



Equity Release Selling Practices: Voluntary Code of Conduct

Seniors First Specialist Finance voluntarily adopts the following code of conduct for the provision of equity release finance to Australian seniors. The code aims to define and promote industry best-practice around the sale of these products by intermediaries. **Seniors First** hereby undertakes to:

1. Treat consumers seeking equity release with respect and dignity;
2. Propose a range of suitable product solutions from our panel of providers, based on the Consumer's individual financial requirements and wishes, as represented by the Consumer. If it is determined that there is no suitable product available (having regard to the requirements and wishes expressed by the Consumer), then no equity release product will be proposed;
3. Present all credible forms of equity release finance as options available to the Consumer(s) where ever applicable, including reverse mortgage, debt-free (part-sale), and other hybrid forms that may emerge;*
4. Use only providers that demonstrate industry best-practice in product design and homeowner protection. Where reverse mortgage presents as the Consumer's preferred mechanism for releasing equity, to use SEQUAL-accredited lenders, thereby ensuring:
 - a) the presence of a 'No Negative Equity Guarantee'
 - b) the requirement for mandatory independent legal advice;
5. Clearly and accurately indicate to the Consumer(s) the likely costs associated with each transaction before the application stage. This is in anticipation of the actual costs detailed in the provider's subsequent contract or loan offer document;
6. Recommend the Consumer(s) obtain independent financial and legal advice;
7. Provide the Consumer(s) with a transparent illustration of the proposed loan facility including all known costs and interest charges using the reverse mortgage calculator provided by FIDO, (or similar where product is not a reverse mortgage);

8. Strongly encourage the Consumer(s) to discuss the transaction with any relevant family members and beneficiaries;
9. Inform Consumer(s) in receipt of the government aged pension, (and those likely to receive it in the future), that they should consult with Centrelink to accurately determine if their pension will be affected by the proposed facility;
10. Encourage the Consumer(s) to consider both their short and long-term needs. Specifically, to consider possible future requirements for Aged Care and the payment of accommodation bonds from their remaining equity;
11. Ensure front-line staff are trained and accredited to sell Equity Release Products according to industry and lender standards;
12. Provide service to the Consumer(s) without charging a brokerage fee, and to disclose commissions in a clear and transparent fashion.

Intermediaries will also comply with the Privacy Act, Trade Practices Act and any other relevant Code (including the SEQUAL code of conduct and the MIAA code of practice) or Regulation at law in the selling of equity release products to senior consumers.

As the market develops and new equity release products emerge, **Seniors First will carefully monitor industry and regulator response before adding any new providers to our approved provider panel.*