

# LETTER OF APPOINTMENT

## THE PARTIES

**The Client :** Mr./ Mrs. \_\_\_\_\_  
**RE :** Purchase / Refinance of \_\_\_\_\_  
**The Broker:** Commercial Mortgage Group Pty Ltd, ACN 121 770 901

## TERMS

- I.** The Client appoints Commercial Mortgage Group Pty Ltd as the sole Finance Broker for the term of this Agreement, being not less than 60 days from the date this Agreement is Executed.
- II.** The Broker will endeavour to procure a Loan Offer for the loan amount, interest rate, loan type and term, as set out below and as indicated in further correspondences. Indicated is a possible loan amount of \$\_\_\_\_,000 or more, based on a loan to valuation ratio of not more than \_\_\_\_% of an indicated valuation of \$\_\_\_\_,000.
- III.** Conditions – The loan offer shall seek to accommodate the following conditions;
- a.** The security offered will be limited to a charge over the subject property, however if borrowings are in a company or business name, personal guarantees may be required.
  - b.** interest rates are not exceed \_\_\_\_% p.a. (which may vary depending on the loan options selected).
  - c.** The loan should have the flexibility for interest only or principal and interest payments with the option for fixed or variable interest rates.
  - d.** The loan will require income substantiation of the relevant business and/or borrowers to the satisfaction of the lender, however upon request a low-doc or no-doc finance solution can be sought.
  - e.** An independent valuation to the satisfaction of the lender will be required
- IV.** The Client agrees to provide all necessary documentation and will endeavour to assist the Broker in obtaining a Loan Approval and Loan Offer.

# Commercial Mortgage Group

- V.** The Client specifically acknowledges that the sole or predominant purpose of this loan is for business or investment purposes.
- VI.** The Client indemnifies the Broker against all claims and demands for any costs, expenses and damages incurred in carrying out its duties under this Agreement. Prior authorisation will be required for engagement of a valuer (if required).
- VII.** The Client acknowledges that the Broker has not and will not be providing financial or other advice to the Client, and that any such advice will need to be independently sought by the Client.
- VIII.** The Client agrees to pay an Establishment Fee of up to \_\_% (plus GST) of the loan amount to the Lender if you accept this loan. The Client also acknowledges that in some circumstances the Broker may be entitled to receive remuneration directly from the Lender in relation to this loan once the loan is established.
- IX.** The Brokerage Fee shall be a flat fee of \$\_\_\_\_\_ (\$\_\_\_\_\_ plus GST), or \_\_\_\_\_% plus GST of the loan amount, which is in addition to any fees charged by the lender.
- X.** The Client agrees to pay the Broker a commitment fee of \$\_\_\_\_\_ (\$\_\_\_\_\_ plus GST) upon acceptance of this Letter of Appointment, which is fully refundable to the Client if the Broker fails to secure an indicative offer of finance reflecting the above loan terms or better (or as otherwise acceptable to the Borrower).
- XI.** Payment of the balance of the Brokerage Fee (ie less the commitment fee already paid) is due upon acceptance of the formal Loan Offer Letter, regardless of whether or not you proceed however if you proceed with the Loan Settlement then this amount may be deducted from the loan amount at settlement.

## GOVERNING LAW: State of Victoria

**EXECUTED as an Agreement on the                      day of                      2007**

\_\_\_\_\_  
Client /Authorised Signature

\_\_\_\_\_  
Broker / Authorised Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness