

SUMMIT BANK OF AUSTRALIA LENDING POLICY

Broker Channel Distribution Guidelines

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1. SUMMIT HOME LOAN PRODUCT SUITE

1.1 Wealth Package Premium Products

- **Annual Fee:** \$350 with extensive benefits and savings opportunities
- **Rate Discount:** Up to 1.20% discount off Summit standard variable rate
- **Offset Account:** Complete offset with unlimited transactions and no account keeping fees
- **Summit Awards:** Earn points on mortgage payments for travel and shopping rewards
- **Insurance Benefits:** Discounted home and contents insurance, complimentary travel insurance

1.2 Core Home Loan Products

- **Smart Achiever:** Conditional discount variable rate rewarding good payment behavior
- **Standard Variable Rate:** Full-featured loan with redraw and extra payment flexibility
- **Fixed Rate Options:** 1, 2, 3, 4, and 5-year fixed terms with rate protection benefits
- **Viridian Line of Credit:** Revolving credit facility secured against residential property
- **Essential Home Loan:** Basic variable rate product with limited features for competitive pricing

1.3 Specialized Lending Solutions

- **Green Loan:** Discounted rates for energy-efficient homes, solar panels, and electric vehicles
- **Construction Loans:** Comprehensive progress payment facility with competitive construction rates
- **Bridging Finance:** Short-term lending for property purchases requiring flexible settlement timing
- **Investment Property Loans:** Tailored products for negative gearing and capital growth strategies

- **SMSF Property Loans:** Limited recourse lending for self-managed superannuation fund property investments

2. SUMMIT CUSTOMER ELIGIBILITY AND REQUIREMENTS

2.1 Borrower Qualification Standards

- **Age Criteria:** Minimum 18 years old, loan must be repaid by age 70 for standard products
- **Residency Requirements:** Australian citizenship, permanent residency, or eligible temporary visas
- **Income Minimums:** \$35,000 per annum for individual applications, \$50,000 for joint applicants
- **Employment History:** PAYG employees minimum 6 months current role, self-employed 2+ years trading
- **Credit History Standards:** Maximum 2 paid defaults under \$1,000 in past 5 years, clean 24-month history

2.2 Income Assessment Methodology

- **PAYG Salary:** 100% of base salary plus regular allowances and confirmed shift penalties
- **Overtime and Bonuses:** 2-year average with greater weighting on recent 12-month performance
- **Self-Employed Income:** Net business profit after tax plus add-backs for depreciation and business expenses
- **Investment Income:** Rental income at 80% of gross rent, share dividends including franking credits
- **Government Benefits:** Age pension, disability support pension, family tax benefits accepted at 100%

2.3 Deposit and Savings Requirements

- **Genuine Savings:** Minimum 5% of property value saved over 3+ months in applicant accounts
- **Gift Contributions:** Up to 100% of deposit can be gifted from immediate family members
- **Equity Access:** Existing property equity can substitute for cash deposit requirements
- **KiwiSaver Withdrawal:** New Zealand KiwiSaver funds acceptable for first home purchases
- **Inheritance Funds:** Recently received inheritance acceptable with appropriate documentation

3. SUMMIT SERVICEABILITY ASSESSMENT FRAMEWORK

3.1 Income Verification Standards

- **Employment Confirmation:** Direct employer contact or online employment verification systems
- **Payslip Analysis:** Detailed review of year-to-date earnings and deduction patterns
- **Tax Return Assessment:** 2 years individual tax returns for self-employed and investors
- **Bank Statement Review:** 3 months operating account statements showing regular income deposits
- **Accountant Verification:** Certified financial statements and profit/loss reports for business owners

3.2 Living Expenses Calculation

- **Summit Expense Calculator:** Proprietary algorithm based on postcode, family size, and spending patterns
- **Declared Expenses:** Customer-declared expenses accepted if higher than calculated minimums
- **Credit Commitments:** 3.2% of credit card limits or actual payment amounts if demonstrably higher
- **Investment Property Costs:** 25% of gross rental income for ongoing property expenses
- **Discretionary Spending:** Assessment includes entertainment, dining, travel, and lifestyle expenses

3.3 Stress Testing Parameters

- **Assessment Rate:** Current loan rate plus 3.0% serviceability buffer for payment capacity testing
- **Floor Rate:** Minimum 7.75% assessment rate applied regardless of actual loan interest rate
- **Surplus Buffer:** Minimum \$3,000 monthly surplus required after all expenses and commitments
- **Rate Shock Testing:** Modeling payment capacity with potential 4% interest rate increases
- **Economic Scenario Testing:** Assessment under various economic conditions and employment scenarios

