



MCP CREDIT GUIDE

Australian Credit Licence No. 385476 | Version 3.8 | 2020



Licensee Details

The Trustee for MCP Trust & The Trustee for The Group Trust
ABN 84 301 023 850 ("MCP")

A Level 6, 575 Bourke Street Melbourne 3000
T (03) 9620 2001
W www.mcpfinancial.com.au
E enquiry@mcpgroup.com.au

Broker Group

Finance & Systems Technology Pty Ltd
ACN 092 660 912 ("FAST")

Credit Representative Number 392527

A Level 10, 700 Bourke Street Melbourne 3008
T (02) 9233 8222

Introduction

Thank you for considering MCP Financial Services for your credit requirements. Our vision is to help build the financial literacy of our customers.

This Guide outlines important information about the finance broking services we provide.

We provide our Credit Guide where it is apparent that we will be providing any credit assistance, including any application with a credit provider.

For **regulated** credit matters, we must comply with the obligations outlined in the National Consumer Credit Protection Act 2009 ("The Code").

Even where the purpose of the credit assistance is for commercial or business purposes ("Unregulated"), we do adopt the spirit of the code that cover Responsible Lending and Best Interest Duty amongst other matters.

MCP holds accreditations with a range of financial institutions for the provision of finance & mortgage broking services to individuals and businesses.

MCP holds an Australian Credit Licence (Number 385476) and has an authorised team of Credit Representatives that engage in specific credit activities under this licence.



Our Obligations & Desired Outcomes

We represent credit providers and have obligations to them, in particular not to provide any information we know is misleading or deceptive and ensure that any loan or principal increase is not unsuitable for you.

We also have obligations under the law to report any fraud, forgery, or other illegal activities.

To ascertain if the loan is not unsuitable, we:

- Make reasonable inquiries about your requirements and objectives;
- Make reasonable inquiries about your financial situation; and
- Take reasonable steps to verify that financial situation.

As part of this process we complete a Preliminary Assessment. Ultimately, this will help you choose credit that is suitable for your circumstances and is in your best interests. We also need to help you ensure, at the time you are seeking credit, that you can afford the proposed loan repayments.

A copy of this Preliminary Assessment is maintained by us and is available for your review on request.

Credit products may include, but are not limited to, variable rate loans, fixed rate loans, lines of credit and loans with varying functionality.

Our objectives are aligned with the Combined Industry Forum's definition of good customer outcomes. This states, *"The customer has obtained a loan which is appropriate (in terms of size and structure), applied for in a compliant manner and meets the customer's set of objectives at the time of seeking the loan."*

We appreciate your support in gathering the information that we require, and we acknowledge that this can be considerable at times.

Finance Broking Remuneration

Our basis of remuneration includes fees, commissions or a combination of both. At all times, we want to ensure that we are transparent in our dealings with you in this respect.

For regulated mortgage credit matters, MCP generally receive an upfront and trailing commission from the financier which is outlined further under "Remuneration".

We are only remunerated on this basis if the credit facility arranged on your behalf is drawn down.

If funding is closed within 18-24 months from draw-down, our upfront remuneration may be subject to "Claw-back". Claw-backs are generally between 50% -100% of the upfront fee received by us.

For Leasing (Asset Finance) we generally receive a percentage of the financed amount (generally between 0% and 5%). Trailing commission is generally not payable.

For unregulated credit matters, including commercial purpose finance, remuneration structures are more varied. MCP may receive an upfront and trailing commission from the financier, similar to the regulated structure above. Or charge an agreed fee or a percentage of the loan amount.

We support "Best Interest Duty" where we must act and place your interests ahead of our own. If you feel at any time this is not being demonstrated please contact us.

We will not accept, and credit providers and intermediaries cannot pay, conflicted remuneration. This includes any monetary or non-monetary benefit that could reasonably be expected to influence the credit assistance provided.

It is not practical or responsible to hold accreditations with all financiers. Importantly though, we are not required by our Broker Group or others to recommend any particular credit provider. We do not have or impose any quotas or obligations in relation to making recommendations.

Referral Partners

We obtain referrals from different origins, including accountants, financial planners or others ("Referrers").

For some of these Referrers, we may have a formal agreement about how we provide our service, including any commitment to share any commissions or fees.

More detail about any payments will be set out in the disclosure documents we provide before we provide you with credit assistance. For more information please visit www.mcpfinancial.com.au/alliances.

Privacy

We need to collect personal information about you to provide you with our finance broking services.

The information is required to assist you in preparing the loan application, and locating an appropriate credit provider. If your information is not provided we may not be able to find a suitable product for you or meet our obligations under the law.

Unless you instruct us not to, we may use your information to provide you with offers or information of other services we or a third party can provide you with.

We may disclose your information to other organisations to help us provide our services and arrange the loan.

The types of organisations include credit providers, mortgage insurers, other mortgage intermediaries, valuers, our aggregator, referrers that referred your business to us and relevant organisations that assist in the process.

In addition, we may disclose your personal information to any other organisation that may wish to, or has acquired, an interest in your loan, or in our business.

If you provide information about another person in relation to our service, you will let that person know that we will handle this personal information in accordance with our Privacy Policy, which may include sharing this information with other organisations.

