

Borrowers approaching retirement age

The following outlines the general requirements for Retail Home Loan lending to applications involving borrowers approaching retirement age and is to be used as a guide only.

Business rules

The ability to demonstrate servicing on post-retirement income can include:

- For joint applications, where the other borrower is to continue employment, and their income is sufficient to service their total proposed ongoing commitments before they attain the age of 70 years.
- The sale of an Australian based investment property.
- Listed Australian based investment funds.
- The sale of shares already held in companies listed on the ASX200.
- Sufficient Australian based superannuation income that will allow for servicing.
- Making additional payments to pay the loan off before any borrower's planned retirement, or 70 years of age, whichever occurs first, where the borrower can demonstrate capacity to make additional payments.
- Reducing the loan term so the loan is repaid before any borrower's planned retirement age, or 70 years of age, whichever occurs first.
- Income from a listed Australian based investment fund(s).
- Sufficient Australian based superannuation income that will allow for servicing.
- Making additional payments to pay the loan off before any borrower's planned retirement, or 70 years of age, whichever occurs first, where the borrower can demonstrate capacity to make additional payments.

- Reducing the loan term so the loan is repaid before any borrower's planned retirement age, or 70 years of age, whichever occurs first.

Retirement rule conversation

Originators must have a conversation with the following applicants to determine how they plan to make repayments at retirement.

If during the loan term any borrower, who has not already retired, will either:

- exceed their planned retirement age; or
- reach 70 years of age, whichever occurs first, then:

The application must include commentary as to how the borrower(s) intends to repay the loan as verbally advised to the originator.

Applications which require assessment of repayment capacity after retirement will be system referred to Credit Decisioning for approval.

Effective: 24 April 2023

Construction and renovation

A construction and renovation loan assists the customer to build a home or undertake extensive renovations to an existing property that is used as security. The following outlines the general requirements and is to be used as a guide only.

Definitions

- Building Plans - Usually completed by an architect, draftsman or the builder. A detailed set of drawings outlining what is to be built.
- Fixed Price contract / Construction Tenders - A contract that specifies what work the builder will undertake for a fixed amount. There are no rise and fall clauses associated with changes in labour or material costs.
- Prefabricated / kit / Transportable dwellings - Dwellings where the major components are constructed in a factory away from the building site and delivered to site for assembly. Applications for this dwelling type will not be considered if progress payments are required to be made prior to it being fully erected on the land and connected to all services
- Progress Payment Schedule - a schedule that outlines the percentage or amounts that the builder is to be paid upon reaching various milestones. Home Building contracts generally include the following milestones: Base / pad, Frame, Roof, Lock up and final. Monthly progress draws for the construction of a residential property are unusual. Refer to Credit for guidance in these instances.
- Specifications - A detailed listing of the items to which the builder has agreed to include in the minimum fit out of the property e.g. door handles, power points, drive way access and landscaping.
- Variations - Any agreed amendments (adding or deleting items) to the original building contract.

Policy application

Use this policy for	Don't use it for
<ul style="list-style-type: none"> • Building / renovation undertaken by a registered builder; • Construction of multiple dwellings regardless of whether the subdivision occurs pre or post completion of the building process; • Renovations to a property held as security that structurally changes 	<ul style="list-style-type: none"> • Off the plan purchases. Refer Off the plan purchases and developer sales. • The construction of more than four residences in a grouped dwelling. • Properties that upon completion will not be a house, unit, town house, or rural lifestyle property. Refer Maximum Loan to Value Ratios - (LVR's);

external walls and is subject to council approval.	<ul style="list-style-type: none"> • Properties where the maximum living space is <50sqm including a balcony and carpark. • Loans not subject to progress payments Refer Cash out
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Business rules

- Building contracts must be for a fixed price.
- Cost Plus building contracts are not acceptable.
- The borrower's contribution towards the construction cost must be used before the Bank's loan funds.
- A Retail Loan cannot be approved for applications where the dwelling will be sold upon completion.

Minimum lending parameters

Criteria	Requirements
Servicing capacity	Must meet the Bank's serviceability test.
LMI	Refer Lenders Mortgage Insurance (LMI).
Prefabricated / transportable / kit homes	Subject to a valuer confirming that, the dwelling has been fully erected on the land and connected to all services (e.g. mains electricity, portable water and sewerage systems).
Documentation requirements	<p>Single and Multiple dwellings</p> <ul style="list-style-type: none"> • The offer and acceptance / contract of sale for the land portion (if done as a block and build loan); • The building plans and specifications; • The Fixed price building contract / Construction Tender; • The Progress Payment Schedule, and • For multiple dwellings (only) a copy of the Council approved plan of subdivision (either formal or indicative). <p>NSW and the ACT, an unsigned copy of the building contract is sufficient for unconditional approval. Colleagues must obtain a signed copy of the building contract prior to disbursal. Colleagues should check to ensure that there have not been any material changes.</p>

