

CREDIT GUIDE



This is the Credit Guide of Panthera Leo Pty Ltd ACN 604 197 275 Australian Credit Licence 481816 who is authorised to engage in credit activities as a credit provider under the National Consumer Credit Protection Act.

Credit Assessment

Before offering to enter into a credit contract with you or increase your credit limit under an existing credit contract, we must make an assessment that the contract is not unsuitable for you. We cannot offer credit to you if the credit contract or increase is unsuitable for you.

Before we make this assessment we will:

- make reasonable inquiries about your financial situation, requirements and objectives; and
- take reasonable steps to verify your financial information.

If we offer credit to you, you can ask for a free written copy of our assessment. You can ask for this assessment either before you decide to accept our offer of credit or up to 7 years after you enter into the credit contract.

If your request is made within two years of entering into your reverse mortgage, we will provide the assessment to you within seven business days of the request. Otherwise, we will provide the assessment within 21 business days.

If you have a complaint

If you would like to make a complaint or lodge a dispute about us or your reverse mortgage, you can do so by contacting us as follows:

Phone: 1300 002 724

Email: info@asagfirst.com.au

Website: www.asagfirst.com.au

Mail:

PO Box 3578
Australia Fair
QLD, 4215

When you make a complaint to us, we will:

- acknowledge the receipt of your complaint
- give you the details of the person handling your complaint
- work with you to try and resolve your complaint as soon as possible
- keep you informed of our progress, and
- provide you with our final response within 45 days or earlier as required by law.

We will try to resolve your complaint within 5 business days. If your complaint is particularly complex and more time is required, we will advise you of the expected resolution date and keep you updated on our progress.

If you are not satisfied with our response or handling of your complaint you can also lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA offers a free, fair and independent financial resolution scheme. You can contact AFCA on:

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

Mail: AFCA
GPO Box 3,
Melbourne VIC 3001

A.S.A.G. Fee Schedule



Interest Rate

Standard Reverse Mortgage		Aged Care Option	
Variable Rate:	7.89 % p.a.	Variable Rate:	7.89% p.a.
Comparison Rate:	8.29 % p.a.	Comparison Rate:	8.59% p.a.
An A.S.A.G. Standard Reverse Mortgage is based on a loan of \$150,000 with a term of 25 years.		An A.S.A.G. Aged Care Mortgage is based on a loan of \$150,000 with a term of 5 years.	

Interest is calculated daily and charged monthly.

Please note the comparison rate only applies to the examples given. Different loan amounts and terms will result in different comparison rates. Costs such as redraw fees and costs savings, such as fee waivers, are not included in the comparison rate but may influence the cost of the loan.

Establishment Fees

Fee Name	Amount	Details
Establishment Fee	\$2500	Paid from the loan facility on successful approval only. Includes identification and verification, initial online property valuation estimate, account creation, administration, legal and initial disbursement of the loan.
Valuation Fee	Quoted amount by property valuer.	At cost charge that will cover the final property valuation. Can be paid from the loan facility.

Optional Fees

Fee Name	Amount	Details
Equity Protection Fee	\$295	Optional fee to protect a chosen percentage up to 50% of the home equity at the end of the loan.

Government Establishment Charges

Mortgage Registration and Discharge Fees	Varies between states.
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Other Loan Fees

Fee Name	Amount	Details
Consent Fee	\$595	Fee added to the account to cover any changes to the loan contract that require legal consultation for the update.
Statement Request Fee	\$49.95	Administration and disbursement fee charged to the account if an additional account statement is requested.
Note, the following fee's only apply if you have a Cash Reserve		
Drawdown Disbursement Fee	\$30 (each disbursement)	A processing and administration fee that is charged per regular disbursement. This amount is settled per disbursement.
Commitment Fee	1.25% p.a.	Charged on the undrawn Line of Credit amount requested only, that is held by A.S.A.G. for you. This is calculated daily and charged monthly.
Additional Lump Sum Fee	\$495	Administration and preparation fee for additional disbursements of amounts over \$5000 (lump sum) within a 31-day period throughout the loan.
Variation Fee	\$295	Administration fee added to the account for any updates and changes to the loan documentation or updates to the regular instalment schedule.
Variation and Administration Fee	\$295	Administration fee added to the account for compiling and reissuing the loan documentation package.
Note, the following fee's only apply if you fall into default. Please see our Product Guide for more information.		
Default Fee	\$395	Charged upon default.
Default Interest	+3% p.a. on current rate	Charged upon default. Calculated daily and charged monthly.
Note, the following fee's only apply to facilitate a discharge of mortgage.		
Mortgage Discharge Fee	\$595	Administration fee charged at request to discharge the loan and release of the Mortgage.
Settlement Arrangement Fee	\$165	Fee for account review and issue of an account settlement report.

