

Pepper Money Home Loan Product Guide

Effective date: 28 August 2023



pepper
money

Our Experience

Pepper Money has the proven ingredients to help you write more home loans in an increasingly challenging and competitive market.

The Pepper Money product suite can provide you with access to a range of flexible solutions that cater to a diverse range of residential borrowers from prime to those with a slightly impaired credit history.

Why Pepper Money?

- The support of a highly experienced Business Development Manager
- The use of a priority email address advisersupport@peppermoney.co.nz
- As each application is assessed on its individual merits, Pepper Money maybe able to provide a more flexible solution every time
- One application provides access to multiple home loan options
- With simple to understand products, Pepper Money makes it easy to find the right home loan for your clients
- Dedicated Customer Service team to assist in priority service of your clients

The **Pepper Money** Suite of Home Loans



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For further product information speak to your Pepper Money BDM or go to advisersupport@peppermoney.co.nz



Pepper PRIME

Product Specifications

Full Doc

Loan Purpose	Purchase or refinance of owner occupied properties or investment properties (refer to specific pricing of investment loans)	
Minimum Loan Size	\$100,000	For all loan sizes refer to Product Comparison
Maximum Loan Size	\$2,500,000 (up to 75% LVR)	
Maximum LVR	<ul style="list-style-type: none"> Up to 80% LVR (inclusive of fees) for loans up to \$2,000,000 (Category 1) Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes 	
Credit History	Paid defaults up to \$500 may be considered	
Cash Out	Unlimited [^] . Not available for business use or IRD debt payouts.	
Debt Consolidation	Debt consolidation (maximum of 4 debts)	
Income Documentation (PAYE)	<ul style="list-style-type: none"> Employers Summary Letter and two recent computerised pay slips (within the last 4 weeks) OR; Either an Employers Summary Letter or two recent computerised payslips (within the last 4 weeks) AND one of: <ul style="list-style-type: none"> 3 months bank statements showing salary credits Most recent computerised tax certificate Taxation Return prepared by a registered tax agent Most recent tax assessment notice 	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> Last 2 years certified tax returns* and tax assessment notices; OR Last 2 years financial statements prepared and signed by a registered tax agent or accountant. 	
Acceptable Securities	Residential securities in categories 1 - 3 with a maximum land size of 25 acres (10 hectares)	

Product Features

Loan Term	10 – 30 years
Repayment Options	<ul style="list-style-type: none"> Principal and Interest Interest Only (maximum 5 years followed by Principal and Interest) For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria Interest Only is limited on owner occupied properties to 50% of total loan limit
Redraw	<ul style="list-style-type: none"> Minimum manual redraw amount is \$1,000 Minimum online redraw is \$50 Note: at least 1 split needs to be floating to transact via redraw
Account Splits	Maximum of four splits
Lump Sum Payments	Free additional payments are allowed (up to \$10,000 p.a. for fixed rate loans)

Refer to pages 12 and 13 for additional Servicing and Lending Policy requirements

[^]Cash out may require verification of use.

*Depending on the age of the tax returns, additional verification may be required.



Pepper PRIME

Product Specifications

Alt Doc

Loan Purpose	Purchase or refinance of owner occupied properties or investment properties (refer to specific pricing of investment loans)	
Minimum Loan Size	\$100,000	For all loan sizes refer to Product Comparison
Maximum Loan Size	\$2,500,000 (up to 75% LVR)	
Maximum LVR	<ul style="list-style-type: none"> Up to 80% LVR (inclusive of fees) for loans up to \$2,000,000 Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes 	
Credit History	Paid defaults up to \$500 may be considered	
Cash Out	Unlimited [^] . Not available for business use or IRD debt payouts.	
Debt Consolidation	Debt consolidation (maximum of 4 debts)	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> Declaration of financial position plus three of the following: <ul style="list-style-type: none"> 6 months business bank statements (inclusive of the last 1 month) 6 months GST101 returns NZBN registered for 24 months Pepper Money accountant's letter GST registration is required where business revenue is greater than \$60,000 or business activities require GST to be collected. 	
Acceptable Securities	Residential securities in categories 1 - 3 with a maximum land size of 25 acres (10 hectares)	