	<p>For all other states and territories, a copy of the signed Fixed Price building contract is not required to obtain conditional approval. A signed copy is required prior to the Bank issuing an unconditional approval.</p> <p>Minimum Fit Out (Single, Multiple dwellings)¹</p> <ul style="list-style-type: none">• Sufficient surplus monies to cover the specified items post completion; or• Invoices or quotes for the items specified; or <p>Where invoices / quotes are held, these should be provided to the valuer for inclusion in the final valuation report.</p> <p>Where the minimum fit out requirements are to be completed by the customer post construction, colleagues should provide supporting commentary as to why they believe that this requirement will be achieved in a timely manner.</p>
Maximum LVR	Refer Maximum loan to value ratios (LVR's)

¹The below is the minimum level of fit out required for owner occupied and investment residential dwellings:

- Driveway to council crossover
- Boundary fencing

Effective: 15th August 2022

Consumer Lending Overview

The following outlines the general requirements for Retail Home Loan lending to consumers and is to be used as a guide only

Eligible customers

Must	<ul style="list-style-type: none"> • Be an individual: <ul style="list-style-type: none"> ◦ Aged 18 or over; and ◦ Is either an Australian citizen or Permanent Australian Resident. Note: Restrictions apply to New Zealand citizen or Australian Temporary Residents and Non Australian Residents; • Meet individual product rules; and • Have satisfactory credit check history.
Cannot	<ul style="list-style-type: none"> • Be a company acting on its own behalf. • Be an individual or company acting ATF for any type of trust. • Be an incorporated association. • Be explicitly for business purposes.

All foreign residency and / or foreign income applications must be assessed by an appropriately authorised Personal Credit Approval Authority (PCAA) holder.

Citizenship and residency

Citizenship

Residency status	Description and Passport notation
Australian Citizen	<ul style="list-style-type: none"> • Customers who were born in Australia or New Zealand, to a parent with permanent residency rights or, have obtained Australia or New Zealand citizenship via other means.
New Zealand (NZ) Citizen	<ul style="list-style-type: none"> • Australian citizenship is typically proved by a passport, a birth certificate (with accompanying documents proving parental residency status), or by a certificate of citizenship. • NZ citizenship is typically proved by a passport. New Zealanders have the legal right to live and work in Australia without a visa.

Non citizens

- Under Australian immigration laws, all permanent and temporary Australian residents must hold an approved visa as defined by the Australian Immigration Department.
- The type of visa impacts whether the holder can work, live or only visit.
- When considering applications involving non Australian Citizens, the originator must obtain a copy of the customer's original passport and electronic visa (e-visa) and retain this with the application. In addition, the Visa type and expiry date must be recorded in the appropriate Bank systems.
- When considering applications involving non Australian Citizens, the originator must obtain the customer's Passport details (Country of issue, and passport number).
- The Bank must completed a Visa Entitlement Verification Online, and upload this check to the appropriate Bank system.

For further information relating to specific Visa types, and the entitlements that they provide, refer to the Foreign Investment Review Board website.

Residency status	Description
Australian permanent residents	<ul style="list-style-type: none"> The holder may stay for 'as long as they wish'.
Australian temporary residents	<ul style="list-style-type: none"> The person may only stay for a certain length of time (and often subject to other conditions). Temporary visa holders may have been in Australia for an extended period of time (e.g. 457 visas are for up to four years), and many visa types can also be renewed.

If the originator is in any doubt as to a customer's residency / immigrations status, they must make reasonable inquiry.

Note: Ethnicity, skin colour and accented language are not reasonable grounds for asking a customer to prove they are an Australian or NZ citizen.

If verification is required, the originator should request to sight sufficient documentation to confirm their residency status. Examples include, but are not limited to, a passport, birth certificate or citizenship certificate.

Foreign Investment Review Board approval for home loan applications

The Foreign Investment Review Board (FIRB) examines proposals by foreign interests to undertake direct investment in Australia. This means that most overseas citizens (without permanent Australian residency) must gain prior FIRB approval before purchasing residential real estate in Australia.

For more information on whether or not FIRB approval is required, refer to the Foreign Investment Review Board website.

Eligible purposes and products

In all instances, originators can only originate a consumer exposure where the lending is for domestic or personal investment use.

Note:

- Margin lending is not considered as a retail exposure.
- Refinance of existing loan facilities is acceptable provided the initial facility was for an acceptable purpose.

For individuals paid in a currency other than Australian dollars (AUD), temporary residents, and all other individuals not covered above, colleagues should refer to below table and the Eligible borrower matrix. Refer Appendix A – Borrowing Matrix – Home Loan below.

