

# Credit Guide

August 2021

This is the Credit Guide of Yellow Brick Road Finance Pty Limited – ACN: 128 708 109 – Australian Credit Licence: 393195. We are licensed to arrange loans and leases under the National Consumer Credit Protection Act 2009. The NCCP Act regulates the activity of lending, leasing and finance broking.

## About this Credit Guide

This Credit Guide is designed to assist you in deciding whether to use the services we offer.

## Services we Provide

We will provide you with information on a range of lenders and products. Once you have chosen a loan or lease that is suitable for you, we will help you to obtain an approval.

## Our Associations and Relationships

All our credit representatives are accredited with Yellow Brick Road Finance Pty Limited – Australian Credit Licence: 393195. Below are the six lenders with whom Yellow Brick Road Finance Pty Limited conducts the most business with:

- **Commonwealth Bank**
- **NAB**
- **St George**
- **ANZ**
- **Westpac**
- **Macquarie**

## Our Best Interests Duty (BID) Obligations to You

As of the 1<sup>st</sup> January 2021, the best interests duty (BID) was enshrined into law that requires mortgage brokers to act in the best interests of the consumer when providing credit assistance. BID was largely introduced to improve customer outcomes after recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry were made relating to mortgage broking. The law requires us to:

- act in the best interests of the consumer when providing credit assistance;
- give priority to consumers where a conflict of interest is identified when providing credit assistance; and
- not accept conflicted remuneration.

These obligations have largely improved how:

- mortgage brokers gather and document information about a consumers' individual circumstances, requirements & objectives;
- mortgage brokers educate the consumer to make informed decisions;
- mortgage brokers assess relevant products inline with the consumer's needs; and
- those options & the recommendation are presented.

## Our Responsible Lending Obligations to You

We are obliged to ensure that any loan, or principal increase to a loan, we help you to obtain, or any lease we help you enter, is not unsuitable for you. To decide this, we may need to ask you some questions in order to assess whether the loan or lease is not unsuitable. The law requires us to:

- make reasonable enquiries about your requirements and objectives;
- make reasonable enquiries about your financial situation; and
- take reasonable steps to verify that financial situation.

Credit will be unsuitable for you if, at the time of the assessment, it is likely that the following would apply at the time credit is provided:

- you could not pay or could only pay with substantial hardship; or
- the credit will not meet your requirements or objectives.

For example, if you can only repay by selling your principal place of residence, it is presumed that the loan will cause substantial hardship unless the contrary is proved. For this reason, we must ask you to provide a significant amount of information. It is important that the information you provide is accurate, complete and up to date.

We will provide you with a copy of our preliminary assessment of your application, if you ask within seven years of when we provided assistance to you. This requirement is only triggered if we give you credit assistance.

If we arrange a loan for you to purchase or refinance real estate, remember you must make your own enquiries about the value of the real estate and its potential for future growth. Although we may obtain a valuation, that is for our own use and you should not rely on it.

## Our Fees and Charges

Generally, no fees or charges are payable by you to us for our credit assistance. In some instances, a fee for service may be required. Details of these fees will be set out in a Credit Quote.

However, you may be charged a lender's application fee, valuation fees and other fees associated with the loan. These fees are not charged by us and will be disclosed to you prior to submission of the credit application. Please note, however, that if a valuation is conducted and you ultimately choose not to proceed with the loan, you may be liable for the valuation fees.

## Commissions

We may receive commissions from the lenders and lessors who provide finance for you as our customers. These fees are not payable by you. You may obtain information relating to reasonable estimates of those commissions and how they are calculated.

When we provide you with credit assistance, you may ask us for a reasonable estimate of the commission likely to be received, directly or indirectly by Yellow Brick Road Finance Pty Limited and its credit representatives.

From time to time, we may receive financial or non-financial benefits from Yellow Brick Road Finance Pty Limited, lenders, lessors or others. Some or all of a commission received by Yellow Brick Road Finance Pty Limited may be paid to our Credit Representatives.

## Referral Commissions

Yellow Brick Road Finance Pty Limited may pay Commissions to our credit representatives for referring to our Diversification Partners such as Vow Legal. Referral Commissions may be a percentage of professional fees charged by the Diversification Partner. These fees are not payable by you.

## Referral Fees

We may pay a referral fee (i.e. commission) for third party referrals. An example of a referrer would be a real estate agent or solicitor. This fee is not payable by you. This fee will be disclosed in the Credit Proposal Disclosure Document or equivalent document. You may on request obtain a reasonable estimate of the amount of commission and how it is calculated.

Yellow Brick Road Finance Pty Limited and your representative may also receive a benefit for referring you to other specialist service providers.

## Internal Dispute Resolution

If you are unhappy with our services, please contact us first by contacting our Complaints Manager on the following:

### Yellow Brick Road Finance Pty Limited - Complaints Manager

**Telephone** (02) 8226 8327  
**Email** [complaints@ybr.com.au](mailto:complaints@ybr.com.au)  
**Post** PO Box 5002, Sydney NSW 2001  
**Website** [www.ybr.com.au](http://www.ybr.com.au)

We will endeavour to resolve your complaint quickly and fairly.

## External Dispute Resolution

### Australian Financial Complaints Authority (AFCA)

If your complaint has not been resolved to your satisfaction, you may contact the Australian Financial Complaints Authority (AFCA), which is an independent dispute resolution scheme for financial services complaints.

**Telephone** 1800 931 678  
**Email** [info@afca.org.au](mailto:info@afca.org.au)  
**Post** GPO Box 3, Melbourne VIC 3001  
**Website** [www.afca.org.au](http://www.afca.org.au)

## Things You Should Know

You should ensure that you have approved finance, in writing from the lender, before entering a binding contract to purchase.

It is important you understand your legal obligations under the loan, and the financial consequences. If you have any concerns, you should obtain independent legal and financial advice before you enter into a loan contract.

We do not make any promises about the value or future prospects of any property you finance with us. You should always rely on your own enquiries.

Before you accept your loan offer, make sure you read the credit 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 into any loan contract.

We represent lenders and have obligations to them, and in particular, to not provide any information we know is misleading or deceptive. We also have obligations under the law to report any fraud, forgery, or other illegal activities. Before using our services, it is important that you understand that we have these obligations to lenders, and under the law.

Yellow Brick Road Finance Pty Limited is required to have adequate arrangements in place to ensure you are not disadvantaged by any conflict of interests.