Product Features

Loan Term	10 - 30 years
Repayment Options	<ul style="list-style-type: none"> Principal and Interest Interest Only (maximum 5 years followed by Principal and Interest) <p>For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria</p> <p>Interest Only is limited on owner occupied properties to 50% of total loan limit</p>
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Account Splits	Maximum of four splits
Lump Sum Payments	Free additional payments are allowed (up to \$10,000 p.a. for fixed rate loans)

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Pepper NEAR PRIME

Product Specifications

Full Doc

Loan Purpose	Purchase or refinance of owner occupied properties or investment properties (refer to specific pricing of investment loans)	
Minimum Loan Size	\$100,000	For all loan sizes refer to Product Comparison
Maximum Loan Size	\$2,500,000 (up to 75% LVR)	
Maximum LVR	<ul style="list-style-type: none"> Up to 80% LVR (inclusive of fees) for loans up to \$2,000,000 Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes 	
Credit History	<ul style="list-style-type: none"> Unlimited defaults, judgements and writs up to \$1,000 accepted (paid or unpaid) Unlimited defaults, judgements and writs greater than \$1,000, listed longer than 24 months (paid or unpaid) accepted Up to 3 months non-mortgage related arrears (within the last 3 months) Discharged from bankruptcy (1 day accepted) 	
Cash Out	Unlimited*	
Debt Consolidation	Debt consolidation for an unlimited number of debts including payout of IRD debts	
Income Documentation (PAYE)	<ul style="list-style-type: none"> Employers Summary Letter and two recent computerised pay slips (within the last 4 weeks) OR; Either an Employers Summary Letter or two recent computerised payslips (within the last 4 weeks) AND one of: <ul style="list-style-type: none"> 3 months bank statements showing salary credits Most recent computerised tax certificate Taxation Return prepared by a registered tax agent Most recent tax assessment notice 	
Income Documentation (Self-Employed)	Customers with a clear credit history*: <ul style="list-style-type: none"> Most recent 1-year certified tax return and tax assessment notice; OR Last 1-year financial statements prepared and signed by a registered tax agent or accountant. Customers without a clear credit history*: <ul style="list-style-type: none"> Last 2 years certified tax returns and tax assessment notices; OR Last 2 years financial statements prepared and signed by a registered tax agent or accountant 	
Acceptable Securities	Residential securities in categories 1 - 3 with a maximum land size of 25 acres (10 hectares)	

Product Features

Loan Term	10 - 40 years
Repayment Options	<ul style="list-style-type: none"> Principal and Interest Interest Only (maximum 5 years followed by Principal and Interest) For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria Interest Only is limited on owner occupied properties to 50% of total loan limit
Redraw	<ul style="list-style-type: none"> Minimum manual redraw amount is \$1,000 Minimum online redraw is \$50 Note: at least 1 split needs to be floating to transact via redraw
Account Splits	Maximum of four splits
Lump Sum Payments	Free additional payments are allowed (up to \$10,000 p.a. for fixed rate loans)

Refer to pages 12 and 13 for additional Servicing and Lending Policy requirements

* Cash out may require verification of use.

* A clear credit history is defined as all applicants on the loan not having any adverse credit bureau listings (defaults, court judgements, bankruptcy etc) and a clear loan repayment history. If the application date is greater than 6 months after the Financial year end, the most recent GST101 or three months bank statements will also be required.



