*FAST*Refi® FAQs
Lender & Brokers

First Title

*FAST*Refi® FAQs - Lender and Broker

1. What is *FAST*Refi®?

*FAST*Refi® is a process that allows a refinance to occur very quickly (usually within days rather than weeks) after loan documents have been signed without the need to arrange a settlement with the Outgoing Financial Institution (OFI) before the refinance of a loan settles.

2. What are the benefits for the borrower of using *FAST*Refi®?

a. Better customer experience as funds received within days of returning signed loan documents

b. Customer accesses lower interest rate faster – saving money

c. Customer receives surplus funds faster

d. Certainty of date for funds

3. What are the benefits for the Lender of using *FAST*Refi®?

a. Faster drawdown of loan

b. Guarantee conversion – avoid retention teams

c. Competitive advantage – gives your customers more options

d. No need to wait for settlement by the Lender and OFI

4. Can all refinance loans be processed as *FAST*Refi®?

Not all loans can be processed as *FAST*Refi®. The following conditions need to be satisfied to be able to proceed as a *FAST*Refi®:

- Please check that the Outgoing Financial Institution is on the OFI List (link to most recent version)
- Loan is not an active construction loan that has further progress payments remaining
- Security Property is not Native Title, Company Title, Old System Title or Moiety Title (SA)
- No unregistered dealings that may prevent registration of a mortgage
- Mortgagor names need to match exactly or Change of Name needs to be held before settlement

5. What extra forms does the customer need to sign for *FAST*Refi®?

There are two additional forms that the customer needs to complete and sign for *FAST*Refi®. These forms will be included in with the other home loan documents. These forms are:

- Borrower's Acknowledgment, Undertaking and Payout Advice (BAUPA) form
- Irrevocable Authority form

Instructions on how to complete these two forms are included on the forms. It is important that the customer completes these forms as accurately and quickly as possible.

6. What happens with the Discharge Authority form?

It's very important that the Discharge Authority form is not sent to the OFI (outgoing financial institution) otherwise they may be alerted to the fact that the customer is looking to refinance their loan.

The discharge form must be returned with all the other *FAST*Refi® forms and loan documents. We will complete this part of the process by sending the form to the OFI.

7. How much does it cost the borrower to refinance using the *FAST*Refi® process?

There are no additional costs for the customer to process a refinance using *FAST*Refi®.

8. Why does the payout figure need to be higher than the loan?

Inform the customer that the allowances and buffer are not *FAST*Refi® fees, but are included to ensure the existing loan is paid out in full. Any surplus amount that is not used to close the current loan will be refunded to the customer shortly after settlement.

9. How is the payout figure calculated?

The payout figure calculation is as per below example. You can access a simple payout calculator here -

Existing loan balance	**+**	**$250,000.00**
1 Months Repayment	**+**	**$2,000**
1 Months Interest	**+**	**$1,200**
Buffer	**+**	**$500**
Discharge fee for OFI	**+**	**$350**
Loan Payout Figure		**$254,050**

10. What is the buffer?

As FASTRefi doesn't require us to attend settlement with the Outgoing Lender(s), we need to ensure that we send enough funds to payout the entire loan.

A buffer is an amount that we add to each payout figure to cover any additional fees or charges by the OFI to close the account. This helps to ensure we payout the refinanced loan in full.

Any surplus amount will be returned to the customer once the mortgage has been registered.

11. What are surplus funds?

Surplus funds are the funds that the Outgoing Lender doesn't use to payout the existing loan. These funds will automatically be returned to the borrower by the Outgoing Lender after settlement.

12. What is a Shortfall of Funds?

Normally the buffer amount above is adequate to payout the outgoing lender, however in some instances there may still be an amount outstanding. This is referred to as a shortfall. Shortfalls usually occur when the borrower has forgotten to disclose all debts linked to the security property, redrawn funds from an account being refinanced or have not cancelled direct debits processed on the account.

13. Why can the borrower still see their old loan account?

There's no need for the customer to worry if they notice interest accumulating on both their old loan and new loan accounts. The interest charges on their old loan will be backdated to when the loan payment was made to it.

14. Where can I get more information on FASTRefi?

Link to Lender Intranet site

15. Where can my customer get more information on *FAST*Refi®?

Please provide the brochure 'Your Guide to FASTRefi' to your customer. This is a step by step guide that will lead your customer through the process and any actions they need to complete for a smooth refinance.