Visa type	Products	Comments
Temporary Australian residency Visa	<ul style="list-style-type: none"> Housing (retail) loans secured by residential property – Refer Appendix A – Borrowing Matrix – Home Loan below. 	<ul style="list-style-type: none"> Except for the acceptable Visa sub classes 188, 457, and TSS 482 Medium-term (only), applications involving all other temporary Australian residents (on a working visa) living and working in Australia are unacceptable borrowers. Purchases of property in Australia maybe subject to FIRB approval. Refer to the Foreign Investment Review Board website.
Overseas citizen without	Housing (retail) loans secured by residential property – Refer Appendix A	<ul style="list-style-type: none"> Applications must be joint with either an Australian or New Zealand

Visa type	Products	Comments
Australian residency visa	– Borrowing Matrix – Home Loan below.	<p>citizen or Australian Permanent resident.</p> <ul style="list-style-type: none">• Purchases of property in Australia maybe subject to FIRB approval. Refer to the Foreign Investment Review Board website.

Appendix A: Borrowing Matrix – Home Loan

		Source/currency of income		Borrowing limits	
If the borrower is:	Living and working:	Currency of income	% of income available for servicing assessments	Maximum LVR without LMI	Maximum LVR with LMI
Australian Citizen	In Australia	AUD	100%	Owner Occupied 80%. Investment 80%.	Owner Occupied 95%. Investment 90%.
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%		
		All other foreign currencies are subject to approval by LDA holder	70%	Owner Occupied 70%. Investment 70%.	
	Overseas	AUD	100%	Owner Occupied 80%. Investment (P&I Repayments) 60%. Investment (IO Repayments) N/A.	LMI not available.
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%		
		All other foreign currencies are subject to approval by LDA holder	70%	Owner Occupied 70%. Investment (P&I Repayments) 60%. Investment (IO Repayments) N/A.	
Permanent Australian Resident	In Australia	AUD	100%	Owner Occupied 80%. Investment 80%.	Owner Occupied 95%. Investment 90%.
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%		
		All other foreign currencies are subject to approval by LDA holder	70%	Owner Occupied 70%. Investment 70%.	

		Source/currency of income		Borrowing limits	
If the borrower is:	Living and working:	Currency of income	% of income available for servicing assessments	Maximum LVR without LMI	Maximum LVR with LMI
Australian Citizen borrowing with a temporary resident or overseas resident OR Permanent Australian Resident borrowing with a temporary resident or overseas citizen [Note: FIRB approval required]	Overseas	AUD	100%	Owner Occupied 80%. Investment (P&I Repayments) 60%. Investment (IO Repayments) N/A.	LMI not available.
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%		
		All other foreign currencies are subject to approval by LDA holder	70%		
Australian Citizen borrowing with a temporary resident or overseas resident OR Permanent Australian Resident borrowing with a temporary resident or overseas citizen [Note: FIRB approval required]	In Australia or overseas	AUD	100%	Owner Occupied 80%. Investment (P&I Repayments) 60%. Investment (IO Repayments) N/A.	LMI not available.
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%		
		All other foreign currencies are subject to approval by LDA holder	70%		

		Source/currency of income		Borrowing limits			
If the borrower is:	Living and working:	Currency of income	% of income available for servicing assessments	Maximum LVR without LMI	Maximum LVR with LMI		
New Zealand Citizen	In Australia	AUD	100%	Owner Occupied 80%. Investment 80%	Owner Occupied 95%. Investment 90%.		
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%				
		All other foreign currencies are subject to approval by LDA holder	70%	Owner Occupied 70%. Investment 70%.			
	Overseas	Excluded Borrower					
Temporary Australian Resident <u>[Note: FIRB approval also required]</u>	In Australia	AUD	100%	Owner Occupied 70%. Investment. N/A	LMI not available.		
		GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY	80%				
Overseas Citizen without Australian residency visa	Overseas	Sole borrowings not permitted					
Overseas Citizen without Australian residency visa		Sole borrowings not permitted					

Application system

Originators must submit all Personal Lending via the appropriate application system. This ensures a robust, consistent, and auditible process exists.

Identification and conduct

Know Your Customer	Under the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act 2006, the Bank is required to identify and verify new customers before a designated Product or service can be offered to them.
Special Identification Provisions	We may accept alternate documents from remote Aboriginal and Torres Strait Islander peoples, refugees, people living in a declared natural disaster zone, people who've recently been released from an Australian Correctional Centre. Call us on 13 17 18 to find out what we will accept as identification.
Refinancing	Accounts that refinance from other financial institutions represent a higher risk for Bankwest. For this reason, there are strict requirements on the loan conduct of the accounts that are subject to a refinance. Refer to Housing (Retail) loans secured by residential property for further details.