Pepper NEAR PRIME

Product Specifications

Alt Doc

Loan Purpose	Purchase or refinance of owner occupied properties or investment properties (refer to specific pricing of investment loans)	
Minimum Loan Size	\$100,000	For all loan sizes refer to Product Comparison
Maximum Loan Size	\$2,500,000 (up to 75% LVR)	
Maximum LVR	<ul style="list-style-type: none"> Up to 80% LVR (inclusive of fees) for loans up to \$2,000,000 Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes 	
Credit History	<ul style="list-style-type: none"> Unlimited defaults, judgements and writs up to \$1,000 accepted (paid or unpaid) Unlimited defaults, judgements and writs greater than \$1,000, listed longer than 24 months (paid or unpaid) accepted Up to 3 months non-mortgage related arrears (within the last 3 months) Discharged from bankruptcy (1 day accepted) 	
Cash Out	Unlimited [*]	
Debt Consolidation	Debt consolidation for an unlimited number of debts including payout of IRD debts	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> Declaration of financial position plus two of the following: <ul style="list-style-type: none"> 6 months business bank statements (inclusive of the last 1 month) 6 months GST101 returns NZBN registered for 12 months Pepper Money accountant's letter (not accepted on loan sizes > \$1,500,000) GST registration is required where business revenue is greater than \$60,000 or business activities require GST to be collected. 	
Acceptable Securities	Residential securities in categories 1 - 3 with a maximum land size of 25 acres (10 hectares)	

Product Features

Loan Term	10 – 40 years
Repayment Options	<ul style="list-style-type: none"> Principal and Interest Interest Only (maximum 5 years followed by Principal and Interest) <p>For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria</p> <p>Interest Only is limited on owner occupied properties to 50% of total loan limit</p>
Redraw	<ul style="list-style-type: none"> Minimum manual redraw amount is \$1,000 Minimum online redraw is \$50 <p>Note: at least 1 split needs to be floating to transact via redraw</p>
Account Splits	Maximum of four splits
Lump Sum Payments	Free additional payments are allowed (up to \$10,000 p.a. for fixed rate loans)

Refer to pages 12 and 13 for additional Servicing and Lending Policy requirements

^{*} Cash out may require verification of use.



Pepper SPECIALIST

Product Specifications

	Full Doc	Full Doc PLUS
Loan Purpose	Purchase or refinance of owner occupied or investment properties (refer to specific pricing of investment loans)	
Minimum Loan Size	\$100,000	For all loan sizes refer to Product Comparison
Maximum Loan Size	\$2,500,000 (up to 70% LVR)	\$1,500,000 (up to 75% LVR)
Maximum LVR	<ul style="list-style-type: none"> Up to 80% (inclusive of fees) for loans up to \$1,500,000 Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes 	<ul style="list-style-type: none"> Up to 80% (inclusive of fees) for loans up to \$1,000,000 Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes
Credit History	<ul style="list-style-type: none"> Unlimited defaults, judgements and writs up to \$1,000 accepted Unlimited defaults, judgements and writs greater than \$1,000, listed longer than 12 months (paid or unpaid) Up to 1 month mortgage arrears (within last 6 months) Up to 6 months of non-mortgage arrears Discharged from bankruptcy (1 day accepted) 	<ul style="list-style-type: none"> Unlimited defaults, judgements or writs from 1 credit event less than 12 months (paid or unpaid) Unlimited mortgage and non-mortgage arrears (within last 6 months)
Cash Out	Unlimited*	Unlimited up to 75% LVR*
Debt Consolidation	Debt consolidation for an unlimited number of debts including payout of IRD debts	
Income Documentation (PAYG)	<ul style="list-style-type: none"> Employers Summary Letter and two recent computerised pay slips (within the last 4 weeks) OR; <ul style="list-style-type: none"> Either an Employers Summary Letter or two recent computerised payslips (within the last 4 weeks) AND one of: <ul style="list-style-type: none"> - 3 months bank statements showing salary credits - Most recent computerised tax certificate - Taxation Return prepared by a registered tax agent - Most recent tax assessment notice 	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> Last 2 years certified tax returns* and tax assessment notices; OR Last 2 years financial statements prepared and signed by a registered tax agent or accountant. 	
Acceptable Securities	Residential securities in categories 1 - 3 with a maximum land size of 25 acres (10 hectares)	

Product Features

Loan Term	10 - 40 years
Repayment Options	<ul style="list-style-type: none"> Principal and Interest Interest Only (maximum 5 years followed by Principal and Interest) For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria Interest Only is limited on owner occupied properties to 50% of total loan limit
Redraw	<ul style="list-style-type: none"> Minimum manual redraw amount is \$1,000 Minimum online redraw is \$50 Note: at least 1 split needs to be floating to transact via redraw
Account Splits	Maximum of four splits
Lump Sum Payments	Free additional payments are allowed (up to \$10,000 p.a. for fixed rate loans)

Refer to pages 12 and 13 for additional Servicing and Lending Policy requirements

^Cash out may require verification of use.

