

**This Credit Guide will only apply to you if your loan is predominantly for personal, domestic or household purposes (including for the purpose of investing in residential real estate). It will not apply if you are a company.**

## **Credit Guide**

### **Equity Living Pty Ltd**

Thank you for considering Equity Living to assist you with your borrowing needs. This document is provided by Equity Living and it sets out information about our services. It is designed to help you decide whether or not to enter into one of our reverse mortgage loans.

### **About Equity Living**

Equity Living Pty Ltd ACN 111 895 473 Australian Credit Licence number 394616 (**Equity Living we, us, our**) operates the Equity Living Reverse Mortgage Lending Program. Equity Living has been established to assist older Australians to unlock the equity in their home to provide funds for a variety of worthwhile causes.

You can contact Equity Living on:

Email: [info@equityliving.com.au](mailto:info@equityliving.com.au)

Phone 1300 72 82 86

### **Equity Living Loans**

All 'reverse mortgage loans' offered by Equity Living will comply with the provisions of the *National Consumer Credit Protection Act, 2009 (Cth)* (**NCCP Act**), the *National Consumer Credit Protection Regulations, 2010 (Cth)* (**NCCP Regulations**) and all ASIC regulatory guides.

Equity Living Reverse Mortgage Loans have the following features:

- Interest is capitalised over the term of the loan.
- The *youngest borrower* must be at least 60 years of age.
- Equity Living will not make a 'reverse mortgage' with a 'loan-to-value' ration (**LVR**) exceeds
  - 15% plus 1% for each year that the youngest borrower is older than 60 years of age (except in exceptional circumstances); or
  - 20% if the funds are to be used to invest in superannuation on the advice of a financial planner.
- 'No negative equity guarantee'.
- Equity Living will not require the reverse mortgage to be repaid until all borrowers no longer resides in the property. For example, in the case of a reverse mortgage advanced to two persons as joint borrowers, the reverse mortgage is not repayable under the *last borrower* dies or elects to leave the property.
- You may repay your reverse mortgage at any time.
- 30 day cooling off period.

- You may elect to protect a minimum amount of equity in the property that will be the subject of the 'reverse mortgage' (although this will clearly reduce the amount of the loan),
- Equity Living will advance the loan proceeds as:
  - a fully drawn cash advance;
  - regular drawdowns; or
  - a combination of both.
- Interest rates may be fixed or variable.

Your Equity Living Reverse Mortgage Loan proceeds may be used for a variety of worthwhile purposes.

Your Equity Living Reverse Mortgage Loan must be secured by a registered first mortgage and you must obtain independent legal advice **and** independent financial advice before we will advance an Equity Living Reverse Mortgage Loan to you.

### **Obligations in assessing you for an Equity Living Loan**

Under the NCCP, any loan or loan variation offered to you must not be 'unsuitable' for you.

You may therefore be asked some questions in order to ensure that:

- you can comply with your financial obligations under the loan;
- you can meet your financial obligations under the loan without substantial hardship; and
- the loan will meet your requirements and objectives.

It is therefore very important that the information you provide is true, current and accurate and includes any likely future changes that will impact your ability to repay the loan contract.

To complete the credit assessment, Equity Living will make reasonable inquiries about your requirements and objectives for the loan contract or loan contract limit increase. We must also make reasonable inquiries about your financial situation and take reasonable steps to verify your financial information.

Before entering into an Equity Living Loan, you may ask for a copy of the credit assessment and it will be provided to you as soon as possible after receiving your request. If requested within 2 years of the assessment, it is provided within 7 business days. After that (up to 7 years) within 21 business days of your request. If you decide not enter into a Equity Living Loan or we do not provide a Equity Living Loan to you, you are not entitled to a copy of your credit assessment.

Before you accept your loan contract, make sure you read the loan contract carefully to understand full details of the loan. If you have any doubts, you should obtain independent legal and financial advice before you enter any loan contract.

### **Fees and commissions**

You must pay an 'Establishment Fee' when your loan is first drawn down. This fee covers Equity Living's costs associated with establishing your Equity Living Reverse Mortgage Loan. It will be paid to Equity Living and you only have to pay this fee once.

If you elect to take use some or all of the loan amount via the 'Equity Living Flexible Drawdown Facility', you must also pay the Flexible Drawdown Facility Fee each time you request an amount to be drawn down from your loan facility.

Interest is charged on all Equity Living Reverse Mortgage Loans, however, this interest accrues throughout the term of your loan and you are not required to repay this interest until the end of the loan term.

You may also be required to pay our 'third party fees' including but not limited to legal fees for documenting your Equity Living Reverse Mortgage Loan, valuation fees, and our costs of registering a mortgage over the property provided as security for your loan. There are no other fees or charges payable by you under your Equity Living Reverse Mortgage Loan (unless you fail to make a payment by the due date, in which case late payment fees may also be payable).

In addition, Equity Living sources introductions from financial advisers and brokers and may also obtain referrals from a broad range of sources including accountants, or lawyers for referring you to us. Equity Living may pay commission to financial advisers and brokers and we may pay referral fees to our referrers. The amount of such commissions and fees accord with usual business practice. **These are not fees payable by you.** Details of any commission or fees paid to our introducers and referrers will be set out in your credit contract.

## **Privacy Statement**

We collect personal information from you to process your application, provide you with our products or services, and manage your products or services. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services, and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to anyone we engage to do something on our behalf, and other organisations that assist us with our business.

Our Privacy Policies cover how we collect, use, handle, process and exchange your information.

You can access the Equity Living Privacy Policy at [equityliving.com.au](http://equityliving.com.au). [Privacy Policy - Equity Living \(pure-digital.com.au\)](#)

## **Internal dispute resolution scheme**

We hope that you are delighted with your Equity Living Reverse Mortgage Loan, but if you have any complaints please contact us in the first instance by contacting Equity Living's Complaints Officer by:

telephoning 1300 72 82 86

e-mailing [info@equityliving.com.au](mailto:info@equityliving.com.au)

writing to PO BOX 432 Bondi Junction 1355 NSW

You should explain the details of your complaint as clearly as you can. You may do this verbally or in writing.

Equity Living will try to resolve any complaint within 10 calendar days, however, sometimes we may not be able to do this.

If we can't resolve your complaint within 10 calendar days, we will use all efforts to resolve your complaint within 30 days – unless your complaint relates to a Hardship Request, Postponement of Enforcement Proceedings or Default Notice under the *National Consumer Credit Protection Act (NCCP)*, in which case, we will aim to resolve your complaint within 21 days.

If we cannot provide you with our response to your complaint within the above timelines, we will write to you to tell you the reasons for the delay and give you information about your rights.

For more information on how we manage complaints, please refer to our '*Guide to Vision Equity's Complaint Handling Process*'.

### **External dispute resolution scheme**

Equity Living is a member of the Australian Financial Complaints Authority (**AFCA**), the ASIC approved External Dispute Resolution (**EDR**) Scheme.

If we cannot resolve your complaint, you may refer your complaint to AFCA contract by

telephoning 1800 931 678

e-mailing [info@afca.org.au](mailto:info@afca.org.au)

writing to [www.afca.org.au](http://www.afca.org.au)

External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. You can obtain further details about our dispute resolution procedures and obtain details of our privacy policy on request.

### **Amendments**

This Credit Guide is Version 1 dated October 2022

We may update this Credit Guide from time to time by publishing a new version on the Equity Living website.

### **Questions?**

If you have any questions about this credit guide or anything else about our services, just ask at any time. We're here to help you.