4. SUMMIT PROPERTY AND SECURITY POLICIES

4.1 Acceptable Property Types

- **Metropolitan Residential:** All property types in capital cities and major metropolitan areas
- **Regional Properties:** Accepted in regional centers with population above 15,000 residents
- **Apartment Criteria:** Minimum 45sqm internal area, quality construction, adequate parking provision
- **Rural Lifestyle:** Properties up to 10 hectares with residential focus rather than commercial farming
- **Heritage Properties:** Case-by-case assessment with specialist valuation and insurance requirements

4.2 Valuation Standards and Process

- **Automated Property Valuation:** Computer-generated valuations for refinancing up to 75% LVR
- **Desktop Valuations:** Professional assessment without inspection for metropolitan properties to 85% LVR
- **Full Physical Inspection:** Required for all loans above 85% LVR and all rural or unusual properties
- **Valuer Panel Management:** Summit maintains quality panels of certified practicing valuers nationwide
- **Valuation Review Process:** Internal review of all valuations with second opinions where warranted

4.3 Security Coverage Requirements

- **Owner Occupier LVR:** Maximum 95% with mortgage insurance, preference for 90% and below
- **Investment Property LVR:** Maximum 90% for principal and interest loans, 80% for interest-only
- **Construction Finance LVR:** Maximum 95% including land purchase and fixed-price building contract
- **Multiple Security Properties:** Cross-collateralization available to optimize overall security position
- **Mortgage Insurance:** Genworth and QBE approved for loans above 80% LVR coverage

5. SUMMIT APPLICATION PROCESSING PROCEDURES

5.1 Required Documentation Matrix

- **Personal Identification:** Photo ID, proof of residential address, visa documentation if applicable

- **Income Documentation:** Payslips, group certificates, tax returns, employment contracts, BAS statements
- **Asset Verification:** Bank statements, investment portfolios, vehicle valuations, other property ownership
- **Liability Confirmation:** Credit card statements, loan statements, lease agreements, maintenance commitments
- **Property Information:** Contract of sale, vendor statement, building reports, strata documents

5.2 Processing Timeline Standards

- **Pre-Approval Turnaround:** Same day approval for complete applications submitted before 2pm
- **Document Collection Phase:** 48-72 hours for customer to provide all required supporting documentation
- **Credit Assessment Time:** 2-4 business days for comprehensive credit review and decision
- **Property Valuation:** 3-5 business days for standard metropolitan properties, longer for regional
- **Final Approval Processing:** 24-48 hours from receipt of valuation and satisfaction of conditions

5.3 Approval Authority Structure

- **Automated Decision Engine:** Instant approvals for applications meeting all standard credit parameters
- **Credit Assessment Officers:** Manual review for applications requiring policy interpretation or exceptions
- **Senior Credit Managers:** Authority for loans \$500,000-\$2,000,000 with acceptable policy variations
- **Regional Credit Directors:** Approval authority for complex transactions and loans above \$2,000,000
- **Head Office Credit Committee:** Ultimate authority for unusual transactions and significant policy exceptions

6. SUMMIT VALUE-ADDED SERVICES AND SUPPORT

6.1 Digital Banking Integration

- **Summit App:** Full loan management including payment scheduling, balance tracking, redraw access
- **Online Application Portal:** Digital application process with real-time status updates and document upload

- **PropertyGuru Integration:** Property search tools with pre-approval integration and suburb insights
- **Spending Insights:** Transaction categorization and spending analysis to support budgeting
- **Goals and Budgeting Tools:** Digital tools to help customers manage finances and loan payments

6.2 First Home Buyer Support Programs

- **Home Buyer's Guide:** Comprehensive educational resources covering entire property purchase process
- **First Home Loan Deposit Scheme:** Participation in government scheme allowing 5% deposit purchases
- **Can I Buy Calculator:** Sophisticated online tool showing realistic purchase price ranges
- **Property Investment Education:** Seminars and resources for customers considering investment properties
- **Settlement Services:** Dedicated teams managing all aspects of property settlement coordination

6.3 Ongoing Customer Relationship Management

- **Annual Account Reviews:** Proactive outreach to existing customers for rate reviews and needs assessment
- **Life Event Support:** Specialized assistance for customers experiencing marriage, divorce, job loss, or other changes
- **Refinancing Optimization:** Regular assessment of customer rates against market and internal product changes
- **Investment Strategy Support:** Referrals to accredited financial planners for comprehensive investment advice
- **Insurance Needs Analysis:** Regular review of insurance coverage adequacy and premium optimization opportunities