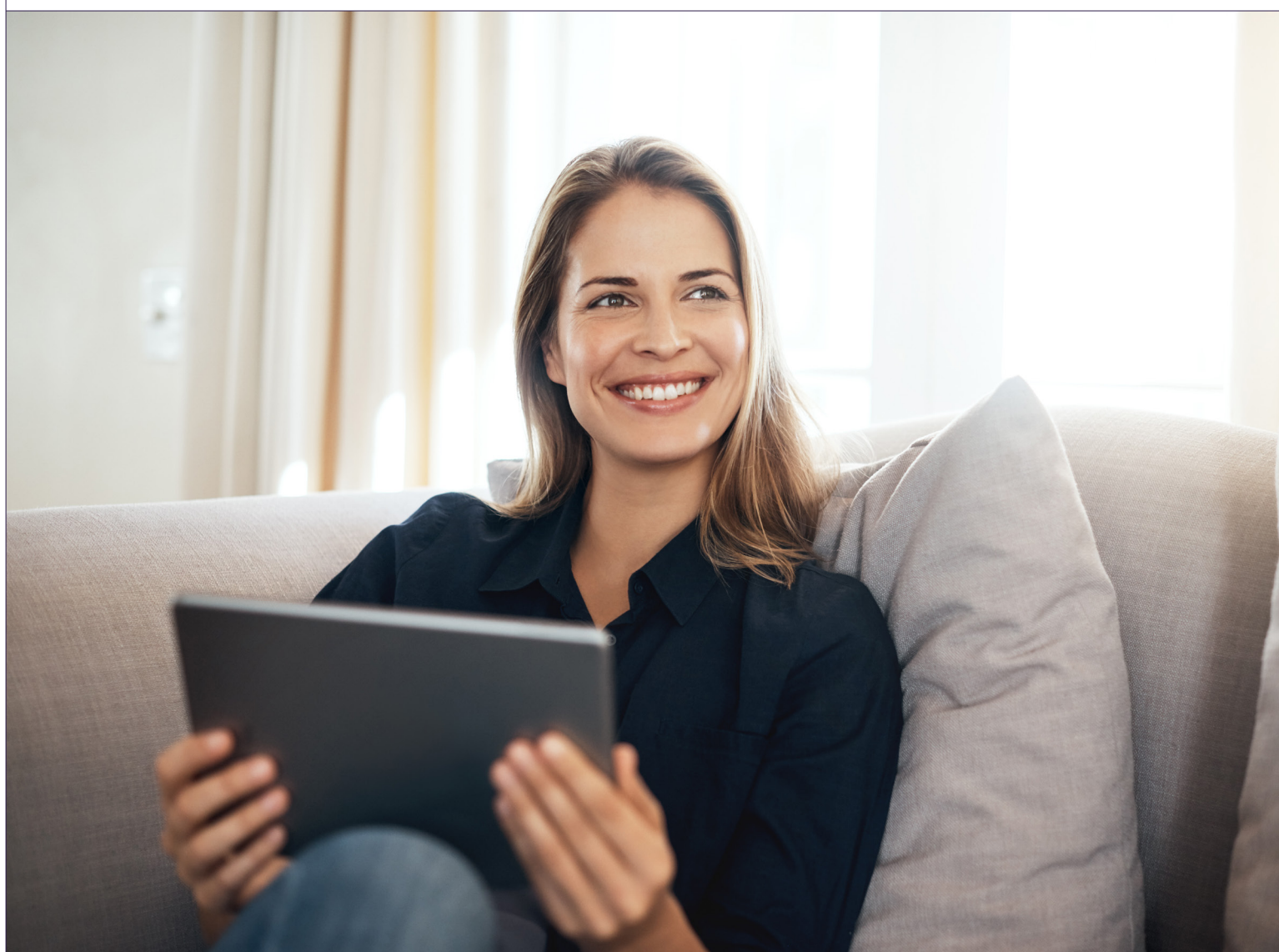


Portfolio LMI.



Secure your loan portfolio with LMI.

What is Portfolio Lenders Mortgage Insurance (LMI)?

