

July 2013

Effective from: Monday 01 July 2013

1 LMI Premiums

Lenders Mortgage Insurance (LMI) provides 100% cover for the **lending institution** for the insured term of the loan.

The LMI Premium is calculated on the Insured Loan Amount multiplied by the LMI Premium Rate (%), at the applicable LVR.(loan to Value Ratio)

In addition:

- LMI Premium Rates include 10% GST, however are exclusive of state stamp duties – which are included in Section 6.
- Minimum \$500 premium applies to all products – this includes top-ups and additional loans;
- Maximum LVRs and Loan Amounts for both Full Documentation and Self Certified Income Types remain subject to QBE LMI's location category policy.

Subject to LMI's products and policies

^Disclaimer

These base premium rate tables are provided to our customers for information purposes only and as a tool to assist our customers in estimating a LMI premium. It is not intended to be taken as an offer capable of acceptance; any policy is subject to a formal application being submitted which satisfies LMI's full underwriting criteria. EZFinance shall not be liable for any direct, indirect, special incidental consequential punitive or exemplary damages including lost profits arising in any way from the use of this premium rates table. This material may not be reproduced, redistributed, or copied in whole or in part for any purpose without EZFinance prior written consent.

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LMI Base Premium Rate Tables

Example 1 - HOME Product

Income Type - Full Documentation			
Loan Amount	Up to \$300,000	\$300,001 to \$600,000	\$600,001 to \$1M
LVR Band			
Up to 60%	0.28%	0.28%	0.51%
60.01% to 70%	0.37%	0.37%	0.56%
70.01% to 80%	0.50%	0.51%	0.63%
80.01% to 81%	0.54%	0.58%	0.79%
81.01% to 82%	0.54%	0.58%	0.79%
82.01% to 83%	0.67%	0.86%	1.11%
83.01% to 84%	0.67%	0.86%	1.11%
84.01% to 85%	0.88%	1.09%	1.38%
85.01% to 86%	0.91%	1.10%	1.38%
86.01% to 87%	1.06%	1.30%	1.66%
87.01% to 88%	1.06%	1.30%	1.66%
88.01% to 89%	1.35%	1.77%	2.22%
89.01% to 90%	1.61%	1.89%	2.39%
90.01% to 91%	2.09%	2.73%	3.65%
91.01% to 92%	2.09%	2.73%	3.65%
92.01% to 93%	2.35%	3.07%	3.93%
93.01% to 94%	2.62%	3.07%	4.32%
94.01% to 95%	2.72%	3.40%	4.56%
Income Type - Self Certified			
Loan Amount	Up to \$300,000	\$300,001 to \$600,000	\$600,001 to \$1M
LVR Band			
Up to 60%	0.29%	0.38%	0.58%
60.01% - 70%	0.44%	0.68%	1.08%
70.01% - 80%	1.18%	1.27%	1.80%

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Example 2 - INVEST Product

Income Type - Full Documentation			
Loan Amount LVR Band	Up to \$300,000	\$300,001 to \$600,000	\$600,001 to \$1M
Up to 60%	0.30%	0.30%	0.54%
60.01% to 70%	0.39%	0.39%	0.59%
70.01% to 80%	0.54%	0.54%	0.68%
80.01% to 81%	0.58%	0.62%	0.85%
81.01% to 82%	0.58%	0.62%	0.85%
82.01% to 83%	0.72%	0.92%	1.19%
83.01% to 84%	0.72%	0.92%	1.19%
84.01% to 85%	0.94%	1.17%	1.48%
85.01% to 86%	0.98%	1.18%	1.48%
86.01% to 87%	1.14%	1.39%	1.77%
87.01% to 88%	1.14%	1.39%	1.77%
88.01% to 89%	1.44%	1.89%	2.38%
89.01% to 90%	1.72%	2.03%	2.56%
90.01% to 91%	2.24%	2.92%	3.91%
91.01% to 92%	2.24%	2.92%	3.91%
92.01% to 93%	2.52%	3.29%	4.20%
93.01% to 94%	2.80%	3.29%	4.63%
94.01% to 95%	2.91%	3.64%	4.88%
Income Type - Self Certified			
Loan Amount LVR Band	Up to \$300,000	\$300,001 to \$600,000	\$600,001 to \$1M
Up to 60%	0.33%	0.44%	0.66%
60.01% - 70%	0.50%	0.78%	1.25%
70.01% - 80%	1.37%	1.46%	2.07%

