

Policy & Procedures Guide



FEBRUARY 2026

This guide is for use by RedZed Lending Solutions accredited brokers only and not for distribution to any other party. All general information is subject to change. All loan applications, rates, fees and charges are subject to RedZed's lending criteria and may be changed without notice. The Target Market Determination (TMD) for RedZed Residential Products can be found on our website.

RQPPG0226 V1



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Digital Signatures

FOR APPLICATIONS

RedZed has introduced the option of digital signature functionality for our Residential and Commercial loan application forms

The acceptable signature types for our application forms are:

✓	Digital signature	A document with software algorithms and technology that establishes verified identity between parties and binds a digital certificate with an embedded security audit trail.
✓	Wet signature	Signing with a pen or writing instrument on a physical paper document.
✗	Cut and paste or scanned signature	Tools used to copy, snip, or scan a signature and then paste these into a document in lieu of a wet or digital signature.
✗	Electronic signature	Documents unable to be verified by the digital signature process and/or have been signed using typed font added to look like a signature.

- You choose the digital signature vendor e.g. DocuSign, Adobe Sign etc making sure the vendor meets RedZed's validation requirements
- Only digital signature vendors using Adobe Approved Trust List (AATL) protocols are acceptable to RedZed
- RedZed must be able to validate the digital signatures on the application for the document to be acceptable

You will need to provide RedZed with the following evidence to support the digital signature application:

- The original digitally signed application form
- Details of the digital signature vendor platform used
- Who sent the document for signing to the customer (including the email address)
- Who the document was sent to for signing (including individual email addresses)
- What document was sent for signing

Conveniently, digital signature vendors will normally provide all of this information in a certificate or vendor statement that accompanies your documents once signed by the customer. You should always include this with your application supporting documents.



Remember, if you have merged, split or altered the original digitally signed document it will lose its digitally verifiable status, in turn rendering the documents unable to be validated and accepted by RedZed.



For more information on digital signatures and electronic mortgage documents please contact your RedZed BDM.

Electronic Mortgage Documentation

Eligibility

Residential loans only, solely individual borrowers and limited to a maximum of 4 individuals per loan contract



- Power of attorney
- Change of name
- Statutory declaration
- Legal / financial advice conditions
- Priority deed or substitution of security requirements



VOI required prior to formal approval



Suppliers

Electronic mortgage documentation will be produced using DocuSign or eSign digital signature platforms.

Documents to be Delivered in Portal for Printing & Wet Signatures

Mortgage (if not able to be signed electronically)



VIC/NSW/SA mortgages able to be signed electronically, QLD partial availability



Discharge authority



Security Property Location

All States

Contact Details

All borrowers must have their own individual email address and unique mobile number.

Insurance Certificate Interested Party

Where a Certificate of Insurance is required for the security property(s) the certificate of currency should clearly state the Interested Party as Perpetual Trustee Company Limited.



For more information on digital signatures and electronic mortgage documents please contact your RedZed BDM.

Interest Only Conditions



Residential Interest Only

Investment Securities – maximum 5 years interest only available up to 80% LVR

Owner Occupied Securities – maximum 2 years interest only available up to 70% LVR (refer to your BDM for further conditions)



Commercial Interest Only

An Interest Only period is available for both owner occupied and investment security loans. Maximum Interest only period and LVR considered on an individual application basis.

Cash Out

Where a borrower is seeking cash out for acceptable purposes, the following guidelines apply for residential and commercial products:


Amounts <\$1,000,000

Stated purpose as declared in the application.

Amounts >\$1,000,000

RedZed's Cash Out Purpose Declaration is required in all instances and supported by the appropriate documentation listed.

Cash out amount restrictions apply to select RedZed products and Loan to Valuation Ratios. Refer to the RedZed Product and Rate Guide for confirmation.

 Please note: From time to time there may be circumstances where RedZed may choose to control the release of cash out monies in order to fulfil its Responsible Lending obligations. Should you require assistance with Cash Out please contact your RedZed BDM for assistance.

Offset Sub-Account

The RedZed Offset Sub-Account (OSA) feature is now available on all RedZed Residential and Commercial products (excluding SMSF and RedZed Solutions), allowing greater flexibility and convenience in managing your money.

Additional payments into your loan account can be transferred to the linked offset sub-account (OSA) or retained in the loan as redraw.

When making additional payments, the OSA reduces the amount of interest payable on the linked loan account.

The OSA must be linked with an **individual loan or loan split**, offering its benefits and functionality exclusively to that linked loan or loan split. Customers can have individual OSAs for each RedZed loan split.

