



## Media release

**For immediate use**

### FirstMac's commitment to residential mortgage competition reflected in S&P servicer rating upgrade

**Brisbane, Australia (14 December 2009)** – Australian owned, mortgage finance lender FirstMac today received an upgrade to its Standard & Poor's residential loan servicer ranking in recognition of the quality of the Company's servicing capabilities.

The Company's ranking was raised to the highest possible level of 'strong', from 'above average' while its outlook remains 'stable'.

FirstMac Chief Executive Officer Kim Cannon said the upgrade reflects the commitment to continued investment in the Company's infrastructure, its procedures and, importantly, its people.

"Every endeavour we undertake is dedicated to providing Australians seeking to borrow for residential property a competitive and high-quality alternative to the major banks," Mr Cannon said.

"The Standard and Poor's report shows that borrowers and mortgage managers can be confident they will receive superior customer service levels in all their dealings with FirstMac," he said.

"Following a rigorous investigation over several months, Standard & Poor's confirmed that FirstMac has set excellent risk management practices to promote a risk conscious culture and implemented a well-designed internal audit program."

"We are particularly proud that the above strategies, combined with enhanced collections procedures, have improved arrears performance to below the Standard & Poor's Mortgage Performance Index.

"Through sound strategy and commitment to the industry, FirstMac is outperforming many of the critical Residential Mortgage Backed Securities (RMBS) industry key performance areas."

This announcement follows FirstMac successfully upsizing, placing and pricing its 2-2009 RMBS Issue on 10 November 2009, on the back of strong investor demand.

The transaction was initially launched at \$400 million but was increased to \$470 million following greater than anticipated investor bids. The FirstMac 2-2009 placement included \$215.14 million from the Australian Office of Financial Management as a cornerstone investor, with a further \$254.86 million provided by external investors.

"The upgrade to Standard & Poor's residential loan servicer ranking builds on the attractiveness of FirstMac's (RMBS) portfolio as a sound investment for both Government and private investors alike," Mr Cannon said.

**Please see Standard & Poor's announcement attached for more details.**

#### **About FirstMac Limited**

FirstMac Limited is a leading Australian owned mortgage finance lender with almost 30 years experience. It delivers a comprehensive range of loan funding, loan servicing and portfolio management services. FirstMac initially originated and managed home loans through major third party providers, but in 2002 entered the securitisation market and began self-funding its own loan business, by issuing AAA-rated bonds on global capital markets.

FirstMac's presence has grown through the provision of wholesale funding via a national distribution network of mortgage originators and brokers. FirstMac has a 'strong' Standard & Poor's servicer rating.



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## Residential Loan Servicer Ranking On FirstMac Ltd. Raised To STRONG; Outlook Stable

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MELBOURNE (Standard & Poor's) Dec. 14, 2009--Standard & Poor's Ratings Services today raised its servicer ranking on FirstMac Ltd. (FirstMac) to STRONG from ABOVE AVERAGE. The outlook is 'Stable' and FirstMac remains on Standard & Poor's global select servicer list.

The raised ranking reflects Standard & Poor's opinion that FirstMac demonstrates a high level of competence in its servicing capabilities, supported by its qualified and experienced staff and continued initiatives to improve the servicing operations, including:

- The implementation of comprehensive staff career development plans and strategies for staff engagement and communication;
- Well-developed and executed training and development programs to heighten processing and servicing skills of a highly-experienced workforce;
- Enhanced strategies and risk management practices to promote a risk conscious culture at business unit level;
- The implementation of a well-designed internal audit program;
- Enhancements of collections strategies that have improved arrears performance to below Standard & Poor's Mortgage Performance Index;
- Maintained superior customer service levels, while outsourcing contact center operations, to improve customer experience and operational efficiencies; and
- Maintenance of sound data quality and quality assurance in key servicing functions such as processing payments, cash management, and document production, imaging, and tracking.

The 'Stable' outlook reflects our view that FirstMac would maintain its servicing strengths in the medium term through continuous improvements in its processing and servicing practices.

A copy of Standard & Poor's servicer evaluation report for FirstMac will be available upon its completion on RatingsDirect, Standard & Poor's Web-based

*Residential Loan Servicer Ranking On FirstMac Ltd. Raised To STRONG; Outlook Stable*

credit analysis system, at [www.globalcreditportal.com](http://www.globalcreditportal.com).

RELATED RESEARCH

This article is based in part on the following criteria article: Servicer Evaluation Criteria: Australia and New Zealand published Aug. 7, 2008.

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