

About this Quick Guide

This Quick Guide has been developed to help brokers as they complete our excel Affordability Calculator and provides a walkthrough of each section, providing some hints and tips along the way.



- Tip 1 All yellow fields can be completed
- Tip 2 If you require any further assistance, please contact your BDM.

Date/Applicants/Loan Type

1. Input **Date** and **Applicant 1** and/or **Applicant 2** names. *If you have more than two applicants please refer to your BDM for assistance in completing the Affordability Calculator.*

Date	30/03/2021
Applicant 1	Mark Brown
Applicant 2	Sandra Brown
Loan Type	<input checked="" type="radio"/> HL <input type="radio"/> PL <input type="radio"/> CC

2. Ensure **Loan Type** is set to **HL**. It should be set to this by default.

Date	30/03/2021
Applicant 1	Mark Brown
Applicant 2	Sandra Brown
Loan Type	<input checked="" type="radio"/> HL <input type="radio"/> PL <input type="radio"/> CC

Proposed Commitment

3. Input **Loan / Limit amount**, **Term** (in months), **Actual rate**, and **Security value**

Loan / Limit amount	\$ 515,200	Term mth	360	Actual rate	2.49%
Security value	\$ 644,000			LVR	80.00%
Assessment rate	4.99%				



- Tip 1 The term in months = the remaining P&I term. Eg. if the loan is over 30 years with an initial interest only period of 5 years, input 300 months which is 25 years P&I
- Tip 2 For splits loans, input one loan in this section and any other loan splits as existing mortgages (refer to the section on existing mortgages below)
- Tip 3 For construction loans the construction period is up to 12 months IO. To capture this correctly, the term for servicing purposes is 12 months less than the actual loan term. Eg. a 30 year loan would have a term of 348 months (29 years).

Incomes

- Input income into their relevant boxes. Full time/part time/casual income go into the **Base/Allowances** field. Select the correct **Frequency**.

Incomes	Gross	or	Net	Frequency	Acceptable Net Monthly Income
Applicant 1					
PAYG					
HECS	<input type="checkbox"/> Yes				
Base / Allowances	\$ 85,000		\$ 65,208	Annually	\$ 5,434
Overtime / Penalty Rates / Commission				Annually	\$ -
Bonus				Annually	\$ -
Temporary Lending Casual				Annually	\$ -
Seasonal Income				Annually	\$ -

- If an applicant has a HECS/HELP debt, tick the **Yes** box. You will see the net income is automatically adjusted.

Incomes	Gross	or	Net
Applicant 1			
PAYG			
HECS	<input checked="" type="checkbox"/> Yes		
Base / Allowances	\$ 85,000		\$ 60,533
Overtime / Penalty Rates / Commission			
Bonus			
Temporary Lending Casual			
Seasonal Income			

- Input **Overtime / Penalty Rates / Commission** and **Bonus** income into their corresponding fields. This will discount these income types as per policy.

Incomes	Gross	or	Net	Frequency	Acceptable Net Monthly Income
Applicant 1					
PAYG					
HECS	<input type="checkbox"/> Yes				
Base / Allowances	\$ 85,000		\$ 62,721	Annually	\$ 5,227
Overtime / Penalty Rates / Commission	\$ 20,000		\$ 14,758	Annually	\$ 984
Bonus	\$ 10,000		\$ 7,379	Annually	\$ 369
Temporary Lending Casual				Annually	\$ -
Seasonal Income				Annually	\$ -



- Tip 1 -** Where applicant/s is an emergency services/health industry worker (doctor, nurse, police etc), include overtime or penalties in the base/allowances field as these can be taken at 100%
- Tip 2 –** There is a YTD tab on the calculator for calculating YTD income

7. Salary Sacrifice benefit can be used by adding back the pre tax salary sacrificed amount. Input this figure in the **Salary Sacrifice** field. Ensure you are not double dipping with the income by reducing the applicants gross income where applicable.

Company Vehicle / Car Allowance (non-taxable)		Monthly	\$ -
Child Maintenance		Monthly	\$ -
Dividends		Monthly	\$ -
Interest (non-taxable)		Monthly	\$ -
FTB (A&B) - 100% of allowed for dep <12		Monthly	\$ -
Overseas Income		Monthly	\$ -
Salary Sacrifice	\$ 16,000	Annually	\$ 1,333
Centrelink Incomes (Refer POL 7.1.12)		Monthly	\$ -
Rental Income - Long Term		Monthly	\$ -
Rental Income - Short Term		Monthly	\$ -
Other (non policy income)		Monthly	\$ -
Other (non policy income - accepted by CA)		Monthly	\$ -
Superannuation		Monthly	\$ -
UK Pension		Monthly	\$ -

8. Input Rental Income into the **Rental Income – Long Term** field. This is for any standard residential rental income. Input the full amount of the rental income, the calculator will adjust the figure according to policy.

Company Vehicle / Car Allowance (non-taxable)		Monthly	\$ -
Child Maintenance		Monthly	\$ -
Dividends		Monthly	\$ -
Interest (non-taxable)		Monthly	\$ -
FTB (A&B) - 100% of allowed for dep <12		Monthly	\$ -
Overseas Income		Monthly	\$ -
Salary Sacrifice	\$ 16,000	Annually	\$ 1,333
Centrelink Incomes (Refer POL 7.1.12)		Monthly	\$ -
Rental Income - Long Term	\$ 550	Weekly	\$ 1,907
Rental Income - Short Term		Monthly	\$ -
Other (non policy income)		Monthly	\$ -
Other (non policy income - accepted by CA)		Monthly	\$ -
Superannuation		Monthly	\$ -
UK Pension		Monthly	\$ -

Living Expenses

9. Input all declared basic and non-basic living expenses into their corresponding fields. Select the correct **Frequency** for each.