Attended settlement, legal, government or other fees may apply depending on services required and location. An example case of the Fees charged can be found within our Product Guide.

Equity Release Product Guide



At ASAG, we pride ourselves on our commitment to assist you in accessing equity in your biggest asset, your property. ASAG aims to help you live a life of confidence and comfort, the life you have earned in retirement.

Independent Financial Consultation & Family Counsel

As someone who is eligible for an ASAG Equity Release your loan is designed to assist you in achieving your retirement goals. At ASAG, we recommend that you first discuss any ASAG Equity Release with your family, as like us, they have your best interests at heart.

We further recommend consulting with a financial advisor to further your understanding of your rights and obligations around an ASAG Equity Release, as well as what impacts this may have on your pension entitlements or other benefits.

Eligibility requirements for an ASAG Equity Release

To be eligible to apply for ASAG Equity Release:

- Applicants must be 60 years of age or over;
- Applicants must already own the property that they intend to use as security for the ASAG Equity Release facility, or intend to pay off any outstanding mortgage with the ASAG Equity Release facility.

Property Qualification & Valuation

Your property must meet ASAG's basic criteria, being a primary residence in good repair and of standard construction. We will arrange for an independent registered valuer to assess the property's value and a copy of the assessment will be provided to you. To be eligible to apply for ASAG Equity Release your residence must be mortgage free, unless the Equity Release is used to repay any outstanding mortgage and therefore assist you to access your equity for a comfortable retirement.

How the Money Can be Used

Eligible seniors often use the ASAG Equity Release to budget for home renovations, upgrade their car, take a holiday, pay off debt, medical expenses, access a retirement aged care facility, assist family members, or just use it to maintain a steady income stream during your retirement.

Equity Release Product Guide



years. Its purpose changes with you, as your needs change. Essentially, the choice is yours with an ASAG Equity Release. It is designed to assist you in achieving comfort and confidence in your retirement.

How Much of Your Equity You Can Access

The following details show your available options as well as the maximum percentage of your home's value (assessed through independent valuation) that you can borrow at different ages. The LVR (Loan to Value Ratio) percentage is based on the age of the youngest nominated borrower.

ASAG Standard Equity Release LVR Table

ASAG's Standard Equity Release Option is the most common equity release where we take the age of the youngest qualified borrower for the loan and apply the age percentage to the home's value.

Age	60	65	70	75	80	85	90+
LVR	15%	20%	25%	30%	35%	40%	45%

Equity Release Product Guide



ASAG Equity Release Secondary Property Option

This option is similar to ASAG's Standard Equity Release Option but using a secondary property as the security. If you choose to use a second property that you do not reside in such as an investment property or holiday home, we will simply reduce the LVR calculation taken from the age of the youngest nominated borrower and equity release purpose by 25%.

Minimum Release Options

Minimum Initial Release:	\$2,500
Minimum Regular Instalment:	\$50 of any frequency
Minimum Cash Reserve Drawdown:	\$50

Ways You Can Access Your Wealth

ASAG manage access to your home equity in the way you choose. We give you flexible drawdown options that can be used individually, or in combination, to provide you with peace of mind:

Lump Sum

A Lump Sum is great for any discretionary spending such as a holiday, a new car or home renovations, as well as paying down any existing debt. There are no required regular repayments, rather the full outstanding amount is paid at the end of the loan.

Regular Instalments

A Regular Instalments are perfect for supplementing one's regular living expenses and maintaining a steady flow of regular income. Money can be used for an increase in your day-to-day cash flow or supplement renovations or home improvements on your residing property. If you select this option and you later require a lump sum payment, you can contact ASAG to adjust this schedule.

Cash Reserve

If you have no additional use for the funds at this point in time, ASAG can hold them for you in a separate account that you can access as and when required. This is a great way to keep a

Equity Release Product Guide



reserve of readily available funds for any unforeseen circumstances, providing peace of mind and confidence in your retirement planning. Fees and minimum accessed amounts may apply.

Earlier Repayments

Regular repayments are not mandatory however, they can be made optionally at any time. There are no fees for making earlier repayments.

Your Obligations

As an applicant, you have a number of responsibilities to ASAG so we can ensure we meet our following three key regulatory obligations to you:

1. Lifetime Occupancy;
2. ASAG's No Negative Equity Guarantee; and
3. No requirement for you to make any loan repayments until the end of the loan, unless you choose to do so.

We will only ask from you a few simple homeowner obligations under your ASAG Equity Release. These are already things that you would naturally be doing without ASAG being:

1. Continue to live in your home.
2. Protect it from any damage and make required repairs.
3. Keep your home insurance policy up to date.
4. Pay your council rates and any applicable strata levies (body corporate fees).

