

Priority Refinance – Quick Guide



Westpac's **Priority Refinance** programme enables refinancing to occur within days of the client signing the loan documents. **Priority Refinance** enables the new loan with your lender to be drawn down without the need to book in a settlement date with the Outgoing Financial Institution (OFI).

Why use **Priority Refinance**?

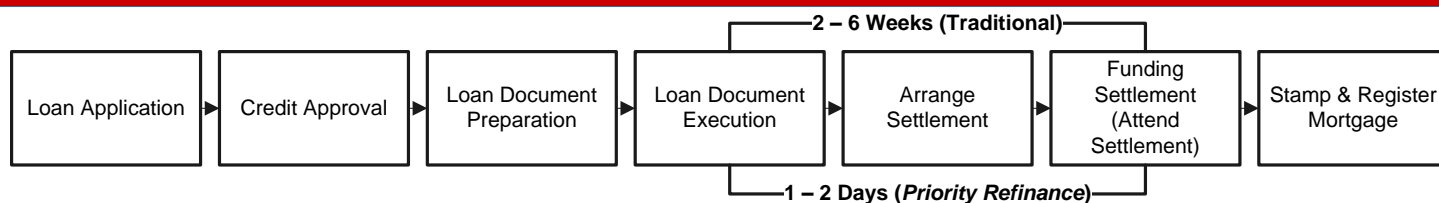
Benefits to your client:

- ✓ Faster settlements mean your customers get their money and new loan product quicker
- ✓ Reduces the level of contact your new client has to have with their OFI
- ✓ Customer can access surplus funds weeks faster than traditional refinance process
- ✓ We work out payout figure and associated fees for client
- ✓ No extra fee to the client

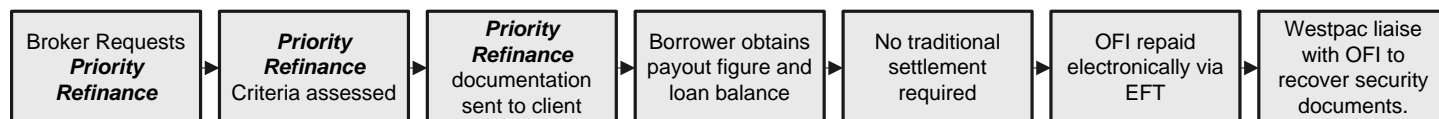
Benefits to Brokers:

- ✓ Improve customer experience and increase referral rates
- ✓ Faster settlements mean quicker commission payments
- ✓ Ability to manage client expectations regarding settlement time frames
- ✓ Increase conversion rates
- ✓ Increase speed to cash for clients
- ✓ Expand your sales tool kit and competitive advantage
- ✓ **Priority Refinance** attracts no additional fee for this service

The **Priority Refinance** Process:



How your process is affected:



The **Priority Refinance** Concept:

How does it work?

- Title Insurance: Risks of transaction covered by **First Title's** Residential Loan Protection Policy (RLPP)
- Qualification Criteria: Assessed during loan application/approval.
- Documentation: Disclosure and key acknowledgements/authorisations are incorporated into the Lender's loan document pack.
- Payout Figures: Loan balances/payout figures obtained by the borrower, who also authorise the incoming lender to add a nominal buffer to ensure debt is fully repaid.
- Settlement: No physical settlement occurs. Settlement completed electronically via EFT with funds transferred directly to OFI loan account.
- Document Recovery: Security documents recovered from the OFI post funding

Where to from here?

Discuss **Priority Refinance** with your client, then complete the checklist (available from Forms and Serviceability spreadsheet).

Once all answers ticked **Yes**, submit your deal and experience the **Priority Refinance** difference!

Priority Refinance – FACT SHEET



Key Criteria to remember

1. Loan Statements

- ✓ Obtain statements that end no more than 60 days from date of RFI showing 3 months of transactions
- ✓ Internet statements are acceptable as long as accompanied with at least one original
- ✓ Check for any linked debts not disclosed by client

2. Linked Debts

- ✓ To avoid issues of shortfalls, any linked debts will need to be repaid at settlement and need to be accounted for.
- ✓ Remember to account for buffer and discharge fee when calculating new loan amount

3. Additional documentation

As part of the process, your client will need to sign some additional documentation on top of normal loan contract, this includes:

- ✓ Borrower's Irrevocable Authority
- ✓ Payout Figure Advice
- ✓ Borrower's Undertaking

4. Acceptable OFI List

- ✓ **FASTRefi**[®] qualification criteria requires any Outgoing Financial Institution to be either a Bank, Credit Union or Building Society (i.e. accounts to have BSB and individual account numbers) to facilitate the electronic settlement.

Important areas to note

Security Property Locations	All properties are applicable under Westpac's Priority Refinance programme, excluding properties located in Western Australia.
What is the buffer?	<p>The purpose of the buffer is to ensure the outgoing home loan accounts are put into credit.</p> <p>The amount of the buffer will vary depending on the size of the loan being repaid.</p> <p>The buffer is = one months average loan repayment + \$500.00. A standard discharge fee of \$350.00 will also be withheld pending recovery of the title documents from the OFI.</p> <p>Any surplus funds will be sent back to the client – directly from the OFI.</p>
When will the borrower receive their money?	<p>Balance of Settlement funds: paid to the client on the settlement date. Settlement usually takes place within 3 days of the Borrower signing and returning all required loan documents.</p> <p>Surplus funds paid to OFI: any surplus will be credited back to the client directly by the OFI. While timeframes can vary from one Lender to another, this usually happens within the first week after funding. It is important to discuss this with your client.</p>
What are the key timeframes?	<p>Discharge fee: If the discharge fee is not required by the OFI, this will be refunded to the borrower within 3 days of collecting title documents (usually within 4-6 weeks post-settlement).</p>
Borrower Requirements	<ul style="list-style-type: none"> • Borrowers must be borrowing in their own names (not a company or family trust). • Transaction must not include a change in ownership. • Borrowers must be free from guarantor obligations.
How does Title Insurance facilitate Priority Refinance?	<p>First Title offers Title Insurance as part of this transaction. This provides protection for the lender and their client between settlement and when the mortgage is registered in first priority for the incoming lender. The insurance policy covers the incoming lender for the Title during this time, meaning that the loan can proceed as a Priority Refinance.</p>

**For more information call David Taylor
on 02 8235 4437, or call the First Title Priority
Refinance Hotline on 1300 362 178.**

