



## Loan Increase Process

Borrowers can apply to increase the loan amount under their existing loan, which if approved, will be performed by simply varying their current loan contract. On application and formal approval by RAMS, RAMS will forward variation loan agreements to all borrowers as well as any guarantors. Current BSB and account numbers will remain unchanged.

## Documentation

RAMS requires an Application to Vary Your Loan form to be completed and signed by all borrowers and any guarantors on the loan, together with the privacy consent and disclosure statement.

## Timeframes

On receipt of a fully completed application with all supporting documentation and once a conversation about your requirements and objectives has been completed, our credit assessment team aims to process the application, including approval from mortgage insurers if applicable, within approximately 10 working days. Loan variation agreements are prepared and forwarded to the borrowers and any guarantors. The timeframe to completion is dependent on all borrowers and (if applicable) guarantors signing and returning the documents we send out. A copy of the loan variation agreement is provided to each loan party. The loan variation is usually finalised within 2 working days of RAMS' receipt of the signed, original documents.

## Valuation of the Security Property

In order to assess the variation proposal, RAMS may require any properties held as security for the loan to be re-valued.

## Fees

The following fees will be payable on finalisation of the increase request:

- A valuation fee of up to \$220 per security property
- Lender's Mortgage Insurance (if applicable)
- \$150 fixed rate break fee (if applicable)
- Fixed rate unwind adjustment (if applicable)

## Credit Assessment

The increase in total funds advanced is assessed using the RAMS responsible lending principles taking into consideration all borrowers' allowable income against all outgoings and reasonable living expenses. The Credit Manager will also consider the loan purpose and calculate any increase to assess whether the loan to value ratio satisfies RAMS' credit criteria.



## FAQs

### What supporting documentation do I need to provide to RAMS?

Please refer to the RAMS Preparing for your Loan Appointment Checklist.

### Can I have the Lender's Mortgage Insurance Premium to cover mortgage insurance added to the loan amount?

Yes, but if you want to do this you must request it in the increase application. Maximum loan to valuation restrictions apply.

### What can I do if the new valuation comes in lower than my expectations?

RAMS uses independent registered property valuers to provide a market valuation of the property. If you are unhappy with the valuation, RAMS will first confirm with you that the report includes a complete description of the property. You may also provide comparable sales from properties sold in the area. However, we cannot provide an assurance that the valuer's valuation of the property will change as a result of a review.

### How are my increase loan funds disbursed?

A Direction to Pay form is included with the loan variation documents that we send you to complete. RAMS will disburse your funds according to these instructions, unless there are conditions on the loan that require RAMS to disburse funding in a different way, for example to reduce other debts. Funds can be held in the loan account to enable you to access via your redraw option (if applicable) or deposited to an external account that you specify.

### Do I receive the funds if I am paying out a debt?

RAMS will control the reduction of these external debts by direct credit or by issuing you with a cheque made out to the lender.

### What happens to my repayments after the increase is settled?

The loan account and loan account number do not change and the way the loan is repaid, including the repayment frequency does not change. The variation agreement will show the repayments based on the balance owing on your loan account plus any available redraw plus the additional loan amount.

These repayment details assume that:

- The interest rate at the variation date does not change
- Fees and charges do not change after the variation date
- Repayments are made on time which is unlikely to be the case

After funding your loan increase we will send you a settlement letter advising the changed repayment amount.