FEATURES OF OUR OFFSET SUB-ACCOUNT

- ✓ No additional RedZed set-up or ongoing service fees for an OSA
- ✓ Make payment transfers to and from the RedZed individual loan or loan split and linked OSA (Pay Me / Redraw)
- ✓ View OSA and loan account activity online either via the RedZed Connect web portal or the RedZed Connect mobile app
- ✓ Make outbound payments via BPAY
- ✓ Convenience of "Pay Anyone" outbound payments to transaction accounts at other institutions via NPP (National Payments Platform). NPP offers faster payment times subject to the availability and processing terms of the recipient financial institution.
- ✓ Payment limits include:
 - \$100 – Minimum payment amount
 - \$10,000 – Maximum daily 'Pay Anyone' payments
 - \$20,000 – Maximum daily 'BPAY' payments
 - \$20,000 – Maximum daily 'Pay Me' payments



A maximum aggregate daily limit of \$20,000 applies (Pay Anyone, BPAY and Pay Me combined). The daily limit period is reset at midnight.

NOTE: 'Pay Me' are payments back to the customers linked external account used for the direct debit loan repayments. 'Pay Me' requests greater than the NPP daily limit will remain in a pending status until our Client Services Team assess the request during normal business hours. Due to variances between banking institutions, we recommend allowing up to 48 hours for receipt of funds.

GETTING TO KNOW OUR OFFSET SUB-ACCOUNT

- Available on all RedZed loan products (**except** SMSF and RedZed Solutions).
- OSA is an optional feature, customers have the choice to opt in if they wish to have an OSA with their linked individual loan or loan split.
- RedZed products offer a maximum of three loan splits. A customer can choose to have individual linked OSAs for each loan split.
- Account activity is viewable anytime via RedZed Connect, whilst statements showing both loan and OSA activity are issued half yearly as of December 31 and June 30.
- RedZed offers customers with multiple borrowers or guarantors the convenience of an authority that will allow "One-to-Authorise" on payments without the need for all borrowers to authorise a requested payment. Terms and conditions apply and are contained in the OSA Account Authority form available from RedZed Client Services.
- A customer can opt-out of an OSA by contacting RedZed Client Services on **1300 722 462** or email **clientservices@redzed.com**

Offset Sub-Account

GETTING TO KNOW OUR OFFSET SUB-ACCOUNT (CONTINUED)

Important offset sub-account parameters

- The OSA is not a separate deposit or transaction account as RedZed is not an Authorised Deposit-taking Institution. The OSA forms part of the loan and must always be linked to a loan account.
- As this is not a separate account, customers may require tax advice.
- The OSA does not have an ATM card, eftpos, or digital e-wallet (e.g. Apple Pay, Google Pay etc) services or access.
- RedZed prohibits payments being conducted between RedZed loan accounts and/or linked OSAs. Payments into a RedZed loan account must come from external accounts / sources only.
- Incoming payments cannot be received directly to the OSA, they must be made to the linked individual loan or loan split account.
- Scheduled repayments to the linked RedZed individual loan or loan split account cannot come from the OSA. RedZed loan repayments must come from the customers nominated external bank or financial institution account linked to the loan.
- The balance of the RedZed OSA does not change the required minimum monthly repayment. The loan repayment stays the same in line with the terms of the loan agreement for principal and interest loans.

Understanding payments

- Balances available in the OSA can be accessed if:
 - There are no arrears or default under the loan agreement,
 - The loan redraw feature has not been cancelled or suspended,
 - RedZed has not received a loan discharge request or instructions to close the OSA,
 - There are no other conditions, requirements or restrictions applicable under the loan contract (customers can view these terms and conditions in their loan agreement documents).
- Transaction limits apply and RedZed may limit payments or transfers from the OSA and loan account. Additionally, third party organisations, including merchants, BPAY Billers or other financial institutions may impose their own additional restrictions on payments and transfers.
- If a BPAY transaction is requested after 5:00pm Melbourne local time or on a non-business day, the transaction may be processed the following day subject to the biller's financial institution processing times. Daily transaction limits apply to BPAY payments.
- There may be instances where we are required by law, applicable codes of conduct, a suspect transaction, or funding arrangements that result in the OSA being suspended.