Helia offers Portfolio Lenders Mortgage Insurance (LMI) for lenders looking to insure a pool of loans secured by residential property. Portfolio LMI, also known as Pool LMI, transfers the credit risk associated with residential mortgages to Helia.

This cover can be used for residential mortgage-backed security (RMBS) transactions or other risk mitigation and capital optimisation purposes.

At Helia, we understand that lenders may have diverse portfolios requiring LMI cover and will work with the lender to provide a solution that best addresses their needs, including coverage on the entire pool or a segment.

Portfolio LMI supports the lender:

1

Risk protection

LMI provides protection from losses if a borrower defaults on loan repayments and the lender is unable to recover the outstanding amount from the security property. This reduces the lender's credit risk and promotes greater investor confidence in RMBS transactions.

2

Lower funding costs

By providing credit enhancement, LMI can reduce the subordination levels required for higher credit ratings and lower the weighted average cost of funding for issuers.

3

Access to investors

LMI can make RMBS more appealing to a broader range of investors, further supporting competitive funding rates.

4

Capital efficiency

Lenders can optimise their use of capital as they may require lower levels of regulatory capital for insured loans.

5

Asset sales

LMI can help lender's access additional sources of liquidity when selling high loan-to-value ratio (LVR) loan portfolios to other lenders.

Application process.

1. Contact Helia via email PortfolioLMI@helia.com.au to discuss the loan pool and lender requirements.
2. If the lender wishes to proceed, Helia will request that the lender to provide a dataset. Helia will provide the mandatory data fields.
3. A quote will be provided 5 to 10 business days after Helia has received the complete dataset. To prepare the quote Helia reviews the dataset, performs a risk assessment and removes excluded loans. Helia quotes are subject to a subsequent sample audit.
4. Once pricing is agreed, Helia conducts a sample audit. The audit involves a review of the loan documentation and relevant credit policies. If any major issues are identified during the review, Helia will share this information and discuss options.
5. The audit and subsequent execution of legal documents take 5 to 10 business days.
6. After audit completion, Helia will send an invoice and LMI cover will commence once payment is received.

Please note: timeframes may vary depending upon the size and complexity of the transaction.

Exclusions.

The following standard exclusions apply:

- Security property is used for any purpose other than residential
- Limited or low-documentation (low-doc) loans
- Loans with a current scheduled balance greater than \$1,500,000
- Loans to a borrower where the aggregate exposure insured by Helia in respect to the borrower exceeds \$2,500,000
- Loans in arrears for 30 days or more at any time during the last 12 months
- Loans in arrears for any duration or in hardship as of the date the LMI cover commences
- A security property that is not described as readily saleable or habitable in the original or subsequent valuation
- A loan not originated according to and in compliance with the lender's credit policy
- A loan previously declined for LMI
- Property located on single industry postcode list. The postcodes are listed in [Helia's underwriting standards and guidelines](#).

Other criteria.

- Typically, Portfolio LMI is for seasoned loans with low loan-to-value ratios. Helia will consider loans seasoned for less than six months or with LVRs above 80%, however, pricing will reflect the higher risk and capital requirements for those segments
- Non-resident borrowers may be considered as a segment of a pool but require additional due diligence on pool composition, credit policies and underwriting practices.



For more information and to express interest in Portfolio LMI, please contact the Helia team:

- Email: PortfolioLMI@helia.com.au

Disclaimer:

Lenders Mortgage Insurance (LMI) is insurance that protects lender/credit providers, not home buyers, and cannot be provided directly to home buyers. Eligibility criteria, terms, and conditions apply.

The information contained in this fact sheet is general information. It does not constitute legal, tax, credit or financial advice, and is not tailored to a home buyers' specific circumstances. Home buyers should consider their own personal circumstances and seek advice from their professional advisers before making any decisions that may impact their financial position. Any references to reports or data are provided for general information only and may not apply to individual circumstances.

Helia Insurance Pty Limited's ('Helia') does not provide or engage in credit activities as a credit provider, except for limited credit activities engaged by it as an assignee in relation to providing LMI products or as a credit provider under the doctrine of subrogation in relation to providing LMI products. The information provided in this fact sheet does not refer to a credit contract with any particular credit provider.