Servicing

- The customer's eligible income must exceed their expenditure inclusive of the new loan and existing ongoing commitments.
- The Bank must retain all evidence of income on the customer file.
- A customer's ability to meet servicing requirements may be impacted by exchange rate volatility. For this reason the Bank has reduced the % of income that can be used in the servicing assessment.
- All applications with a reliance on foreign income must be sent to the holder of an appropriate delegation for review.

Acceptable repayment plan

The customer's repayment plan must:

- be acceptable to the Bank;
- be consistent with available cash flows;
- take into account the customer's financial goals; and
- include an appropriate end clearance strategy.

Generally, where the customer is an employed person and receives their income on a weekly, fortnightly or monthly basis, the repayment instalment should be structured on a similar basis.

Effective 15th July 2022

Guarantor Information Guide.

1. Description

Guarantor Support is available to assist customers obtain a home loan when they are unable to provide adequate security in cases where the loan amount exceeds normal lending margins.

Borrowers may consider adding co-borrowers to their loan application if they do not wish to obtain security support from a guarantor.

2. Benefits

Guarantor Support enables customers (in particular first home buyers) to:

- Borrow more funds than they may have been eligible for where they do not have an adequate deposit.
- Eliminate the need to pay for Lenders' Mortgage Insurance (LMI) where the guarantee reduces the customer's Loan Valuation Ratio (LVR) to a level where LMI is not required.

3. Eligibility

An Individual guarantor to a loan must be one of the following:

- have the legal capacity to enter into the loan contract, provide acceptable identification documentation and be 18 years or older;
- living and working in Australia who are:
 - o Australian citizens; or
 - o New Zealand citizens; or
 - o Australian permanent residents;
- living and working overseas who are Australian citizens;

Guarantors must also:

- understand their obligations as a guarantor;
- have the opportunity to receive an explanation of the guarantee from an independent person, i.e. solicitor;
- sign the guarantee in the absence of the debtor where the Bank attends to the signing of the guarantee;
- be limited to a specific dollar amount in the guarantee; and

- not have the guarantee documentation given to them by the debtor or to someone acting on behalf of the debtor to arrange for them to sign.

The following options are available.

Borrower Type	Types of support
Personal Borrower <p>A personal borrower must be able to service the loan amount based on their income and total repayment commitments. Under no circumstances can a guarantee be taken if the borrower is unable to demonstrate servicing in their own right.</p>	Security support only <p>subject to the application falling into one of the following scenarios:</p> <ul style="list-style-type: none"> • Family Security Support (see below) • Where the borrower and guarantor are married/in a de facto relationship/jointly own the security property

4. Guarantor Interview Checklist

All guarantors must be interviewed separately from the borrowers, in person for personal borrower applications. Refer to the Interview Checklist below for guidance on key points to discuss during the interview. Please ensure you provide a copy of the 'Becoming a Guarantor' brochure to the potential guarantor, which explains:

- the risks of providing a guarantee
- the requirement for the Guarantor to seek independent legal and financial advice from an independent third party (i.e. not the borrower's representative/s).
- the Guarantor may refuse to sign the guarantee or withdraw by providing written notice at any time before funding
- that the guarantor has the right to limit their liability in accordance with Banking Code of Practice and as allowed by law
- that the guarantor can request information about the transaction or loan to be guaranteed, and if applicable, the guarantee might cover future credit facilities and variations of the existing loan.

The following checklist should be used as a guide as to whether an individual is **suitable or not to become a guarantor including signs of potential risks of financial abuse and vulnerability**. If you can answer **yes** to any of the indicators below then the guarantor is not suitable.

Questions to ask yourself	Indicators
Does the Guarantor appear to be under duress or are there any signs of financial abuse?	<ul style="list-style-type: none"> - Has the Guarantor indicated that they are under pressure to act as guarantor? - Has the Guarantor indicated that they feel obliged to support the borrower(s) financially? - Does the Guarantor appear withdrawn, uneasy, and fearful (particularly of the borrower(s))?
Does the Guarantor appear illiterate?	<ul style="list-style-type: none"> - Is the Guarantor unable to read and understand documents such as the 'Becoming a Guarantor' guide (other than for the reason English is not their first language -for this reason see table below)? - Does the Guarantor have low levels of literacy education
Is the Guarantor likely to be put into hardship if the Guarantee was enforced?	<ul style="list-style-type: none"> - Does the Guarantor's financial position not support the payment of the proposed guaranteed amount (e.g pension income, lack of assets or income, such as a Term Deposit, that they could potentially use to help repay the loan besides their property)? - Has the Guarantor indicated they cannot afford to seek independent legal advice? - Does the Guarantor appear to be suffering from any serious illness or mental illness?
Does the Guarantor appear incapable of making an informed choice?	<ul style="list-style-type: none"> - Does the Guarantor appear to suffer from any cognitive or age-related impairment which restricts their ability to make an informed choice (such as dementia)?
Has the Guarantors unique circumstances been considered?	<ul style="list-style-type: none"> - Is the Guarantor a recent migrant? - Does the Guarantor have any other personal/financial circumstance causing significant concern? - Is there any other possible concerns or potential vulnerabilities?

