



## PEPPER HOMELOANS INCREASES OFFER

### News Release

Wednesday 24 April 2013, Sydney - Pepper today unveils exciting changes to its product offerings in an ongoing commitment to supporting broker businesses and delivering greater competition to the specialist home loan market.

The significant updates across Pepper's suite of mortgage products provides brokers with a choice of home loan offerings that are more competitive and allow their clients greater flexibility.

The changes are effective Wednesday 24 April, and include:

Policy changes including the introduction of a Pepper Accountant's Letter for verification of self-employed income (endorsed by Gadens partner Jon Denovan) and higher allowances for fee capitalisation. Reduced Mortgage Risk Fees on lower LVRs. Pepper Flexi Advantage (full doc) now available from 6.99 per cent, with a reduced mortgage risk fee (MRF) from 0.75 per cent. Pepper Self-Employed Advantage (alt doc) now available from 7.09 per cent, with a reduced MRF from 0.75 per cent. Pepper Easy (near-prime) now available at higher loan-to-value ratio (LVR) tiers – up to 90 per cent (full doc) and up to 85 per cent (alt doc). These changes open up a range of new opportunities for brokers to write specialist loans.

Mario Rehayem, Pepper's director of sales, said: "Following extensive consultation with our supporting brokers, Pepper is excited to reveal a number of significant changes to our home loan products. The market is continually evolving and our capacity to understand these changes and take appropriate and timely action ensures our product offering remains relevant and competitive."

The policy and rate changes are a reflection of Pepper's ongoing dialogue with brokers and follow a series of initiatives by Pepper to provide the broker community with additional business support and professional development.

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Notes to editors:

About Pepper – Key Facts

Pepper Australia Group ("Pepper") is Australia's largest non-bank residential mortgage lender (as measured by total assets under management), a leading provider of specialty residential mortgage financing and a highly experienced third-party loan servicer and asset manager. The Group currently has approximately A\$6.0 Billion of loan and lease assets under management (comprising residential mortgages, commercial mortgages, equipment leases, small business loans, personal loans and car loans). Since establishing itself as a specialist residential mortgage lender in the Australian market in March 2001, Pepper has originated more than A\$3.8 billion of specialist residential mortgages in Australia. In 2011 Pepper acquired GE Capital's Australian and New Zealand mortgage lending businesses, which comprised a portfolio of approximately A\$5.0 billion of Australian and New Zealand residential mortgages. This transaction was one of the largest whole loan transactions in Australian history. In June 2012 Pepper also announced the acquisition of GE Capital's Irish mortgage assets and business platform as part of a servicing-led business strategy to participate in future balance sheet deleveraging and asset management opportunities in select European markets. In February 2013 Pepper continued its geographic expansion in Europe with the acquisition of the Spanish Group Celeris' business platform and portfolio of consumer loans. Pepper's current wholesale funding partners include Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation. In addition to lending and servicing its own mortgage portfolio, Pepper provides third party servicing of various types of mortgages, leases and unsecured loan products. Pepper is jointly led by Executive Chairman, Mike Culhane, and Group Managing Director & CEO, Patrick Tuttle. Mike and Patrick are focused on ensuring Pepper continues to leverage its core credit underwriting and loan servicing expertise both in its home market of Australia and other under-served markets in Europe and Asia. Pepper is ranked by S&P as a "STRONG" Residential Loan Servicer and is included on S&P's Global Select Servicer List.