

Mortgageport Application Fees Policy

Mortgageport standard application fee: \$330.00

All borrowers must pay an application fee for managed loans with Adelaide Bank or Advantedge.

The standard application fee is **\$330.00** and includes the cost of 1 (one) valuation provided that property is worth less than \$1,000,000.

If the property is worth more than \$1,000,000 but less than \$2,000,000 the application fee increases to \$495.00 and If the property is worth in excess of \$2,000,000 a quote to value the property should be sought from the valuations clerk and that quoted fee will become the application fee.

In the case where more than one property needs to be valued you should collect an application fee for the lowest valued property as per above and then collect the cost of the second valuation report.

All application fees above are GST included.

Examples:

1 property worth \$795,000 application fee = \$330.00

2 properties each worth \$795,000 application fee = \$330.00 x 2

2 properties one worth \$795,000 and the second property worth \$1,500,000 application fee would be \$330.00 plus \$495.00 = \$825.00

2 properties one worth \$1,500,000 and the second worth \$2,200,000 application fee would be \$495.00 plus the quoted cost for the \$2.2m property.

The appropriate fee is to be provided to the accounting department at the time a Home Loan Number is registered. Mortgageport deliberately segregates this task so that we check the application fee has been collected and so we can keep track of expenses and revenue associated with the loan.

Payment

Our preferred method of payment is by Credit Cards (Visa, MasterCard or Amex), and a space is provided on the fee schedule for this. Other methods are Direct Deposits or by Cheque.

Direct deposits should be made to the following bank account:

Account Name **Mortgageport Management Pty Limited**

BSB **012- 366**

Account Number **3522-74953**

The borrower should quote the name in which the application is made for reconciliation purposes.

Mortgageport is required to pay our valuer on a bi-monthly basis.

Failure to collect the application fee or collecting insufficient fees means that we do not have the funds set-aside to meet the commitment.

The valuers have very strict credit terms and our account will be locked (no valuation will be ordered) if payment is not paid in due course.

If a loss occurs due to the non-collection or incorrect collection of an application fee the mortgage consultant is responsible for the collection or payment of the shortfall.

Lenders legal fees are deducted at settlement

Generally we instruct Galillees and Associates who will charge the borrower the fee at settlement with this fee deducted from the loan proceeds. In the event that a loan does not settle the legal firms will seek reimbursement from Mortgageport and we reserve the right to claim this back from the borrower. The usual fee is \$440.00 for a standard transaction.

Policy for Absorption of Application fee

Any absorption or refund of application fee at settlement needs to be done in accordance with existing company policy and must be notified on the loan submission sheet; unless this is noted in advance no absorption can be approved. Absorption of fees is only to be used when required for competitive reasons and must be made considering the loan size and margins being earned on the transaction. In general terms, the larger the loan and the higher the lending margin is, the more able and willing we are to absorb fees.

Refund of Application Fees

Application Fees are NOT refundable as the name suggests the fee is charged to apply for a loan and should not be confused with a loan approval fee or a loan establishment fee.

Mortgageport will however refund the application fee where Mortgageport, the Mortgage Insurer or the Lender declines the loan, less any direct expenses incurred in assessing the loan. Direct expenses include valuation fees, Veda Advantagedge Fees and ASIC Searches and legal fees.

No refund is payable to the borrower if they decide not to proceed with the loan, fail to find a property or where a loan is declined because the borrower did not make us aware of the facts of their application or provided false, incomplete or misleading information.

Example if they declared they had no credit defaults and they are found to have one or where they fail to declare all liabilities at the time of application.

Any unused portion of the original application fee can be applied against a future application for a Mortgageport managed loan provided this occurs within 24 months of the original payment of the application fee.