Does the Guarantor not understand or speak English?	<ul style="list-style-type: none">- When translator or interpreter services are required please refer to your relevant interpreter services processes or refer to the National Accreditation for Translators and Interpreters Ltd (NAATI) website for more information.
Is the Guarantor highly dependent on the borrower?	<ul style="list-style-type: none">- Is the Guarantor's financial position dependent on the borrower's income or assets (e.g. a husband and wife where the assets are all in the name of the wife)- Is the Guarantor reliant on the borrower for care, particularly if they are living in the same house?

You should consider if the Guarantor is suitable or not. In all cases, it is Bankwest policy that you must recommend the Guarantor seek independent legal and financial advice from an independent third party (e.g. not the borrower's solicitor).

5. Family Security Support

Family Security Support makes it possible for customers to get a home loan when they're unable to provide adequate security to the Bank on their own.

Family members of the borrower, i.e. a parent, adult child, sibling, grandparent, spouse or legally appointed guardian may offer the equity in their property in addition to the borrower's property being secured by the loan.

If approved, the family member guarantees the loan which is supported by the property they are offering as security.

6. Family Security Support isn't available for:

- Non-residential properties;
- Off the plan purchases;
- Non-family members or third parties;
- Refinancing of the borrower's existing property.

7. Family Security Support Business Rules

Borrowers and guarantors

	Borrowers	Guarantors
Must	<ul style="list-style-type: none"> - Be aged 18 or over. - Be able to service the total repayment amount. Servicing guarantees are not acceptable. - Have an undisclosed debt review completed, refer to Liabilities 	<ul style="list-style-type: none"> - Be aged 18 or over. - Be family members. - Have independent legal advice. - Be interviewed face-to-face (in extenuating circumstances, refer to the Broker customer and guarantor identity verification and privacy procedure).
Cannot	<ul style="list-style-type: none"> - Rely on foreign income for servicing. - Already own a residential property. - Apply for an increase to obtain cash out. 	<ul style="list-style-type: none"> - Rely solely on government payments, e.g. a Disability Pension.

Security

Bankwest must hold the first mortgage over the guarantor's property.

Loan structures

	LendNet loan 1	LendNet loan 2
Security owner	Borrower	Borrower and Guarantor
Collateral type	Residential property only	Residential property only
Maximum loan amount	80% of the purchase price	<p>The lesser of either:</p> <ul style="list-style-type: none"> - 20% of the purchase price of the borrower's property, plus fees, to a maximum of 30%; or - 20% of the market value of the guarantor's property, plus fees, to a maximum of 30%.
Maximum LVR	80%	<p>The Lower of either:</p> <p>The Loan to Value Ratio (LVR) stated in Maximum Loan to Value Ratios Policy or 70% of the Guarantor property.</p> <p>Note: The maximum LVR calculation must include any existing loans secured by the guarantor's property.</p>
Responsibility for servicing	Borrower	Borrower
Restrictions	<p>Until loan 2 is repaid:</p> <ul style="list-style-type: none"> - No Equity Lines - No cash out 	<ul style="list-style-type: none"> - No Equity Lines - No increase or top ups - Principal and interest repayments only

8. Example: Manu

- Manu wants to borrow \$285,000 (including fees) to buy property 1 valued at \$300,000.
- His parents have agreed to provide the Bank with a mortgage over property 2 (unencumbered, valued at \$500,000) supported by a guarantee.

Loan structures

	LendNet loan 1	LendNet loan 2
Borrower	Manu	Manu
Guarantor	-	Manu's parents
Security	- Property 1	<ul style="list-style-type: none"> - Property 1 - Guarantee by Manu's parents, supported by property 2
Maximum loan amount	\$240,000 (\$300,000 x 80%)	\$45,000 (\$285,000 - \$240,000)

Maximum loan amount (LendNet loan 2)

- Loan 2 to the purchase price: 15% ($\$45,000 \div \$300,000$)
- Loan 2 to the value of property 2: 9% ($\$45,000 \div \$500,000$)

Maximum LVR (LendNet loan 2)

- Revised LVR: 9% ($(\$0 + \$45,000) \div \$500,000$)

Angela and Giovanni

- Angela wants to borrow \$305,000 (including \$5,000 in fees) to buy property 1, valued at \$300,000.
- Her brother Giovanni has agreed to provide a guarantee supported by property 2, valued at \$400,000.
- Giovanni has an existing mortgage to Bankwest against property 2, with an outstanding debt of \$100,000 and an LVR of 25% ($\$100,000 \div \$400,000$).

