



Creation of new Life Cover Waiver Conditions, Requesting a Life Cover Waiver

Creation of new Life Cover Waiver Conditions



Amendments to waiver of life cover procedure

The Mortgage Store is happy to announce a change in the process for waiver of life cover for customers.

The current process requires customers, who cannot get life cover or are requesting a waiver of life cover, to sign a deed of disclaimer form, once the waiver has been approved by our Credit team.

Following review of this process, we have now removed the requirement for customers to sign this deed of disclaimer form.

Instead, two new conditions have been created which can be included in the Loan Offer Letter

- Scenario A Condition will be used in circumstances where the applicant cannot get life cover or can only get reduced life cover
- Scenario B Condition will be used in instances such as a customer is a non income earner and are requesting to remove the life cover requirement for them

New Process

- The Customer will contact their Broker requesting the life cover requirement be waived / removed.
- The Broker submits a case message on ROME requesting the life cover condition be waived/ removed along with detailed analysis and information to supporting the request (Analysis example on page 2).
- The Broker Specialist will send the request to our Credit Team for review and if approved, our credit team will input a condition on the Letter of Offer requesting that customer(s) provide two decline letters (for waiver scenario A only).
- Offer letter is issued including the relevant life cover waiver condition
- For life cover waiver scenarios, the condition will be marked as accepted when the two decline letters have been received and reviewed.

For cases that currently have pre-existing life cover waiver/removal conditions, the below process applies:

Pipeline. Any pipeline cases that have a pre-existing life cover waiver / removal condition in place will continue on the old process. Your customer is still required to provide the signed disclaimer form.

CIPs – No action required if there is a pre-existing life cover waiver / removal condition, whether already outstanding or accepted. Your customer is still required to provide the signed disclaimer form.



Creation of new Life Cover Waiver Conditions, Requesting a Life Cover Waiver

Requesting a Life Cover Waiver



Additional information when seeking life cover waiver/removal of condition

When it becomes apparent that your customer cannot secure life cover, the below should be covered in your request so that we can accurately assess the waiver of life cover application.

- For Joint applications, can we assess the affordability for the debt level required, solely based on the applicant who can obtain Life Cover.
- Can the customer(s) secure any form of life cover (any amount over any term), were they declined or just deferred for a number of months.
- Are there any existing life policies in place that can be assigned.
- If one applicant can secure reduced term life cover, we may need to review what the level of mortgage remains when the cover runs out. We can then assess if the second applicant who can obtain full cover can cover this amount.
- Can the loan amount sought be reduced by introduction of additional funding by the applicants.
- What level of death in service benefits (DIS) has the customer(s)
- For joint applicants that are not married and DIS available confirm if the DIS relating to the applicant who cannot obtain life cover will automatically transfer to the second party on the mortgage.
- Are there any other mitigants in place that you feel supports the request to waive cover.
- Are the applicants aware of the risks of proceeding to purchase without the required Life Cover in place.

Please Note – there is no requirement to provide the 2 decline letters upfront. Life cover Decline/Refusal letters should only be provided once credit has agreed to waive the requirement

If the request to waive life cover is declined, your Relationship Manager will contact you to confirm the decision and rationale for same. The turnaround time for this decision will be within the agreed timeframe with our credit team.

Please refer to your Relationship Manager for guidance.