Income Consideration

Classification	Conditions	Verification	Assessed
Self-employed Full Doc	<ul style="list-style-type: none"> ABN options: 12 / 24+ months GST as required 	<ul style="list-style-type: none"> Latest individual & company financials (if > 6 months old, 2 most recent BAS also required) ATO notice of assessment # Builders/Developers - 2 years financials & ATO notice of assessments (2 year average will be used unless the most recent year is lower than the previous year) 	100%
Self-employed Alt Doc	<ul style="list-style-type: none"> ABN options: 6 / 12 / 24+ months GST as required Directors salary credits excludes sole traders, trust distributions and salary variances between payments >25%. (6 month ABN, previous income / employment must be same industry & support declared income) 	<ul style="list-style-type: none"> RedZed income declaration AND EITHER Accountant declaration, OR Business activity statements (last 6 months) + ATO portal, OR Business bank trading statements (last 6 months) + ATO portal, OR Directors salary credits annualised from last 6 months personal bank statements + ATO portal <p>⚠️ To assist with verification of the declared income, we may seek additional income verification</p>	100%
PAYG full time & part time employment	<p>Full time & Part time (hours to be evidenced as regular)</p> <p>No minimum employment period in current role providing evidence of previous employment history and in similar role and industry</p>	<p>Any two of:</p> <ul style="list-style-type: none"> Current payslips Group certificate Tax assessment notice 	100%
Casual, second job	> 6 months in current role	<ul style="list-style-type: none"> Employment letter with letterhead, employment status, gross & net salary 	
Probation	Probation period is required to be completed prior to loan approval where there is no history of employment in a similar role or industry to the borrowers current role	<ul style="list-style-type: none"> Bank statement with 2 pay cycles of direct credit 	
Contract income (PAYG)	> 12 months + copy of current contract(s)		
Employed by family (PAYG)	<p>Full time & Part time (hours to be evidenced as regular)</p> <p>No minimum employment period in current role providing evidence of previous employment history</p>	<ul style="list-style-type: none"> Most recent 6 months bank statements confirming salary credits AND Most recent tax return & assessment notice 	100%
Overtime, commissions, allowances	Evidenced for a period > 6 months	Evidence of regular payment > 6 months and averaged over the payment periods	100%
PAYG bonuses	Minimum 2 years evidence	Evidence of regular payment averaged over two years	100%
Car allowance	Provided cash option evidence is available	Copy or employment contract terms to support	100%
Centrelink payments	<ul style="list-style-type: none"> Austudy Disability pension Mature age pension 	<p>Government/Centrelink income can only make up a maximum of 40% of the overall net income being used.</p> <p>Evidenced by most recent Centrelink statement</p>	100%
Family tax benefit (A & B)	Children up to the age of 14 only	Cannot be the primary source of income	
Child support / maintenance	Child maintenance will not be considered without at least 12 months evidence of payment history for children up to 14 years of age only	<p>Copy of CSA or solicitors executed agreement. Minimum 12 months statement evidence of payment history</p> <p>Cannot be the primary source of income</p>	100%
Investments & dividends	Minimum 2 years history Secondary income only	Evidenced with a minimum of 2 years tax returns / financial statements and averaged actual if current year is lower	100%
Rental income- residential	Standard tenancy agreement shaded at 85%		85%
	Short term or holiday rental accepted when managed by a licenced real estate agent or online management businesses such as Airbnb or Stayz. Rental is shaded at 80%	Standard current lease, tenancy agreement, rental statement, valuation or agents appraisal letter. Short term / Airbnb requires 6 months statements averaged	80%
Rental income- commercial	Current tenancy / lease agreement noting indicative rent is not acceptable (SMSF commercial excluded). Shaded at 90% where remaining lease term is > 12 months.	Current commercial lease and verification of lease rental payments via 6 months bank statements.	90%
	Or 80% for ≤ 12 months remaining	Alt Doc pricing applies to Commercial Lease Doc applications	80%

Income Consideration

CONTINUED

Rental income-private agreement	Where the rental agreement is not via a recognised real estate or rental management agency	Most recent 6 months bank statements clearly confirming rental deposits	80%
Notional rent expense	Expense applied for borrowers living with family or friends	Applicable for an individual, couple or family	\$1,000 per month
Superannuation & annuities	Subject to Senior Underwriter discretion	Appropriate statement evidence of SMSF balance and payments schedule	100%
PAYG foreign income	<p>Discuss with your BDM</p> <p>PAYG income only for an overseas worker (no overseas self-employed income, rent, or foreign pension)</p> <p>Must be employed by a multinational company</p> <p>Must be an Australian citizen only (permanent and temporary residency visa holder's ineligible)</p>	<ul style="list-style-type: none"> • Current payslips • Group certificate • Tax assessment notice • Employment letter with letterhead, employment status, gross & net salary • Bank statement with 2 pay cycles of direct credit <p>Foreign income to be converted into Australian dollars and 75% of the converted figure considered for debt servicing</p>	75%

Living Expenses Requirements

No personal bank statement required where living expenses declared are > HEM and DSR ≥ 1.15.
A minimum of one month's most recent bank statement required in all other instances.

