

Renewals

As loan managers it is the role of Southern Cross Partners to manage each loan on the behalf of the investors and assessing each renewal request is part of that ongoing management.

Every renewal is given almost the same scrutiny as a new loan, and therefore can take time as we gather updated information from the borrower and assess therefore loans may go up to 30 days passed their maturity date with no cause for concern.

Its important to understand that we do not simply 'roll-over' a mortgage for a new term without conducting detailed, due diligence.

The information we gather to assess includes;

- **AFFORDABILITY:** An updated statement of position (SOP) of the borrower/s and or a declaration that their financial position has not changed. This includes details of how they propose to service the loan (pay the mortgage payments) and a list of their assets and liabilities.

- **CREDIT CHECK:** An updated credit check is obtained and scrutinised with any discrepancies queried for a detailed explanation.

- **SECURITY VALUE:** We may require an update to the value of the property. This could be a new valuation from a registered valuer, a real estate appraisal from a licensed real estate agent or a desktop appraisal done in-house using the same software the real estate industry uses to obtain local sales data. Depending on the term requested (short), the location and the LVR (low) we may be happy to rely on the original valuation method obtained when the loan was provided.

- **DIARY NOTE:** Most of our borrowers come to us via the mortgage advisor network and they are the ones that will gather this information from the borrower and present it to us.
A detailed DIARY NOTE accompanies the renewal request and answers the following;
 - o Why do you need to renew the loan?
 - o Why did your original exit strategy not occur?
 - o What is the new exit strategy?

- **COMPLIANCE:** Our compliance team does their checks to ensure the loan still passes the requirements under the AML/CFT legislation. Our checks involve ensuring we have current valid ID and proof of address, running new checks such as via the Companies Office to ensure we have captured the correct people involved in the company, plus Google searches to ensure no negative news has emerged since the loan first drew down.

- **ACCOUNT CONDUCT:** How the borrower has handled their current mortgage with us is very important. Have they been on time with payments? Have they ever been in arrears?; how many times, for how much? Their current account conduct plays a part in the renewal decision.

After careful due diligince it may be the descison of Southern Cross Partners, as loan mangers, that the renewal of the loan is the best strategy for a full repayment. The updated loan details are advised to each investor.