Loan structures

	LendNet loan 1	LendNet loan 2
Borrower	Angela	Angela
Guarantor	-	Giovanni
Security	- Property 1	<ul style="list-style-type: none"> - Property 1 - Guarantee by Giovanni, supported by property 2
Maximum loan amount	\$240,000 (\$300,000 x 80%)	\$65,000 (\$305,000 - \$240,000)

Maximum loan amount (LendNet loan 2)

- Loan 2 (minus fees) to the purchase price: 20% ($\$60,000 \div \$300,000$)
- Loan 2 (including fees) to the purchase price: 21.6% ($\$65,000 \div \$300,000$)
- Loan 2 to the value of property 2: 16.25% ($\$65,000 \div \$400,000$)

Maximum LVR (LendNet loan 2)

- Revised LVR: 41.25% $((\$100,000 + \$65,000) \div \$400,000)$

9. Legal advice requirements

Why is independent legal advice necessary and what is required?

It is important that an individual guarantor obtain independent legal advice, so that they:

- are informed;
- understand their rights and obligations; and
- are not signing something that they do not want to sign.

Obtaining independent legal advice:

- allows a guarantor the time and the opportunity to ask questions of their various professionals; and

- helps to protect the Broker and the Bank, especially in situations where there is a relationship of trust and confidence between the borrower and the guarantor.

Requirements:

Each guarantor is required to complete a statutory declaration (sent in Guarantor pack) confirming that legal advice (and financial advice, if required by the Bank) has been received.

Bankwest will not proceed with the loan, if:

- the statutory declaration is not completed correctly;
- Bankwest is not satisfied that the guarantor has understood their obligations; or
- Bankwest is aware that an individual guarantor did not get legal (or financial) advice even though they have made a declaration to the contrary.

10. Loan options

Customers can choose any Home Loan or Investment Home Loan product under a guarantor security arrangement.

11. Loan Documentation

A Guarantor Pack will be posted directly to each guarantor. The Bank will **not** give the guarantee documents to the borrower, or to someone acting on behalf of the borrower (such as the broker), to arrange for the guarantee to be signed.

The Guarantor(s) will also be required to complete and return the Guarantee and Indemnity (provided in the pack) confirming the dates they received and signed the deed of guarantee. If the guarantor has not taken at least 3 calendar days to review their documents before signing, the pack will be reissued. Guarantors will only be exempt from this 3 day rule if they receive independent legal advice and complete and return the statutory declaration provided in their guarantor pack.

The borrower must not be present or sign as the witness when the Guarantor signs the loan documents.

As an agent of the borrower the broker cannot be given the role of witnessing a guarantor sign a guarantee / Offer Letter / Letter of Variation / Facility Agreement / Security Document / Guarantor statutory declaration or any other bank document.

12. Interest Rates

Standard Home Loan and Investment Home Loan interest rates apply.

The interest rate will depend on whether the customer's home loan is for owner occupied or investment purposes and on the repayment type they select – principal and interest or interest only.

13. Fees

Standard Fees and Charges apply to Guarantor Support Loans.

[Becoming a Guarantor Guide](#)

Effective 8th March 2023

Housing (Retail) loans secured by residential property

The following outlines the general requirements for Retail Home Loan lending secured by residential property and is to be used as a guide only.

Note: The following requirements do not apply to Non-retail (business) lending.

Eligible customers

Must	<ul style="list-style-type: none"> • Be an individual: <ul style="list-style-type: none"> ○ Aged 18 or over; and ○ Is either an Australian citizen or Permanent Australian Resident. Note: Restrictions apply to New Zealand citizen or Australian Temporary Residents and Non-Australian Residents. For definitions, please refer to the page Consumer Lending Overview. • Meet individual Product rules; and • Have satisfactory credit check history
Cannot	<ul style="list-style-type: none"> • Be a company acting on its own behalf. • Be an individual or company acting ATF for any type of trust. • Be an incorporated association. • Be explicitly for business purposes.

Persons – Joint or Co-borrowers

A co-borrower can be included on an application if both borrowers will receive a substantial benefit from the transaction.

A substantial benefit is defined as an equal or greater interest in the use of the loan funds (e.g. asset's purchased, debt refinanced or other acceptable purposes).

Where it is determined that not all borrowers will receive a substantial benefit we must take reasonable steps to ensure that the borrower/s not receiving substantial benefit:

- understands the risks associated with entering into the loan and the difference between being a co-borrower and a guarantor; and
- we understand and record the reasons why they want to be co-borrowers; and
- be satisfied that they are not experiencing financial abuse.

