

# FASTRefi FAQs

BDMs & Brokers

## FASTRefi FAQs – BDMs & Brokers

This FAQ document is a work in progress document that will continue to be updated over the course of its life with new questions emerging because of the changing environment and circumstances. If this document is missing key messages or callouts, please contact the Home Lending Value Stream at AMP.

### 1. What is FASTRefi®?

FASTRefi® 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 FASTRefi®?

- a. Better customer experience as funds received within days of returning signed loan documents
- b. Customer could access a 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 FASTRefi®?

- 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 FASTRefi®?

Most loans can be processed as FASTRefi®. The following conditions need to be satisfied to be able to proceed as a FASTRefi®:

- Please check that the Outgoing Financial Institution is on the OFI List
- the Loan is not an active construction loan that has further progress payments remaining
- the Loan does not have a guarantor as an applicant (guarantor loans are out of scope for FASTRefi® at AMP and will need to progress through the traditional refinance process)
- the Security Property is not Native Title, Company Title, Old System Title or Moiety Title (SA)

- there are no unregistered dealings that may prevent registration of a mortgage
- the Mortgagor names need to match exactly, or applicants Change of Name process needs to be finalised before settlement

## 5. What could prevent FASTRefi® from being 'fast'?

There may be various instances that could hold up a FASTRefi® that are beyond our control. The most common causes are incomplete documents returned from the Customer.

FMS have identified the following forms that may hold up a FASTRefi®:

- Certificate of Currency - AMP needs to be noted
- Discharge Authority – correctly completed with a wet signature
- Wet sign Mortgage (where required) – scanned copy accepted for funding, in hand copy will be required for registration
- The new loan amount is not sufficient to cover the payout to the OFI causing a shortfall at funding. Examples can be the borrower has redrawn funds from their old loan account, or the new loan amount didn't consider the fees and interest buffers to payout the old loan.

## 6. What extra forms does the customer need to sign for FASTRefi®?

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

- Borrower's Acknowledgment, Undertaking and Payout Advice (BAUPA) form - [Sample; and](#)
- Irrevocable Authority form - [Sample](#)

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.

## 7. 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 FASTRefi® forms and loan documents. FMS will complete this part of the process by sending the form to the OFI on behalf of the Broker / BDM.

## 8. When does FMS send the Discharge Authority form to the OFI?

FMS will send the Discharge Authority form to the OFI approx. 30 minutes before funding.

## 9. Is there an action on the customer after the funding takes place?

Yes. Several lenders require the borrower to complete their specific online Discharge Authority form after funding has taken place. This is something the Broker should inform the Customer of upfront. A Generic Discharge Authority will be signed as part of the loan pack. Then after funding, FMS will contact the Broker with instructions on completing the online DA form if this is required. It is important that the borrower doesn't complete the online discharge form until requested by FMS.

## 10. How much does it cost the borrower to refinance using the FASTRefi® process?

There are no additional costs for the customer to process a refinance using FASTRefi®.

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

Inform the customer that the allowances and buffer are not FASTRefi® 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.

### 12. 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
Accrued Interest	+	\$2,000
1 Months Interest	+	\$1,200
Buffer	+	\$500
Discharge Fee of OFI	+	\$350
<b>Loan Payout Figure</b>		<b>\$254,050</b>

### 13. 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 and settlement completed. Most settlements take place in PEXA and are usually finalised within 2- weeks.

Any surplus funds will be transferred by the OFI to the borrower's nominated bank account once settlement is completed.

### 14. 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 takes place in PEXA.

### 15. 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.

### 16. 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.

## **17. Where can I get more information on FASTRefi?**

[Link to Lender Intranet site](#)

## **18. Where can my customer get more information on FASTRefi®?**

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.