* Depending on the age of the tax returns, additional verification may be required.



Pepper SPECIALIST

Product Specifications

	Alt Doc	Alt Doc PLUS
Loan Purpose	Purchase or refinance of owner occupied and/or investment properties (refer to specific pricing of investment loans)	
Minimum Loan Size	\$100,000	For all loan sizes refer to Product Comparison
Maximum Loan Size	\$2,500,000 (up to 70% LVR)	\$1,500,000 (up to 75% LVR)
Maximum LVR	<ul style="list-style-type: none"> Up to 80% (inclusive of fees) for loans up to \$1,000,000 Up to 80% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes 	<ul style="list-style-type: none"> Up to 75% (inclusive of fees) for loans up to \$1,500,000 Up to 75% LVR for investment purchases (New Build only) Up to 60% LVR for other investment purposes
Credit History	<ul style="list-style-type: none"> Unlimited defaults, judgements and writs up to \$1,000 accepted Unlimited defaults, judgements and writs greater than \$1,000, registered longer than 12 months (paid or unpaid) Up to 1 month of mortgage arrears (within last 6 months) Up to 6 months non-mortgage arrears Discharged from bankruptcy (1 day accepted) 	<ul style="list-style-type: none"> Unlimited defaults, judgements or writs from 1 credit event within last 12 months (paid or unpaid) Unlimited mortgage and non-mortgage arrears (within last 6 months)
Cash Out	Unlimited up to 75% LVR [*]	Unlimited up to 70% LVR [*]
Debt Consolidation	Debt consolidation for an unlimited number of debts including payout of IRD debts	
Income Documentation (Self-Employed)	<ul style="list-style-type: none"> Declaration of financial position plus two of the following: <ul style="list-style-type: none"> 6 months business bank statements (inclusive of the last 1 month) 6 months GST101 returns NZBN registered for 6 months Pepper Money accountant's letter (not accepted if NBNZ registered for < 12 months, on loan sizes > \$1,500,000 or on PLUS) GST registration is required where business revenue is greater than \$60,000 or business activities require GST to be collected. 	<ul style="list-style-type: none"> Declaration of financial position plus two of the following: <ul style="list-style-type: none"> 6 months business bank statements (inclusive of the last 1 month) 6 months GST101 returns NZBN registered for 12 months GST registration is required where business revenue is greater than \$60,000 or business activities require GST to be collected.
Acceptable Securities	Residential securities in categories 1 - 3 with a maximum land size of 25 acres (10 hectares)	

Product Features

Loan Term	10 – 40 years
Repayment Options	<ul style="list-style-type: none"> Principal and Interest Interest Only (maximum 5 years followed by Principal and Interest) For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria Interest Only is limited on owner occupied properties to 50% of total loan limit
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Account Splits	Maximum of four splits
Lump Sum Payments	Free additional payments are allowed (up to \$10,000 p.a. for fixed rate loans)

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^{*} Cash out may require verification of use.