Once a year, we will have an annual catch up. There will be a basic Questionnaire and we will check in on these points to ensure that you aren't experiencing any difficulties. Failure to meet these obligations under the loan may be considered a breach of contract.

Interest Rate

Interest will be charged at our variable interest rate. Interest is calculated on the daily balance, compounded and added monthly to your loan account. Together with the principal, interest will be repaid at the end of the term.

Equity Release Product Guide



Variable interest rates are subject to change. Should this change happen, we will inform you by email, publishing the applicable new rate on our website and detailing the new interest rate on your next statement.

Account Statements

Statements confirming the current loan balance are automatically issued twice a year in January and July.

Possible Increase in Available Equity

You may request an increase in your accessible equity once the initial release, including any cash reserve and/or redraw, has been fully drawn.

By lodging a new application, we will perform a second property valuation on the security property. The applicable loan to value ratio (LVR) will be applied, and the outstanding loan balance will be included into the calculation to assess if an increase is possible. Fees and charges will apply as outlined within our Fee Schedule.

Portability

Provided it meets ASAG's latest terms and conditions, the loan may be able to be transferred to a new security property. Contact an ASAG representative to discuss the proposed transfer.

Equity Protection

Under the Equity Protection Option, you may choose to protect 10%, 20% or any allowable percentage up to 50% of the eventual net proceeds from a sale of your property.

The protected equity returned on the sale of the residence is based on the percentage selected in the Equity Protection Option and is your guaranteed percentage return at the time of the loan repayment, regardless of the loan balance based on the actual sale price of the home and the loan value. You or your estate are guaranteed to receive this percentage when your loan is repaid.

Equity Release Product Guide



Keep in mind that choosing the Equity Protection Option will reduce the loan amount available by the selected percentage you wish to protect. Loan approval, fees and charges, terms and conditions apply.

Other Residents

If you have a nominated and approved spouse or partner at the time of the ASAG Equity Release, they will benefit from the protection that they can continue to live in the home until they permanently move from the property.

Additional occupants in your property, such as children or caretakers, are permitted. Although, they have to sign an acknowledgement to confirm they understand that 'tenancy protection' will not apply to them.

Subject to approval, but the loan may also be applied for under a Power of Attorney.

IMPORTANT NOTICE:

The information within this brochure provided is general in nature has been prepared without taking into account your individual circumstance. If you are considering an ASAG Equity Release or other ASAG products, we encourage you to understand how it may affect your personal situation and whether the information is appropriate to your needs. Talk to family and friends, or seek professional advice, and use the tools and resources made available by ASAG. Our team is happy to guide you through this decision-making process to ensure that you are fully informed before making any final decision.

ASAG products are subject to loan approval criteria. Terms, conditions, fees and charges apply. Credit provided by Panthera Leo Pty Ltd, Australian Credit License Number 481816.

Information provided is accurate as of 19th April, 2021 and may change from time to time.

KEY INFORMATION ABOUT REVERSE MORTGAGES

What is a reverse mortgage?

A reverse mortgage allows you to borrow money using the equity in your home as security. The loan may be taken as a lump sum, an income stream, a line of credit or a combination of these options. Interest is charged like any other loan, but you usually don't need to make repayments while you live in your home. The loan must be repaid in full if you sell your home or die or, in most cases, if you move into aged care. Typically, you are charged a higher interest rate on a reverse mortgage than for a standard home loan.

How will I be charged interest?

You will be charged interest on the loan amount you borrow. Fees and interest are added to the loan balance as you go, and the interest compounds. This means you will pay **interest on your interest**, plus on any fees or charges added to the loan. Over time, the amount you owe the lender will increase, and the longer you have the loan, the more the interest compounds and the bigger the amount you will have to repay.

For example, if you take out a reverse mortgage of \$50,000, the effect of compound interest means that in 10 years' time you will owe more than twice that amount, as the table below illustrates.

Loan term	Interest	Total amount owing
1 year	\$4,420	\$54,420
2 years	\$9,230	\$59,230
10 years	\$66,632	\$116,632

This example assumes a fixed rate of 8.5% compounded monthly with no fees applying and no repayments being made.

How much equity will I have left after my reverse mortgage is repaid?

The amount of equity you have left in your home after repaying your reverse mortgage will depend on how much money you borrow, the interest rate and how long you have the loan, and the value of your home when it is sold.

