan		Near Prime Commercial Loan	
	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 Payslip or 3 month bank statement plus one supporting document	✗	Last Payslip or 3 month bank statement plus one supporting document	✗
Income Documentation (Self-Employed)	• Last 2 years tax returns and either; • Last 2 years notice of assessment OR Last 2 years Financial Statements • Last 2 years Financial Statements#	• ABN Registered for 24 months; • GST registered for 12 months; • Declaration of financial position plus one supporting document	• 1 year tax return verification also available. See additional lending policies, or • Last 2 years tax returns and either; • Last 2 years notice of assessment OR Last 2 years Financial Statements • Last 2 years Financial Statements#	• ABN Registered for 24 months; • GST registered for 12 months; • Declaration of financial position plus one supporting document
Impairment up to $3,000 (defaults, judgementsand writs)	One paid default up to $500 (Consumer) and $2,500 (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	Prime Commercial Loan		Near Prime Commercial Loan	
	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**	$2.5m* $1.25m**	$3.0m* $2.0m**	$2.5m*
>75% - 80%	$2.5m*	$2.5m*	$2.5m*	$2.5m*
>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.
# Prepared and Signed by a registered Tax Agent or Accountant. CPA, CAA, NIA

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%
Mixed Residential & Commercial Use	80%
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 or Rooming <10	80%
Boarding houses ≥10	65%
Child Care Centres	70%
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), Abattoirs, 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)	• Minimum 12 months continuous employment within same industry, or • Minimum 6 months employment with current employer

Acceptable Income - PAYG

Employment Type	Income Definition	Allowance
Full or Part-Time	Base salary, allowances and shift penalties	100%
Second Job, Casual	**PRIME and NEAR PRIME** Minimum 12 months continuous service with current employer	100%
Commission/bonuses and Overtime	**PRIME** • 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 • Overtime - 100% if a condition of a borrowers employment, 50% if confirmed as being regular for 6 months from the same employer **NEAR PRIME** 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

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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 Net Surplus Ratio (NSR) of 1.00 is required on all regulated loans. Refer to Pepper's serviceability calculator at pepperbroker.com.au

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

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 facilitates 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 10 years 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

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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 and the product is Near Prime, the customer has no adverse credit listings and the loan amount is no greater than $1,500,000, they are required to provide:

- Most recent year lodged Tax Returns and
- Most Recent year Notice of Assessments; OR
- Most recent year Financial Statements prepared by borrower's Accountant*
- Copy of current lease documentation (where applicable)

All financials must only contain a single years results.

*Registered with CPA, CCA or NIA

Target Market Determination reporting

The Design and Distribution obligations require distributors to report information outlined in Pepper Money's Target Market Determinations within a specified timeframe to Pepper Money.

If you need to report information to Pepper Money as detailed in Pepper Money's Target Market Determinations, please contact your Pepper Money BDM or email ddoreporting@pepper.com.au.

Additional Notes

[1] Refer to Pepper's Postcode Search in Tools section on pepperbroker.com.au for category lending limits

[2] 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

[3] The terms and conditions applicable to Offset Sub-Accounts are set out in the customer's loan agreement

Pepper Money Self Managed Super Fund

Non-regulated, NCCP does not apply

Product Specification

	Prime SMSF Loan	Near Prime SMSF Loan
	Full Doc / Alt Doc	Full Doc / Alt Doc
Loan Purpose	Purchase and refinance of 'Business Real Property' Refinance (only) of residential properties - acquired by SMSF prior to 10 August 2026	
Minimum Loan Size	$100,000	
Maximum Loan Size	Residential $3m, Commercial $5m	Residential $3m, Commercial $4m
Maximum LVR	Up to 90% Full Doc, 80% Alt Doc for residential properties Up to 80% for commercial properties	
Credit History*	One paid default up to $500 (Consumer) and $2,500 (Commercial) may be considered	• Unlimited defaults, judgements and writs up to $3,000 accepted (paid or unpaid), • Unlimited defaults, judgements and writs > $3,000, listed > 24 months (paid or unpaid) accepted, • Up to 3 months non-mortgage arrears (within the last 3 months) • Discharged from bankruptcy (> 1 day) accepted.
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** (Not required for SMSF Easy Refi - Like for Like)	
Acceptable Securities	• Commercial Securities for categories 1 and 2 nationwide; • Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS; (max LVR 60% and max loan size $750,000) • Residential securities in categories 1-4;	• Commercial Securities for categories 1 and 2 nationwide; • Commercial securities in category 3 locations - NSW/ACT/VIC/QLD/TAS; (max LVR 60% and max loan size $750,000) • Residential securities in categories 1-4;