Unacceptable Income

Projected income	×
Family pledge or parents / relatives as guarantors	×
Undeclared cash income / unverifiable cash income	×
Income from boarders	×
Workcover / workers compensation	×
Income from illegal activities or gambling	×
Irregular income	×
Centrelink payments:	×
<ul style="list-style-type: none"> • Rent assistance • Remote area allowance • Mobility allowance • Overseas pension • Newstart 	<ul style="list-style-type: none"> • Sickness allowance • Child disability allowance • Bereavement allowance • Carers pension • JobKeeper

Add Back Consideration

Self-employed Full Doc only

- Fees or income being paid to directors which have not been taken into account
- Existing outgoing rent being replaced by the proposed loan for owner occupiers
- Interest on loans being refinanced by the proposed loan
- Interest on loans that have been paid out during the financial year (with statement evidence)
- Non-recurring expenses shown in the Statement of Financial Performance (with supporting documents)
- Depreciation up to a total amount not exceeding 25% of business net profit can be added to after tax income for servicing calculations

NOTE: Allowable add backs are to be added to gross taxable income for servicing calculations and appropriate explanation notes included in the loan submission along with the required supporting evidence.



We offer common sense solutions through simple, responsible and tailored loan options designed to help business owners achieve their ambitions.




The income consideration shown is a guide and we strongly encourage you to discuss the circumstances of your loan proposal with your BDM to determine our position, or specific requirements to the individual situation presented.

Serviceability Guide for Debt Servicing Ratio

Debt Servicing Ratio (DSR)	Residential	Commercial
Minimum requirement > 1.10x	✓	✓
Minimum requirement > 1.05x where individual borrower has Investment Property Borrowings	✓	×
Minimum requirement > 1.25x where commercial LVR is > 70%	×	✓

Development Aspect

This guide is to be used when a residential security property could be deemed as having development potential.

Residential Development Aspect Considerations	 Recharge	 Reward	 SE Prime
Declared intent is to develop the security within a determined or indicative time frame	< 3years	> 3years	×
A property deemed to be not suitable for rental and or requires essential repairs (pending valuation commentary)	Not rentable and extensive repairs	Not rentable with some repairs	Must be rentable minor repairs
Maximum percentage the land component represents of the total security valuation figure	= > 95%	> 85% – < 95%	< 85%
A security property with an existing Development Application (DA) or proposed DA (including lodged awaiting local authority approval), regardless of the borrowers intent with the security property or DA	Refer to BDM	×	×
The borrower and related parties have a history of completing multi dwelling developments	✓	×	×
The purchasing entity is a Special Purpose Vehicle (SPV) that includes the name of the property address and or the wording “developments”	✓	×	×
Evidence of existing ownership and or intent to purchase multiple and or adjoining properties in the same street	✓	×	×
Individual, Company or Trust Applicant, including where there is a consortium of borrowers	✓	×	×
Borrower is a Developer and or Builder (as opposed to a tradesman e.g. tiler, plumber, electrician etc)	✓	×	×
Valuation report confirms the highest and best use of the security as being a development site	✓	✓	×
The borrower has no history of completing multi-dwelling developments	✓	✓	✓
The security property is a single asset acquired or owned by the borrower and they have no ownership or acquisition intent in adjoining properties	✓	✓	✓
Declared intent is to owner occupy or rental investment whilst in current condition or, intend to renovate property but no development	✓	✓	✓
Individual, Company or Trust Applicant (non-consortium)	✓	✓	Individuals Only



We strongly encourage you to discuss the circumstances of your loan proposal with your BDM to determine our indicative position, or specific requirements to the individual situation presented.

Self-Managed Superannuation Fund (SMSF) Parameters

Available to complying SMSFs, our Super Resi and Super Commercial products can assist SMSF borrowers purchase or refinance a single title residential or commercial property.

The loans are structured as a Limited Recourse Borrowing Arrangement (LRBA).

In the event of default, recourse is limited to the asset used to secure the loan, plus member(s) personal guarantees.