Basic Living Expenses

Groceries
Utilities – Owner Occupied
Utilities – Investment
Telephone/Internet & TV/Media
Transport
Insurance
Clothing & Personal Care
Childcare
Public Education
Recreation & Entertainment
Medical & Health
Other Expense

	Frequency	
\$ 150	Weekly	\$ 650.00
\$ 350	Monthly	\$ 350.00
	Monthly	\$ -
\$ 50	Monthly	\$ 50.00
\$ 200	Monthly	\$ 200.00
\$ 120	Monthly	\$ 120.00
\$ 40	Weekly	\$ 173.33
	Monthly	\$ -
	Monthly	\$ -
\$ 40	Weekly	\$ 173.33
\$ 80	Monthly	\$ 80.00
	Monthly	\$ -
Total Basic Living Expenses		\$ 1,796.67

Non-Basic Expenses

Private school fees
Sickness & Personal Accident insurance (Income Protection)
Voluntary superannuation
Life Insurance
Other

	Frequency	
	Monthly	\$ -
	Monthly	\$ -
	Monthly	\$ -
	Monthly	\$ -
	Monthly	\$ -
Total Non-Basic Expenses		\$ -

10. Select the **Number of households**. 1 household applies for single applicants or joint applicants where the borrowers are partners (de facto/married etc).

Number of households

HEM Living Expense

1

2

11. A new set of fields will populate. Complete all fields.

Number of households

Household 1

Total applicant's gross income (used for HEM)

Relationship status

Number of children

Household 1 post settlement postcode

1

\$ 85,000

Single

0

3000

12. Ensure there are figures listed for HEM household, otherwise you may not have completed all of the required fields.

\$ 85,000

Single

0

3000

HEM Household 1

\$ 1,662

\$ 1,662

Living Expenses for calculation \$ 1,797

Number of households

HEM Living Expense

\$ -

Living Expenses for calculation \$ -



- Tip 1 Total applicant's gross income (used for HEM) is all applicant gross income. This includes 100% of any income that is discounted for servicing purposes (ie overtime/commission), and also any income not used for servicing (ie second job).
- Tip 2 Where there is rental income and an associated investment loan, you do not need to include rental income as part of the applicant's gross income (used for HEM).
- Tip 3 Where there are 2 households, contact your BDM for assistance with loading the expenses correctly.

Existing Mortgages (and split loans)

13. Select **Number of existing mortgages** from the dropdown box.

Number of existing mortgages

Existing mortgage 1

Payment and Borrower Type

Calculation type (IO must be Advanced)

Existing mortgage 1 - Basic

Existing mortgage 1 - Advanced

1

1

2

3

4

5

6

7

8

14. Extra fields will populate for each existing mortgage selected.

Number of existing mortgages		1	
Existing mortgage 1			
Payment and Borrower Type			
Calculation type (IO must be Advanced)			
Existing mortgage 1 - Basic			Monthly \$ -
Existing mortgage 1 - Advanced			
Balance			
Actual rate			
Assessment rate	4.60%		
Remaining P&I term mth		\$ -	Monthly \$

15. Always select **Payment and Borrower Type** - P.and.I and **Calculation type** - Advanced

Number of existing mortgages 1

Existing mortgage 1

Payment and Borrower Type	P and I
Calculation type (IO must be Advanced)	Advanced ▼

16. Complete all yellow fields for Existing Mortgage - Advanced – **Balance, Actual rate** and **Remaining P&I term** (in months)

Existing mortgage 1					
Payment and Borrower Type		P and I			
Calculation type (IO must be Advanced)		Advanced			
Existing mortgage 1 - Basic				Annually	\$ -
Existing mortgage 1 - Advanced					
Balance	\$ 300,000				
Actual rate	2.89%				
Assessment rate	5.39%				
Remaining P&I term mth	300	\$ 1,823	Monthly	\$ 1,823	

Other Commitments

17. This section is where you can load personal loans, car loans, credit cards, and other commitments such as rent/board or child support.

Personal / HP loans	\$ 20,000	\$ 650	Fortnightly	\$ 1,408
Personal / HP loans			Monthly	\$ -
Personal / HP loans			Monthly	\$ -
Credit / Store Cards	\$ 15,000		Monthly	\$ 570
Maintenance (Child / Spouse Support)			Monthly	\$ -
Rent / Board			Monthly	\$ -
Other			Monthly	\$ -

Monthly Surplus Income

18. The loan is affordabable if there is a minimum monthly surplus of \$1.

Personal / HP loans	\$ 20,000	\$ 650	Fortnightly	\$ 1,408
Personal / HP loans			Monthly	\$ -
Personal / HP loans			Monthly	\$ -
Credit / Store Cards	\$ 15,000		Monthly	\$ 570
Maintenance (Child / Spouse Support)			Monthly	\$ -
Rent / Board			Monthly	\$ -
Other			Monthly	\$ -
Total commitments				\$ 7,779
Total Surplus income				\$ 8,070
Monthly Surplus income				\$ 291



- Tip – CEOH Serviceability Ratios (Net Disposable Income Ratio) and Debt to Income Ratio indicators are for your reference only, and are not enforced for servicing purposes