

# Glossary of Terms



Unless stated otherwise in the manual, the terms detailed apply to all loan products in the Prime Programme.

<b>Application Processing Fee:</b>	The amount payable by the borrower for obtaining a loan.
<b>Borrowers Rate:</b>	The interest rate applicable to the loan.
<b>Business Loan:</b>	Purpose of loan is predominantly for business use (greater than 50%).
<b>Confirmation of Approval:</b>	An advice sent to the client on formal approval of the loan. It contains all the details of approval and should be checked for accuracy, signed as being correct and returned to Resimac within two working days.
<b>Fees &amp; Charges:</b>	Fees and charges applicable to the loan account.
<b>GST:</b>	Goods and Services Tax.
<b>Investment Loan:</b>	Purpose of loan is predominantly for investment property (greater than 50%).
<b>Legal Fees or Costs:</b>	The legal costs or insurance associated with the documentation and settlement of a loan.
<b>Line of Credit (LOC):</b>	An interest only portion that can be redrawn within the approved credit limit at any time. The monthly repayment is calculated on the amount outstanding from time-to-time.
<b>LVR:</b>	The Loan to Value Ratio is calculated by dividing the loan amount by the security / securities value (e.g. the Loan Amount \$240,000 / Security Value \$300,000 = 80.00% LVR).
<b>NSR:</b>	The Net Serviceability Requirement calculation is the net income after tax less living expenses of all borrowers and guarantors, divided by the amount of the total financial commitments including the new loan repayment. The desired minimum NSR is 1.00 times.
<b>Owner Occupied:</b>	Purpose of loan is predominantly for the purchase or refinance of owner occupied property (greater than 50%).
<b>P &amp; I:</b>	Principal & Interest repayments.
<b>Portions:</b>	Loans may be split into multiple portions. Each portion may have a different interest rate, purpose or repayment option. The maximum number of portions, in a standard loan, is 8, inclusive of a LOC portion.
<b>Security Exceptions:</b>	Certain security types or the condition of a security property may not be acceptable.
<b>Security Type:</b>	First registered mortgage given by a borrower(s) or guarantor(s) over residential property.
<b>Security Value:</b>	The security value is confirmed by formal valuation. In the event that the formal valuation amount is different to the sale and purchase amount (property purchase) then the lesser amount is used to calculate the LVR.
<b>Split Loan:</b>	Splits are referred to as portions.
<b>Valuation:</b>	A formal, written, valuation report provided by a licensed valuer as determined by Resimac.