KEY PARTIES TO THE APPLICATION

Key party	Required information	Note
Self-Managed Superannuation Fund	Full name of SMSF & ABN details Certified copy of the signed & stamped (where applicable) SMSF trust deed & any amendments	<ul style="list-style-type: none"> RedZed will consider an SMSF with up to 4 members. The SMSF must be a registered & complying superannuation fund as determined by the Australian Taxation Office (ATO).
Corporate Trustee of the SMSF	Full name & ACN details	<ul style="list-style-type: none"> This is the borrowing entity & beneficial owner on behalf of the SMSF. An individual trustee is unacceptable.
SMSF Individual Members	Full names of all members	<ul style="list-style-type: none"> All SMSF members over the age of 18 must guarantee the SMSF loan. Self-employed members must have a minimum 24 month ABN.
Bare/Security Holding Trust	Full name of trust & ABN details Certified copy of the signed & stamped (where applicable) Bare trust deed & any amendments	<ul style="list-style-type: none"> Established only when a loan is required to purchase a property in an SMSF. If the SMSF can purchase the property without a loan, no Bare trust is required. In conjunction with the Bare trustee it is the Legal owner of the property. A party to the limited recourse borrowing agreement (LRBA) with the SMSF & RedZed.
Corporate Trustee of the Bare/Security Holding Trust	Full name & ACN details	<ul style="list-style-type: none"> Legal owner & purchaser of the security property. It has no discretion & no duties other than to hold the property on behalf of the beneficiary & transfer the property ownership to the beneficiary when the loan is paid off & discharged. It cannot be the same entity as the corporate trustee of the SMSF & cannot be an individual trustee. Provides a guarantee limited to the security property.

Acceptable Income

RedZed will consider a combination of the following income types for both Super Resi or Super Commercial:

- ✓ Member contributions to the SMSF (or retail superannuation fund if the SMSF has been newly established)
- ✓ Rental income from the new security property and any other property held by or on behalf of the SMSF
- ✓ Income that remains ongoing from investments, remove and balance held within the SMSF (deemed at 4%)
- ✓ Additional member contributions where evidence and capacity can be verified from continuation of existing employment and business operations.

NOTE: At least one member of the SMSF must still be in the accumulation phase. An SMSF in full redemption phase is unacceptable.
Alt Doc pricing to apply if the only super contributions made in the past 12 months, were made solely in the three months prior to the application.

SMSF Expenses

For loan servicing RedZed will also take into consideration the following expenses or liabilities:

- ✓ Annual SMSF audit and management fees (a minimum \$2,000 applied in servicing)
- ✓ Other ongoing SMSF liabilities (e.g. member insurances etc) and loan or mortgage repayments
- ✓ Other ongoing regular redemptions or withdrawals from the SMSF

NOTE: For loans with additional member contribution only – each member's personal income, liabilities and living expenses is required.

Minimum SMSF liquid asset position

RedZed Super Resi

3 months repayments for all SMSF debts.

RedZed Super Commercial

3 months repayments for all SMSF debts when the security is intended to be leased by a member's self employed business or has an existing lease with expiry > 12 months.

OR

6 months repayments for all SMSF debts when the commercial security is vacant or has a lease expiry < 12 months.

SMSF Loan Servicing

There are multiple ways to qualify serviceability, including both Full Doc and Alt Doc options.

FUND ONLY SERVICING

Available when current superannuation contributions, income generated by the SMSF assets, and any proposed rental income is sufficient to meet our serviceability requirements.

Income type	Verification	Assessed
Contributions to Superannuation fund (SMSF or Retail fund)	<ul style="list-style-type: none"> 12 months superannuation fund statements <p>If Member(s) are PAYG</p> <ul style="list-style-type: none"> Most recent payslip with year-to-date details, OR Letter of Employment (on letterhead with employment status, gross income & net salary details) <p>If Member(s) are Self-employed (min 24-month ABN)</p> <ul style="list-style-type: none"> Evidence confirming active self-employed status from the Australian Business Register using ABN Lookup (www.abr.business.gov.au) 	100%
Rental Income - Residential	<p>Proposed security property or other existing properties held by the SMSF</p> <ul style="list-style-type: none"> Most recent rental statement if tenanted, or agent letter of appraisal (dated within 3 months of application) , OR RedZed valuation may be relied upon for proposed rent where applicable (No short term or holiday let income allowed - standard rental tenancy only), OR Most recent lodged SMSF tax return 	80%
Rental Income - Commercial	<p>Proposed security property or other existing properties held by the SMSF</p> <ul style="list-style-type: none"> Most recent 6 months verification of rental payments via bank statements (refinances) Full copy of executed lease agreement for existing or new tenant (including any proposed tenancy agreements by an SMSF related party) <p>⚠️ NOTE: Rental income will be based on the lower of the market rent as per valuation report, or current lease whichever is the lesser</p>	80%
Income from investments & other non-property assets (Deemed income)	<ul style="list-style-type: none"> Evidence through Annual dividends, interest, or revenue statements, or most recent audited SMSF tax return. <p>⚠️ NOTE: Income from other investments of the SMSF must be assessed based on asset balance post RedZed loan settlement, i.e. excluding any funds withdrawn to meet required contribution to the property purchase.</p>	85%
Expenses / Liabilities	Verification	
Annual SMSF audit / management fees	<ul style="list-style-type: none"> SMSF tax return or invoices 	
Member insurances etc.	<ul style="list-style-type: none"> SMSF tax return or invoices 	
SMSF loan repayments (existing/new)	<ul style="list-style-type: none"> Most recent loan statement 	
Regular withdrawals / redemptions	<ul style="list-style-type: none"> SMSF tax return or bank account 	