Product Comparison

	Pepper PRIME		Pepper NEAR PRIME		Pepper ADVANTAGE			
	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Full Doc PLUS	Alt Doc	Alt Doc PLUS
Max LVR	Up to 85%		Up to 85%		Up to 85%			
Loan Term	10 - 30 years		10 - 40 years		10 - 40 years			
Interest Only (maximum 5 years)	Maximum 5 years followed by Principal and Interest (refer to specific pricing of Interest only and investment loans)^ ^		Maximum 5 years followed by Principal and Interest (refer to specific pricing of Interest only and investment loans)^ ^		Maximum 5 years followed by Principal and Interest (refer to specific pricing of Interest only and investment loans)^ ^			
Income Documentation (PAYE)	Employers Summary Letter and two recent pay slips OR; One of the above documents AND one supporting document*	⊗	Employers Summary Letter and two recent pay slips OR; One of the above documents AND one supporting document*	⊗	Employers Summary Letter and two recent pay slips OR; One of the above documents AND one supporting document*		⊗	
Income Documentation (Self-employed)**	Last 2 years tax returns & tax assessment notices; OR last 2 years financial statements	GST Registration^ Any three supporting documents**	Last 1-year tax return & tax assessment notice*** OR last 1-year financial statements	GST Registration^ Any two supporting documents**	Last 2 years tax returns & tax assessment notices; OR last 2 years financial statements		GST Registration^ Any two supporting documents**	
Credit impairments up to \$1,000#	⊗ (paid defaults up to \$500 considered)		⊙ (paid/unpaid defaults up to \$1000 considered)		⊙			
Credit impairments < 12 months†	⊗		⊗		⊗	⊙ (Unlimited when due to 1 credit event)	⊗	⊙ (Unlimited when due to 1 credit event)
Credit impairments > 12 months†	⊗		Unlimited when listed >24 months		⊙			
Mortgage Arrears	⊗		⊗		⊙ (Up to 1 month within last 6 months)	⊙	⊙ (Up to 1 month within last 6 months)	⊙
Non-mortgage Arrears	⊗		Up to 3 months within last 3 months		⊙	⊙	⊙	⊙

* Supporting PAYE Documentation includes; 3 months bank statements showing salary credits, most recent computerised tax certificate, Taxation Return prepared by a registered tax agent or most recent tax assessment notice

** Supporting self-employed documentation includes - 6 months business bank statements, 6 months GST101 returns, Confirmation of NZBN registration or Pepper Money accountant's letter. Pepper Money accountant's letter is not available for use on NEAR PRIME and SPECIALIST loans > \$1.5m, SPECIALIST loans where NZBN has been registered for < 12 months or SPECIALIST PLUS.

*** 1-year tax return only available for NEAR PRIME Full Doc customers with clear credit and the IRD tax notice of assessment is less than 6 months old at the application date. For customers without a clear credit history, last 2 years of tax returns & IRD tax notice of assessments OR last 2 years of financial statements prepared by a registered tax agent or accountant, will be required.

^ GST registration is required where business revenue is greater than \$60,000 or business activities require GST to be collected.

^^ For Investment properties, after an initial 5 years interest only period, an additional interest only period of up to 5 years considered, subject to reassessment criteria

Loan size limits (applicable to residential securities in categories 1 - 3)

LVR (%)	ESSENTIAL (Prime)		EASY (Near Prime)		ADVANTAGE (Specialist)				
	Full Doc	Alt Doc	Full Doc	Alt Doc	Full Doc	Full Doc PLUS	Alt Doc	Alt Doc PLUS	
Up to 70		\$2.5m Auckland \$2.0m Category 1 \$1.5m Category 2 \$1.0m Category 3					\$1.5m Category 1 \$1.5m Category 2 \$1.0m Category 3	\$2.5m Auckland \$2.0m Category 1 \$1.5m Category 2 \$1.0m Category 3	\$1.5m Category 1 \$1.0m Category 2 \$750k Category 3
>70 - 75		\$2.5m Auckland \$2.0m Category 1 \$1.5m Category 2 \$1.0m Category 3			\$2.0m Category 1 \$1.5m Category 2 \$1.0m Category 3		\$2.0m Auckland \$1.5m Category 1 \$1.5m Category 2 \$1.0m Category 3		
>75 - 80		\$2.0m Category 1 \$1.5m Category 2 \$1.0m Category 3			\$1.5m Category 1 \$1.25m Category 2 \$750k Category 3		\$1.0m Category 1 & 2 \$750k Category 3		
* >80 - 85	\$1.0m Category 1 & 2 \$750k Category 3 Metro locations only		\$1.0m Category 1 & 2 \$750k Category 3 Metro locations only		\$1.0m Category 1 & 2 \$750k Category 3 Metro locations only				

* Offer applies to 'New Build' Prime, Near Prime and Specialist Full Doc home loan applications with LVR >80-85%. Available for Metro security locations only.

