



*New ways of thinking*

Thursday 10th January, 2008

## **POLICY UPDATE FROM PMI MORTGAGE INSURANCE LTD**

### **Response to Flood affected Areas in South East Queensland and Northern NSW**

Due to recent flooding in the South East Queensland and Northern NSW region, PMI is offering borrowers a relief package.

In the event of cases of hardship arising from the immediate loss or damage of property and/or loss of income, PMI has introduced the following options effective immediately:

#### **Delegated Authority for Lenders**

- **Interest Capitalisation or Repayment deferrals** - Until March 31, 2008 and subject to the additional conditions below, we agree to allow the lender to approve FLOOD Affected Hardship Applications without seeking PMI consent subject to the following:
  - Up to 3 months repayment deferral and loan re-amortisation or loan extension
  - A Maximum Loan to Value Ratio of 95% for Full Doc and 80% for Low Doc

We will require details of the relief provided to update our records. As a minimum please provide borrower name, LMI Policy # and assistance amount. Please email the list of affected policies to [Arrears@pmigroup.com.au](mailto:Arrears@pmigroup.com.au) with Subject: FLOOD HARSHIP.

#### **PMI Approval Required**

- **Interest Capitalisation or Repayment deferrals**  
Should a borrower require assistance beyond the above, please refer to PMI for approval via email to [Arrears@pmigroup.com.au](mailto:Arrears@pmigroup.com.au) with Subject: FLOOD HARSHIP.  
Up to 6 months repayment deferral and loan re-amortisation or loan extension may be approved.
- **Top-Up/Additional Loan** - To the extent that the provision of Hardship Assistance increases the loan amount beyond the currently insured amount then no additional LMI premium is payable. That is, a loan increase to the value of 6 months repayments may be approved. Please refer all applications for additional loans/top-ups to our underwriting office for assessment.

#### **Additional conditions to apply**

- This offer is available until March 31st, 2008
- Loans currently in arrears are excluded

PMI will endeavour to approach these hardship cases in a positive manner and if lenders wish to clarify any issues regarding PMI's interim policies, should refer to the appropriate Senior Relationship Manager or Marika Nabung via [Arrears@pmigroup.com.au](mailto:Arrears@pmigroup.com.au).