Minimum Fund only debt servicing ratio (DSR) = 1.01

SMSF Loan Servicing

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FUND + ADDITIONAL MEMBER SERVICING

- Available when Fund Only servicing does not meet minimum serviceability requirements and the member(s) plans to and has the capacity to make additional ongoing contributions to their SMSF (in addition to current contributions).
- Capacity to make any proposed Additional Member contributions must be demonstrated via a capacity assessment including; personal income, liabilities, living expenses and the proposed additional contributions (refer RedZed SMSF serviceability calculator).
- Acceptable Member(s) personal income can include PAYG, self-employed Full Doc and self-employed Alt Doc.
- Members are required to complete our Additional Member Contribution Declaration.

Additional Member Contribution Verification requirements – Additional to Fund Only requirements are noted above.

Income type	Verification	Assessed
Additional Member SMSF Contributions	<ul style="list-style-type: none"> • Fully executed SMSF Additional Member Contributions Declaration. (section 2.0 of application form) 	100%
Member – PAYG employed (Full Doc)	<ul style="list-style-type: none"> • Most recent 2 payslips, OR • Bank statement showing salary credits of the most recent 2 pay cycles, OR • 1 year to date payslip covering a minimum of 2 pay cycles, <p>AND ONE OF EITHER</p> <ul style="list-style-type: none"> • Most recent myGov Income Statement, OR • Most recent tax assessment notice, OR • Employment letter detailing employment status, gross & net salary details. 	100%
Member – Self-employed (Full Doc)	<ul style="list-style-type: none"> • ABN registered for 24 months, AND • Most recent year lodged individual / company / trust tax return, AND • Australian Tax Office notice of assessment, AND • If an accounting period ended more than 12 months ago then, additional 2 most recently lodged BAS also required. 	100%
Member – Self-employed (Alt Doc)	<ul style="list-style-type: none"> • ABN registered for 24 months, AND • Alt Doc Income Declaration (section 2.1 of application form), <p>PLUS ONE OF</p> <ul style="list-style-type: none"> • Accountants Declaration (section 2.2 of application form), OR • 6 months lodged BAS, AND • Australian Tax office portal to confirm tax status, OR • 6 months business trading statements, AND • Australian Tax office portal to confirm paid tax status. (to assist with verification we may seek additional income verification) 	25% (refer Alt Doc criteria below)
Other personal Income e.g. Centrelink	<ul style="list-style-type: none"> • Most recent 6 months statements. (refer to page 6 Income Consideration for more details) 	Variable

Expenses / Liabilities	Verification
Member(s) living expenses	<ul style="list-style-type: none"> • Complete Member Expenses (section 1.5 of application form) • Most recent month's personal bank transaction statement
Member(s) personal debts and liabilities (mortgages, personal loans, credit cards etc)	<ul style="list-style-type: none"> • Most recent statement for all debts

Minimum Fund + Additional Member contributions debt servicing ratio (DSR) \geq 1.11

SMSF Loan Servicing

CONTINUED

ALT DOC CRITERIA

- Proposed Additional Member contributions established on an Alt Doc basis cannot exceed 25% of the overall income required to meet minimum serviceability requirements.



NOTE

- Overall income is defined as – existing fund contributions, rental income, deemed income **plus** the proposed Additional Member contributions.
- For Alt doc assessment, RedZed will adopt the proposed additional member declaration amount, or, 25% of the SMSF overall income, whichever is the lesser.