A New Build is

- a property where the borrower has made a financial and legal commitment to buy in the form of a purchase contract with the builder, prior to the property being built or at an early stage in construction. This will be a loan to finance the purchase of a property, which will be settled (in one payment) once the build is complete Or
- a newly-built entire dwelling completed less than six months before the mortgage application. The dwelling must be purchased from the original developer (the contract to buy at completion can be agreed while the building is still being constructed).

Servicing and additional Lending Policies

Acceptable Employment & Income

Employment Type	Income Definition	Allowance
Full or Part-Time or Contract (PAYG)	Base salary, allowances and shift penalties. PRIME [^] <ul style="list-style-type: none"> • Minimum 12 months continuous employment within same industry, or • Minimum 6 months employment with current employer. NEAR PRIME CLEAR, NEAR PRIME OR SPECIALIST No minimum time frame required.	100%
Casual or Second Job	PRIME or SPECIALIST PLUS Minimum 12 months continuous service with current employer. NEAR PRIME or SPECIALIST Minimum 6 months continuous service with current employer (with a minimum of 18 months continuous employment within the same industry). <i>Note: Casual income based on a 48-week year to account for 4 weeks annual/unpaid leave. Total working hours for all jobs not to exceed 60 hours per week.</i>	100%
Overtime	If a condition of the applicant's employment.	100%
Commission/Bonuses	PRIME 100% if confirmed as received for the last 2 years from current employer. The average of the last 2 years is to be used in the servicing assessment. NEAR PRIME or SPECIALIST Must be demonstrated over the last 12 months.	100%
Self-Employed	Acceptable forms of income including Net Profit Before Tax, Directors wages/salaries, Depreciation, Interest on debts being refinanced and Kiwisaver. Alt Doc PRIME - Minimum self-employed period of 24 months. NEAR PRIME & SPECIALIST PLUS - Minimum self-employed period of 12 months SPECIALIST - Minimum self-employed period of 6 months <i>Note: Kiwisaver is only an acceptable addback if paid in excess of 3% mandatory contribution.</i>	100%
Pensions	Work and Income New Zealand received (e.g. aged, invalid etc.) [^]	100%
NZ Super	Pension or annuities.	100%
Rental Income	Rental income to be received post settlement.	80%
Boarder Income	Boarder income to be received post settlement. Where the boarder income is not currently being received and is to be received from the property being purchased, allowable on PRIME and NEAR PRIME loans up to an LVR of 80% and must be from a non-family member and formally documented. Reliance on such income is capped at \$240 per week.	100%
Housing Allowance	Allowance provided by employer or government bodies (not accepted on PRIME).	
Interest and Dividends	Income from cash deposits held or share portfolios. 2 years consistency required and capital gains on sale of assets is not acceptable.	100%
Forms of Guaranteed Income	Inheritance and trust beneficiaries etc (not accepted on PRIME).	100%
Child Support Payments	If a court order or a child support agency agreement exists or proof of receipt for a period of 3 months continuous payments with no age restrictions. The following evidence of receipt of payments is required: <ul style="list-style-type: none"> • Proof of receipt of maintenance for a continuous period of at least 3 months by way of savings statements; or • Child Support Agency letter to confirm the maintenance agreement. <i>Only accepted on PRIME where the benefit is available for the next five years.</i>	100%
Family Payments	Family Working Form payment for dependent children regardless of age. <i>Only accepted on PRIME where the benefit is available for the next five years.</i>	100%
Fully Maintained Company Car	Maximum of \$5,000 can be added to the Gross Taxable Income.	Up to \$5,000
Car Allowance	100% if a condition of a borrower's employment.	100%

[^] Applicants with a majority of their income from Work and Income New Zealand must demonstrate a minimum NSR of 1.25x.