Eligible purposes and products

Home loans are provided predominantly for personal purposes and:

Can be for	<ul style="list-style-type: none"> • The purchase or refinance of vacant residential land in the name(s) of individuals only; • Residential construction, alterations, additions or renovations to an existing residential dwelling (refer Construction and Renovation);
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- Accessing the equity in a residential property for personal purposes, including Cash out
- Bridging loans¹
- NRAS²
- Off the plan and Developer sales

Cannot be for	<ul style="list-style-type: none"> • Loans for business purposes and loans for the commercial development of residential properties. • A retail customer with multiple residential investment properties where the residential investment property loan exposure exceeds \$10m. • Any new loan for residential investment, where the loan amount is greater than \$10m. (Limited to borrowers that are companies (including companies acting as trustees of trusts) and must be written as a business loan). • Where there are more than four residences in a grouped dwelling and the loan is for \$5m or less, the loan is to be limited to borrowers who are companies (including companies acting as trustees of trusts) and must be written as a business loan. • Payment of a taxation liability.
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Note:

1. A Bridging Loan are only to be considered on an exceptions basis. The colleague must be satisfied that repayment of the facility will occur as planned. If the repayment does not occur when due, the causes of the default must be investigated and an alternative repayment source established immediately. If this cannot be achieved, the situation is to be reported without delay to the holder of an appropriate delegation.
2. The National Rental Affordability Scheme (NRAS) is a Federal Government initiative in partnership with the respective State and Territory Governments. It was set up primarily to assist in addressing the shortage of affordable rental housing. NRAS offers financial incentives to individuals who purchase these properties and maintain them in the NRAS 'pool'.

For applications involving NRAS properties, the loan type being applied for must be for investment purposes with a purpose of either:

- a. purchase new dwelling, or
 - b. construction loan for house and land packages.
3. The National Consumer Credit Protection Act (NCCP), does not apply to loans for residential investment purposes where:
 - a. The loan is not for a single property (i.e. where there is more than one security property involved); and
 - b. The loan is for more than \$5m.
 - c. These loans are considered to be unregulated and must be written as either unregulated housing loans or unregulated business loans.

Interest only

Interest only lending increases the risk of loss for both the Bank and the customer when the value of the security asset falls. It is important that when a customer requests an interest only term, that the originator

accurately determine and records the purpose of the customer's request and the appropriateness of the product in meeting the customer's needs.

If repayment of the debt is not to be achieved by amortisation from recurring earnings (e.g. Bridging Loans), originators should ascertain the rationale for the interest only facility and the intended source of repayment. The alternate repayment source (e.g. sale of other assets etc.) must be verified and documented in the submission.

The loan facility secured by leasehold security (ACT Residential properties excluded) are not eligible for interest only loan terms.

Cash out

This section outlines the requirements relating to 'Cash out' for Retail Home loans secured by residential property.

Exclusions:

- Seniors Equity Release.
- Home Loan redraws.
- Business Loans.
- Where the purpose of the funds is to make structural changes to any property offered as security.

Definition

Cash out represents the total amount of the loan proceeds (full or partial) being released to the applicants without restriction as to the application of the funds.

Business rules

- The 'Cash Out' amount and level of supporting information is determined based upon the:
 - Product being applied for; and
 - The end LVR post the transaction / cash out; and
 - The total amount of funds being released to the applicants (i.e. the cash out amount).
- Maximum LVRs post cash out is the lesser of 90%, or the amount outlined in the Maximum LVR table with / without LMI cover.
- It is mandatory for originators to capture in LendNet, Genesis or CPS the intended use of the funds (e.g. purchase of shares, purchase of new motor vehicle etc.).
- Bankwest and / or QBE LMI (if applicable) reserve the right to request additional information.

Cash out limits

Products	End LVR Post transaction / cash out	Total amount	Evidence from the customer
Home loans	Maximum LVR without LMI cover.	Including the cash out amount the LVR cannot exceed 80%	<ul style="list-style-type: none"> • Cash out amount less than or equal to \$1m: Submission commentary only • Cash out amount greater than \$1m: Formal supporting documentation

			from the customer to be uploaded to CPS
	The lesser of 90% LVR or the Maximum LVR with LMI cover.	<ul style="list-style-type: none"> • The maximum amount per application is \$100,000. • LMI is applicable 	Formal supporting documentation from the customer to be uploaded to CPS if the cash out is >\$50,000.

Supporting documentation

The originator must include clear and fully documented reasons for support where any of the above parameters are not met. Only the holder of an appropriate delegation and / or QBE LMI (as applicable) can decision transactions of this nature.