FUND + ADDITIONAL MEMBER CONTRIBUTION SERVICEABILITY SCENARIO'S

Full Doc scenario

John wants to diversify his investments in his SMSF by purchasing a residential property. To qualify for the required loan, the SMSF needs to generate \$70,000 in net income. Currently the SMSF is only generating \$50,000 in net income (existing contributions + new rental income + deemed income).

John has proposed to make additional member contribution of \$20,000 to meet the shortfall.

To establish his capacity to make these additional contributions a personal capacity assessment is required.

Verifying Capacity to make Additional Member contributions - Full Doc

\$100,000	Personal Full Doc verified income
-\$45,000	Personal liabilities
-\$30,000	Personal living expenses
<hr/>	
\$25,000	Surplus net income available to make proposed Additional Member contributions

John has demonstrated the capacity to make the proposed Additional Member Contributions to his SMSF to meet the minimum serviceability requirements.

Alt Doc scenario

Jenny wants to diversify her investments in her SMSF by purchasing a residential property. To qualify for the required loan, the SMSF needs to generate \$55,000 in net income. Currently the SMSF is generating \$46,000 in net income (existing contributions + new rental income + deemed income).

Jenny has proposed to make additional member contribution of \$9,000 to meet the shortfall.

To establish her capacity to make these additional contributions a personal capacity assessment is required.

Verifying Capacity to make Additional Member contributions - Alt Doc

\$100,000	Personal Alt Doc verified income
-\$55,000	Personal liabilities
-\$30,000	Personal living expenses
<hr/>	
\$15,000	Initial surplus net income (not all available for serviceability)
\$13,750	Maximum surplus available for serviceability (\$46,000 + \$9,000 X 0.25%) - refer Alt Doc criteria above

Jenny has demonstrated capacity to make the proposed Additional Member Contributions to her SMSF to meet the minimum serviceability requirements.

RedZed recommends the SMSF trustee and members seek appropriate financial advice in relation to the fund's overall investment strategy and plans to make proposed Additional member contributions.



We offer common sense solutions through simple, responsible and tailored loan options designed to help business owners achieve their ambitions.

The income consideration shown is a guide and we strongly encourage you to discuss the circumstances of your loan proposal with your BDM to determine our position, or specific requirements to the individual situation presented.

Conducting Your **Verification of Identity (VOI) Check**

A face-to-face ID check is required for mortgage applications in Australia. RedZed offers 2 convenient and free to customer options for you to complete your identification check.



Please advise in your application notes which option the customer wishes to use to complete their VOI:

For Options 1: the digital process and access links for customers will be initiated by RedZed if the loan is conditionally approved.

For Option 2: please download the form via the link below and have the customer attend an Australia Post branch with their identification documents.

Option 1 OCR Labs



Self-managed fully digital process using a smartphone or tablet

Each Applicant / Guarantor completes the digital OCR Labs VOI process. This digital self-serve process is contactless and does not require a witness. Easy to follow instructions and document uploading combined with fast biometric recognition technology.

This process will be initiated by RedZed if the loan is conditionally approved and no alternative VOI method is selected.

Option 2 Australia Post



Visit your local Australia Post branch

Each Applicant/Guarantor visits an Australia Post branch with their original identification documents (e.g. Passport, Driver Licence, Medicare card etc) and completes the [RedZed Australia Post Form](#).

VOI FAQs

Why is VOI required?

Verification of identity (VOI) was introduced to reduce the risk of identity fraud and fraudulent property transactions. We require all customers to have their identity verified face-to-face.

I haven't had to do this before - why now?

VOI may not have been a requirement the last time you applied for a mortgage. We now require all borrowers/guarantors to be identified face-to-face.

What ID documents are required?

Specific combinations of original Government issued ID documents are required. The most common eligible combinations are:

- Passport & Australian Driver Licence; or
- Australian Driver Licence & Birth Certificate & Medicare Card.



Please note, your name that appears on each document must be identical

How much will this cost me?

There is no cost to you. RedZed will be charged and pay for the cost of obtaining the VOI.

Applyonline Electronic Application Lodgment

RedZed offers flexibility to brokers on how they wish to lodge a customer's application for assessment. They can choose a manual application lodgment sent to our applications email inbox or via electronic lodgment.

Our preferred method is electronic lodgment via NextGen Applyonline where available.

Access to ApplyOnline is currently available for brokers who hold accreditation with RedZed via their aggregator as the master introducer agreement holder. Brokers can utilise their aggregator's software platform to access electronic lodgment to RedZed via Applyonline.

Need help with electronic lodgement?

