

Important RedZed Update



[RedZed Spring Promotion extended until 10th January 2025](#)

Our Spring Promotion has been extended for new business lodged up until 10th January 2025.

There are no changes to the existing promotion offers or interest rates and the promo continues to include:

- ✓ Free Residential Valuation offer
- ✓ Reduced SE Prime Alt Doc Interest Rates
- ✓ Reduced SE Prime Interest Rate Loadings
- ✓ Reduced SMSF Commercial Application Fee

New Lending Policy additions effective 29th November 2024

We have also added policy enhancements to select products with the following changes effective immediately:

Residential vacant land

SE Prime	Vacant land now acceptable as sole security. Category 1 locations only / max 1 acre / max LVR 75% / max loan \$750,000
Reward	Category 1 locations only / max 1 acre / max LVR 80% / max loan \$750,000 and Category 1 locations only / max 2.5 acres / max LVR 75% / max loan \$1,250,000
Recharge	Category 1 & 2 locations/ max 5 acres / max LVR 80% / max loan \$1,000,000 Category 1 & 2 locations/ max 5 acres / max LVR 70% / max loan \$1,500,000

Residential and Commercial Impairment and Default Criteria

We've also revised our residential and commercial impairment criteria to give clients with less-than-perfect credit histories greater flexibility.

Impairment Policy Updates by Product	Residential			Commercial	
	SE Prime	Reward	Recharge	Prime	Reset
ATO Debts – must clear from loan proceeds or prior to settlement. Amounts not paid in full contact BDM	✓	✓	✓	✓	✓
ATO Defaults – unlimited & paid in full at settlement	✗	✓	✓	✗	✓
ATO Defaults – residual remains unpaid, contact BDM	✗	✓	✓	✗	✓
Defaults accepted – all ≤ \$2,000	✗	✓	✓	✗	✓
Defaults accepted – all ≥ 24 months	✗	✓	✓	✗	✓
Defaults accepted – all ≤ \$3,000	✗	✓	✓	✗	✓
Unpaid defaults ≤ \$3,000 do not require payout	✗	✓	✓	✗	✓
Other Defaults (i.e. >\$3,000 & <24 months) 3 individual defaults up to \$5,000 each	✗	✗	✓	✗	✓
Court Actions – against non-borrowing business entities where action dismissed	✓	✓	✓	✓	✓
Court Actions paid – against non-borrowing business entity accepted up to \$20,000	✗	✓	✓	✗	✓
Court Actions paid – against non-borrowing business entity accepted up to \$100,000	✗	✗	✓	✗	✓
Discharged Bankruptcy & Bankruptcy part IX/X – if no evidence on credit report	✓	✓	✓	✓	✓
Discharged Bankruptcy & Bankruptcy part IX/X – discharged >1 year and no additional adverse credit report listings since bankruptcy	✗	✓	✓	✗	✓
Discharged Bankruptcy & Bankruptcy part IX/X – discharged 1 day	✗	✗	✓	✗	✗

Residential and Commercial Unsecured Debt Arrears Update

Reward Late payments up to 30 days accepted
Commercial Prime Late payments up to 7 days accepted

Residential and Commercial New Alt Doc Verification – Directors Salary Credits

RedZed now considers Director's salary credits with 6 months personal transaction statements + ATO portal on all Alt Doc products.

Salary annualised from most recent 6 months salary deposits (6-month ABN products require previous income / employment from same industry and is to be verified to support the income declared)

Excludes sole traders, trust distributions in lieu of salary and salary variance between payments >25%.

Serviceability Calculator Updates – New HEM updates

We have updated our serviceability calculators (Residential, Commercial, SMSF) to accommodate HEM updates from Q2 and Q3 2024. These calculators are effective Friday 29th November 2024 and can be found in the RedZed forms library.

Need assistance or have a scenario?

These changes above are detailed in our latest versions of the RedZed Product and Rate Guide RZRPG1124 V1 and RedZed Policy and Procedures Guide RZPPG1124 V1 which can be found in the RedZed forms library.

For assistance with scenarios, promotion or accreditation and policy changes, please contact your RedZed BDM.