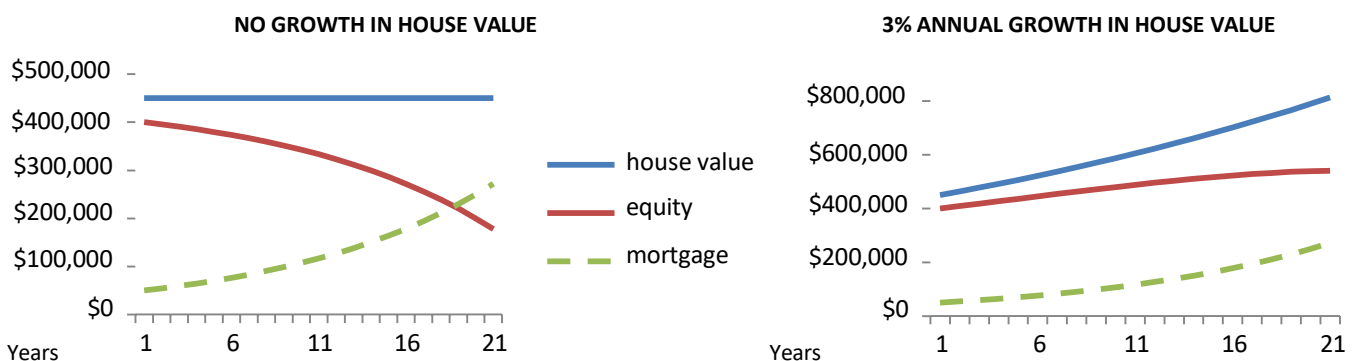
To understand how a reverse mortgage works, let's say the value of your home is \$450,000 and you take out a reverse mortgage of \$50,000, leaving you with \$400,000 in equity.

What if the value of your home stays the same?

Over 20 years, your debt will grow from \$50,000 to \$272,060. If the value of your home stays the same over this time, your remaining equity will be \$177,940 (see Graph 1, below).

What if the value of your home goes up?

If the value of your home goes up at the rate of 3% per year, after 20 years your home will be worth \$812,750 so your remaining equity will be \$540,690 (see Graph 2, below).



This example assumes a fixed rate of 8.5% compounded monthly with no fees applying and no repayments being made.

A REVERSE MORTGAGE MAY NOT BE SUITABLE FOR EVERYONE. WHAT ARE THE ISSUES TO CONSIDER IN DECIDING IF IT IS RIGHT FOR YOU?

How will the loan affect your future choices?	When thinking about a reverse mortgage, you need to consider both your current and future needs. The more you borrow now, and the younger you are when you borrow it, the less equity you will have in your home to pay for your needs as you age. How might your health and living situation have changed in 10, 20 or 30 years' time? If you use up too much of your equity too soon, you may not be able to afford future costs such as high medical expenses, the need to move into aged care accommodation, essential home maintenance or the purchase of a motor vehicle.
How much will you have to repay?	You can only estimate how much you will end up owing. The exact amount to repay will depend on how much money you borrow, the interest rate and how long you have the loan, and the value of your home when it is sold.
Will I owe more than what my home is worth?	By law, lenders must guarantee that when your reverse mortgage contract ends and your home is sold to repay the loan, you will not have to pay back more than the value of your home. This is known as a "no negative equity guarantee". There are a few exceptions to this rule.
Will other people living in your home be affected?	Generally reverse mortgages have to be repaid when you move out (for example, into aged care) or die. If you are the homeowner and someone else is living with you, the other resident may have to move out when the loan has to be repaid. Some reverse mortgage contracts may protect the rights of the other resident by allowing them to stay in the home. If you want this option, make sure you discuss this with your lender before taking out a reverse mortgage.
Will you be able to leave your children an inheritance?	A reverse mortgage will reduce the amount of equity in your home you can leave to your children or other beneficiaries. You may wish to discuss this with your family.
Are there alternatives more appropriate for you?	There may be alternatives to taking out a reverse mortgage that may be more suitable for your needs. These can include downsizing, making arrangements with other family members, accessing government benefits, loans (such as the pension loans scheme) using savings or selling other assets or home reversion schemes.
Will you incur costs for repaying the loan early?	Break fees may apply when a fixed interest reverse mortgage is ended early. Break fees can be very high. Depending on the size of the loan and how long you have had it, these fees may be thousands of dollars. Note: inclusion of this box is not required for reverse mortgages with no break fees.
Will your pension change?	A reverse mortgage may affect your pension or other Government entitlements. You can contact the Department of Human Services (Centrelink) on 132 300 to talk to a Financial Information Service Officer about how your pension may be affected.

SOURCES OF OTHER INFORMATION

ASIC's MoneySmart: To find out more about reverse mortgages, including a reverse mortgage calculator to help you work out how much equity you may have in the future, visit the Australian Securities and Investments Commission's free consumer website at www.moneysmart.gov.au or call 1300 300 630.