Product Features

Loan Term	10 - 30 years
Repayment Options	• Principal and Interest: OR • Interest Only (maximum 5 years followed by Principal and Interest)
Redraw	• Maximum 2 manual redraws per year from the loan anniversary date. • Redraws need to be SIS Act compliant. • Minimum Redraw N/A • Maximum Redraw $50,000
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.

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Product Requirements

	Prime SMSF Loan	Near Prime SMSF Loan
	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*	
Existing SMSF Loan Easy Refi Like for Like Refinance	• Dollar for dollar loan refinance plus any loan set up fees • Maximum LVR 80% • Loan Repayments and/or interest rate must be lower than the loan being refinanced • 6 months loan statements showing repayments are up to date. • Serviceability Calculator not required	
Income Documentation (PAYG) Only required if additional contributions sought	Two recent payslips within 30 days plus **one** of the following: • Most recent Income Statement/Payment Summary, • Lodged Tax Returns and Notice of Assessment, • 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 • Three-month bank statements showing salary credits	
Income Documentation (Self-Employed) Only required if additional contributions sought	Full Doc	Alt Doc
	• Last 2 years of tax returns • Last 2 years of Notice of Assessments • Last 2 years of Financial Statements	• ABN registered for 24 months • GST registered for 12 months • Declaration of financial position plus one of the following: - 6 months business bank statements - 6 months BAS - Pepper Money accountant's letter
Complying SMSF	✓ - Corporate Trustee(s) only	
Owner Occupied Residential Security	✗	

*Not required for SMSF Easy Refi - Like for Like

Loan size limits

LVR	Prime SMSF Loan	Near Prime SMSF Loan
	Full Doc / Alt Doc	Full Doc / Alt Doc
Up to 50%	$5.0m	$4.0m
>50% - 60%	$4.5m	$3.5m
>60% - 65%	$4.5m	$3.5m
>65% - 70%	$3.5m	$2.5m
>70% - 75%	$2.5m	$2.0m
>75% - 80%	$2.0m	$1.5m
>80% - 90%*	$1.0m	$1.0m

Max Residential loan size $3,000,000, Max LVR 80% for SMSF Easy Refi - Like for Like refinance

Securities

Business Real Property - is real property (land & buildings) used wholly and exclusively for business purposes

Business Real Property^

Security Type	Maximum LVR
Commercial	80%
Office	80%
Industrial	80%
Retail	80%
Registered Boarding Houses	65%
Residential - used exclusively for business e.g. Doctors / Vet Surgery (operating)	80%

Existing Residential Refinance - acquired by SMSF prior to 10 August 2026

Security Type	Maximum LVR
Residential	90%
Lifestyle Properties*	80%
Serviced Apartments**	80%
Studio Apartments	80%
Dual Key	80%
Other Boarding or Rooming Houses	80%

* Lifestyle Properties acceptable subject to: Not zoned rural or primary production and not considered to be income producing.
** Serviced Apartments acceptable subject to: Permitted for permanent occupation based on zoning and planning permits and/or valued as a standard residential property (unit) with satisfactory comparable.
^ Classification by property type is indicative only and does not, by itself, establish that a property is a Business Real Property. Evidence of actual use may be required. Independent legal and tax advice is to be obtained by the borrower prior to settlement.

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