^{^^} Where the borrower is on probation, application can be considered based on the strength of the borrower's overall position

Please note:

- Income from dividends and distributions are excluded.
- An average of the last 2 years income is used for servicing unless the most recent year is less than the average. In this case the most recent year is used.
- The % of income allowed is based on the borrower being able to meet the Acceptable Employment Type policy.

Self-employed Trading Tenure

Minimum trading tenure required for self-employed applicants:

PRIME NEAR PRIME SPECIALIST	Full doc	2 years
PRIME	Alt doc	2 years
NEAR PRIME	Alt doc	12 months
SPECIALIST	Alt Doc	6 months

Servicing

All loans to be serviced at a benchmark rate of 2% above the applicable rate. Applicants that have majority of their income from Work and Income New Zealand Income can only qualify for a maximum 75% LVR on the SPECIALIST Full Doc and serviceability must be a minimum NSR of 1.25x. Refer to Pepper's serviceability calculator.

Security

Maximum Exposure Limits:

- The maximum exposure per applicant is \$3,000,000.
- The maximum exposure per security is \$1,600,000.

Security Titles Considered:

- Freehold, Unit Title.

Unacceptable Security Titles:

- Maori land

Units:

- Restriction on units within high density post codes apply. Unit blocks cannot be comprised of more than 35 units when located within a high-density post code.
- Maximum three securities per development or maximum exposure not more than 25%.
- Maximum LVR on new units (< 12 months old) of 75% and all other units 80%.

Will Not Lend On:

Rural properties, commercial properties, relocatable and mobile homes, serviced apartments, studio apartments, resort complexes, retirement villages, bedsits and heritage listed buildings.

Responsible Lending

Pepper Money is committed to responsible lending. We recognise the importance of working with our valued distribution partners to ensure we all play our part in conducting business in an ethical and responsible manner.

Applications are subject to the lender completing responsible lending checks and considering the borrower's individual circumstances

Additional Lending Policies

All mortgage applications must clearly demonstrate a financial benefit to the applicant(s).

Pepper Will Lend To:

- Private partnerships, companies, trustees (maximum 6 borrowers).

Non-Conforming and Private or Solicitor Loans:

Will refinance non-conforming, private and solicitor loans.

Mortgage Statements:

- 6 months mortgage statements required on any owner occupied or investment loan being refinanced.
- 12 months mortgage statements required on refinancing of non-conforming loans.

Bank Statements:

Pepper Money may require the applicant's last 3 months personal banks statements to verify income or where non-mortgage debts are being consolidated.

Servicing

¹ Category 1: Auckland, Christchurch, Hamilton, Wellington, Tauranga.

Category 2: Dunedin, Nelson, Napier, New Plymouth.

Category 3: All other areas.

² Additional terms and conditions apply to Interest Only loans which are set out in the customer's loan agreement. Principal and Interest repayments are calculated on the residual loan term.

Important information

Information current as at 08 June 2023 and subject to change.

You are protected by responsible lending laws. Because of these protections, the recommendations given to you about home loans are not regulated financial advice. This means that duties and requirements imposed on people who give financial advice do not apply to these recommendations. This includes a duty to comply with a code of conduct and a requirement to be licensed.

Applications are subject to the lender completing responsible lending checks and considering the borrower's individual circumstances. Credit assessment, eligibility criteria, lending limits, terms, conditions, fees and charges apply.

This document is a guide only and not to be used as a substitute for qualified professional advice. The information is believed to be correct at the time of distribution. Pepper Money does not accept responsibility for any outcome that might result from using or relying on the content of this presentation.

Information provided is factual information only and is not intended to imply any recommendation about any financial product(s) or constitute tax advice. If you require financial or tax advice you should consult a licensed financial or tax adviser.

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Sales Support

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