For Applyonline user guide [click here](#)

Further support to lodge an application online is available from your RedZed BDM

Security Appraisals and Acceptable Securities

All security appraisals (valuation) for RedZed loans are ordered through CoreLogic Property Hub.

CoreLogic via their platform Property Hub, provide an online valuation ordering process that allows for the standardisation of most security appraisal fees and simplifies the valuation ordering process, saving introducers time and effort.

All Valuers registered with CoreLogic to supply RedZed with valuations will be available with a single login. Security appraisal fees are tiered based on security value and a standard property defined by RedZed. If the property is not standard, specialised in nature or use, has development or alternate highest and best use the cost of completing the valuation may be higher. This will be charged at cost.

Non standard valuations or properties with an estimated value > \$2million are paid for at the time of ordering directly on the Corelogic online portal via either Mastercard, Visa or Paypal.

Accessing CoreLogic

For accredited introducers who do not have existing access to the CoreLogic system, please contact us on accreditations@redzed.com. You will receive an email from RedZed containing a link on how to activate your access to the CoreLogic portal. Once activated you can start ordering valuations by logging in at <https://propertyhub.corelogic.asia/>

CoreLogic User Guide
[Click here](#) to download a copy of the CoreLogic User Guide



Support

For technical support or assistance with the CoreLogic valuation ordering process not shown in the User Guide, please email us at application@redzed.com

Fee Schedule
For indicative security appraisal fees refer to the [Schedule](#)



Valuation Process



Please note: It is a requirement that all RedZed Lending Solutions Pty Ltd loan applications include an independent security appraisal / valuation. All valuations for loans are ordered through an online application conducted by RP Data Pty Ltd t/a CoreLogic Asia Pacific (ABN 67 087 759 171) (CoreLogic). Security appraisal costs are paid to the valuation firm that conducts the security appraisal and CoreLogic. Where applicable costs are for the account of the applicants and these may vary where a property needs to be quoted.

Residential & Commercial Valuations

Fees may be revised by the valuer or require a quotation for properties with the following features or deemed not standard:

Residential

- A property with an estimated value above \$3 million
- Non standard property with specific features or is identified as a likely development site
- A property that is in a non-metro location or acreage properties

Commercial

- A property with an estimated value above \$2 million
- A property that is not standard or that has additional features (including but not limited to) specialised in nature, use or features, has 3 or more tenancies, exhibits highest and best use, retail shops with more than 3 adjoining properties (on separate titles) etc.
- Development sites or development aspect securities are considered unacceptable Commercial securities.

If a valuation is cancelled after it has been ordered there may be a cancellation fee charged by the valuer. Once a valuation has been inspected /completed by the valuation firm, the valuation fee is non-refundable. This includes where the application is withdrawn or cancelled by the applicant, or the application is declined by RedZed.

ACCEPTABLE SECURITIES

Residential

Commercial

- ✓ **Residential house**
(with max land size of 25 acres (10 hectares), includes dual occupancy dwelling)
- ✓ **Townhouses and villas**
- ✓ **Apartments and units**
(minimum 40m² limited to max 60% LVR, ≥ 50m² normal lending and complex density criteria, exposure may vary and is limited to 4 apartments or 25% of a building complex. Apartment size is living area only and excludes balconies and car spaces)
- ✓ **Vacant land***
(unimproved land with lot sizes between 1, 2.5 and 5 acres subject to product and location criteria. Refer product and rate guide for details)
- ✓ **Acceptable residential security zonings are residential & rural residential**
- ✓ **Retail shops, industrial units, factories, warehouses, workshops, medical & professional suite**
- ✓ **Offices** (strata office indicative max 65% LVR)
- ✓ **Boarding houses** (max 65% LVR)
childcare centres (max 50% LVR)
- ✓ **Multiple residential securities on one title or in the same complex***
- ✓ **Mixed residential & commercial use**
- ✓ **Commercial vacant land***
(Refer to the Product and Rate Guide for acceptable parameters)
- ✓ **Indicative commercial consideration by location up to a maximum of:**
VIC/NSW/QLD/SA/WA/TAS:
Category 1 up to 75% LVR + Category 2 up to 65%
NT: Category 1 & 2 up to 65%LVR
Contact your RedZed BDM to discuss an LVR scenario outside these guidelines.

Location Guide

Assessment is based on suburb/town. To check this, [click here](#)



*excludes SMSF products

HEAD OFFICE
1300 722 462

Accreditations accreditations@redzed.com
Client Services clientservices@redzed.com
Target Market Determination redzed.com/TMD

Applications application@redzed.com
Settlements settlements@redzed.com



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