Our Authority is outlined formally below:

Authority for an agent to obtain access to an individual's credit information file held by a credit reporting agency (Privacy Act 1988) authorise MCP to:

Act as my/our agent in seeking access to my/our consumer credit information file held by a credit reporting agency.

This authority only applies to inquiries made by MCP or associated entities in connection with:

- An application, or proposed application, by me/us for the credit.
- My/our having sought advice in relation to existing credit.

You can gain access to the information we hold about you without charge, including the details of any preliminary credit assessment, by contacting us. For more information on our privacy policy, please visit our website www.mcpfinancial.com.au.

If you require further information about your privacy, you can visit the Office of the Australian Information Commissioner's website at www.oaic.gov.au.

Remuneration - Regulated (Mortgage)

Commissions are payable by credit providers, including via our Broker Group where appropriate.

The upfront financial benefit received is generally between 0.50% and 0.65% of the net amount borrowed, and a trailing commission of between 0.15% and in limited cases up to 0.30% (plus GST).

The upfront commissions are paid on the draw-down amount of your loan, not the limit, net of any proceeds in offset accounts.

The trailing commissions paid monthly are based on the average loan balance, less monies held in offset accounts.

The amount of any commission received, or any quote for any fee charged to you, will be documented and disclosed to you in advance. At times we will need to quote a range as the actual amount is not ascertainable.

The following are the top six (6) residential lenders and their commissions, and the percentage of all regulated credit written by us in the previous financial year.

| FINANCIER | % OF TOTAL | UPFRONT FEE | TRAILING FEE |
|--------------------------|------------|---------------|---|
| ANZ | 16.3% | 0.625 - 0.65% | 0.15% (year 1-3), 0.20% (year 4+) |
| Bank of Melbourne | 15.5% | 0.65% | 0.15% |
| CBA | 8.9% | 0.60 - 0.65% | 0.15% (year 1-3), 0.20% (year 4+) |
| Macquarie Bank | 16.7% | 0.65% | 0.15% |
| NAB | 5.9% | 0.65% | 0.15% (year 1-2), 0.20% (year 3), 0.25% (year 4), 0.30% (year 5+) |
| Westpac | 7.5% | 0.65% | 0.15% |

There are a broad range of lenders and lessors that we hold accreditations with. This includes lenders and lessors that are part of our Broker Group and others where we have direct arrangements.

Our objective is to seek access to credit providers that best meet the needs of our customers.

The list of the lenders that we have accreditation via our Broker Group and wider panel is available and updated at www.mcpfinancial.com.au/mortgage-finance

Unregulated (Commercial) Finance

Other types of credit activities done by MCP, including commercial property, equipment and business finance are subject to less structured commission or no commission arrangements.

You can request information from us about the fees that we may receive, how those fees are calculated, and our reasonable estimate of the amount that will be payable.

Our accreditation panel includes major and second tier banks, specialist working capital financiers, asset financiers and privately owned lending networks.

In some instances, we may need to reach out beyond this existing panel to provide support to you.

Ownership

We obtain mortgage aggregation services from **FAST** ("Broker Group"). The Broker Group is a member of the National Australia Bank Group. The Broker Group provides services at arm's-length to our business which include IT systems, loan information and lodgement systems, training and development, commission processing, conferences and professional development events, and assistance with regulatory and compliance obligations.

In consideration of the services the Broker Group gives us, we pay fees to the Broker Group or the Broker Group retains some of the commission panel lenders pay on loans we arrange. We have access to Broker Group panel of lenders including NAB Group and Broker Group branded products.

Our business is owned and managed independently from the Broker Group and National Australia Bank Limited (NAB).

We and our Broker Group do not receive any volume based benefit for residential home loan products. However, from time to time we or the Broker Group may receive a benefit, directly by way of cash bonus or additional commissions or indirectly by way of training, professional development days or sponsorship, if we or the Broker Group write a particular volume of loans offered by lenders for products such as commercial and lease products.

Broker Benefits Disclosures

We are required to keep a register of benefits received from any lenders or aggregators to the value of \$100 or more which is kept current (over a rolling 12 month period and housed for 3 years). In the interest of transparency and good customer outcomes, an applicant may request a copy of this register to ensure there are no lender conflicts.

Conflicted Remuneration

We support the best interests of customers when providing credit assistance. Conflicted remuneration (monetary or otherwise) is not accepted by us.



Complaints & Dispute Resolution

The quality of our service provided to you is always important.

If you have any comments, suggestions or concerns about our services, please contact our team or our Customer Experience team led by:

Michael Poynter

A Level 6, 575 Bourke Street Melbourne 3000

E m.poynter@mcpgroup.com.au

T (03) 9620 2001

Our team will acknowledge receipt of your complaint and provide a response within five (5) business days.

If we are unable to resolve your problem, you may also contact our external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints.

Our external dispute resolution provider is AFCA (Australian Financial Complaints Authority) and their details are outlined below:

Australian Financial Complaints Authority:

A GPO Box 3 Melbourne VIC 3001

W www.afca.org.au

T 1800 931 678

E info@afca.org.au

Additional Information

Should you have any queries or points of clarification in respect of this Credit Guide, we would be pleased to assist you.

MCP has representation in Melbourne, Bendigo, Brisbane and Geelong.