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Example 3 - FIRST HOME Product

Income Type - Full Documentation**		
Loan Amount	Up to \$300,000	\$300,001 to \$600,000
LVR Band		
Up to 60%	0.26%	0.26%
60.01% to 70%	0.34%	0.34%
70.01% to 80%	0.46%	0.47%
80.01% to 81%	0.50%	0.53%
81.01% to 82%	0.50%	0.53%
82.01% to 83%	0.62%	0.79%
83.01% to 84%	0.62%	0.79%
84.01% to 85%	0.81%	1.00%
85.01% to 86%	0.84%	1.01%
86.01% to 87%	0.98%	1.20%
87.01% to 88%	0.98%	1.20%
88.01% to 89%	1.24%	1.62%
89.01% to 90%	1.48%	1.74%
90.01% to 91%	1.93%	2.51%
91.01% to 92%	1.93%	2.51%
92.01% to 93%	2.16%	2.83%
93.01% to 94%	2.41%	2.83%
94.01% to 95%	2.50%	3.13%

Notes:

Maximum loan amounts remain subject to LVR and Location Classification

**Eligibility conditions apply to applicants seeking approval

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Capitalisation of Premium

We will allow Lenders to add a borrower's LMI cost to the amount borrowed and will include it in the Insured Loan Amount without any additional loading on the premium. The maximum LVR by Income Documentation type is as follows:

- Full Documentation Income Type: 95% (excluding premium capitalisation);
- Self-Certified Income Type: 80% (including premium capitalisation).

The maximum LVR available by product remains subject to conditions by Location Category policy.

Additional Loans or Top-Up to an Existing Loan

To calculate the premium where cover is required for an additional loan amount on a previously insured mortgage, the LVR is calculated on the new total exposure (determined by adding the additional loan amount to the outstanding loan balance, or scheduled balance if the existing loan is a Line of Credit or has a redraw option) and the total security value. The premium rate applicable to the new LVR and new Total Exposure amount is then applied to the new Total Exposure amount.

The premium payable will be the premium calculated as above, **less** the Premium previously paid excluding Stamp Duty.

Note: Minimum premium of \$500 applies.

Example: HOME premium calculation

Original Insured Loan

Security Value: \$325,000.00 Original Loan Amount:
\$275,000.00

Original LVR: 84.62% LMI Premium Rate: 0.88%
LMI Premium Paid: \$2,420.00 (plus Applicable SD)

Additional Loan (36 Months Later)

Security Value: \$340,000.00 Original Loan Amount Value
Now: \$262,000.00

Additional Loan Amount: \$35,000.00 New Total Exposure:
\$297,000.00

New LVR: 87.35% LMI Premium Rate: 1.06%
Calculated LMI Premium (excl S/D): \$3,148.20
Less LMI Premium Paid (excl S/D): \$2,420.00

LMI Premium now payable: \$ 728.20 (plus Applicable SD)

See Section 6 for the Applicable Stamp Duty Rate payable by state on the LMI Premium.

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LMI Premium Refunds

Borrowers may be eligible for a partial refund if the Insured Loan is repaid in full within 12 months of the initial loan settlement date and we are advised within 30 days of discharge.

Generally, no refund is payable where the:

- Insured Loan has been in default;
- Amount of the refund is less than \$500;
- Insured Loan is not repaid in full; or
- Insured Loan is repaid more than 12 months after the loan settlement date.

It is the responsibility of the Lender to advise us of the repayment of any Insured Loan and initiate any request for a refund. We will then confirm any refund payable. Borrowers should direct enquiries to their Lender.

Stamp Duty

Stamp Duty is payable on LMI Premiums and varies depending on the State or Territory the Security Property is located in. Where the Insured Mortgage is to be secured over two or more properties in different jurisdictions, the Stamp Duty will be calculated on the premium apportioned to the relevant State proportionally as to the respective security values.

State Stamp Duty rates as at the date of this advice are as follows:

<u>State</u>	<u>Stamp Duty Rate</u>
QLD - First mortgages for Owner-Occupied purchase or construction	5.00%
QLD - All other loan purposes including investment or business purpose, re-finance, additional loans / top-ups.	7.50%
ACT	6.00%
NSW	9.00%
VIC WA NT TAS	10.00%
SA	11.00%