Supporting documentation (when required) must be from a third party, i.e. invoice / receipts, contract for purchase (i.e. boat, car etc.) or a letter from an accountant / financial advisor. Quotes for work etc. relating to structural changes to the property offered as security are not acceptable.

Credit bureau reports

A credit assessment must include a credit bureau report.

Where adverse credit history is outside a system rule or loan conduct limit's a PCAA holder may accept this, subject to any restrictions within their delegation and LMI requirements and, satisfactory mitigants being evident.

Undisclosed debt review

The undisclosed debt review is undertaken to ensure that all of the applicant's debt liabilities are included in the lending assessment. Liabilities stated within the application must be reconciled with the Comprehensive Credit Reporting (CCR) screen and (if required) transaction accounts or statements.

As not all liabilities are contained within the CCR screen, a review of transaction account information may be required to determine if there are other debts that are undisclosed. Any undisclosed liabilities identified will require further investigation, and where appropriate, inclusion in the credit assessment.

Where the application requires an LMI policy a review of the customer's transaction account or statements will be required.

Where the application does not require an LMI policy or has LMI waived, a review of the customer's transaction account or statements, to identify any undisclosed liabilities is not required unless:

- the customer's transaction account is with Bankwest, OR
- an OFI transaction account statement has been provided as part of the application, OR
- where salary credits have been used for income verification, OR
- a guarantor is also present (including linked application for family support).

NOTE: An appropriate transaction account or statement to complete an undisclosed debt check would typically be where the customers salary, or self-employed income is paid, but could include home loan or offset account statements (but does not include credit card statements). The most recent transaction must be dated no more than 45 days old at the time the application is submitted for full approval.

Account conduct

Credit assessments must consider conduct of accounts and the past financial management capability of each borrower.

An account conduct review is undertaken either manually or via the use of Comprehensive Credit Reporting (CCR) data.

Account conduct where CCR data is available

Where a liability is presented on the CCR screen within either Retail LendNet or Nova, or there is an existing Bankwest account, then the system will automatically take account of this information as part of the credit decision.

Note: Statements are required and / or BWA account conduct to be checked for all applications that are originated through the Business and Private Banking channels (excluding applications originated through either Retail LendNet or Nova).

Account conduct where CCR data is unavailable or unsuitable

Verification requirements

The tables below outline what is regarded as acceptable conduct based upon the account type and whether the debt is an increase to an existing facility, cash out or being refinanced.

Indications of poor conduct may include, arrears fees, overdrawn notices and / or where no credits have been made to the account during the period under examination.

Acceptable conduct

For	Debt Type	Period of Review	Non LMI (where CCR data is unavailable or unsuitable)	LMI (where CCR data is unavailable or unsuitable)
Debt(s) being refinanced	Home loan	6 months	Arrears position of no greater than one month's payment for no longer than 30 days during the period under review.	Account statements for the existing home loan and any other debts being refinanced must show consistent repayment history with no evidence of arrears, late or reversed payments, late fees or default charges.
	Personal Loan	3 months		
	Credit card	3 months	No more than one late / dishonoured / missed payment for no longer than 30 days during the period under review.	
For	Debt Type	Period of review	Both Non LMI and LMI (where CCR data is unavailable or unsuitable)	

Debt(s) not being refinanced	Fixed Repayment Liabilities	One month (not less than)	Arrears position of no greater than one month's payment for no longer than 30 days during the period under review.
	Limit Facilities		No more than one late / dishonoured / missed payment for no longer than 30 days during the period under review.

Account conduct outside of these parameters may be accepted by a PCAA holder when satisfactory mitigants are evident.

Notes: Where an account was opened within the required period of review the conduct must be reviewed over the period since account opening.

Verification of debts

Where verification of account information, as required in the table below, cannot be completed using CCR data the following acceptable documentation may be provided by the customer, but is not limited to:

- Loan account statements
- Transaction account statements or online transaction listings
- Internet banking transaction listing or online account summary
- Loan contract / schedule
- Account position statement

Account type	Information required	
	Debts not being refinanced	Debts being refinanced
Fixed Repayment Liabilities Includes home loans, personal loans, business loans, and equipment finance.	<ul style="list-style-type: none"> • Account number • Account holder(s) name • Financial institution details • Facility limit • Current interest rate (for mortgage facilities) • Remaining loan term (for mortgage facilities) • Remaining IO term (if applicable) 	<ul style="list-style-type: none"> • Account number • Account holder(s) name • Financial institution details • Facility limit
Limit Facilities Includes personal equity line / revolving credit,	<ul style="list-style-type: none"> • Account number • Account holder(s) name • Financial institution details 	<ul style="list-style-type: none"> • Account number • Account holder(s) name • Financial institution details

business lines of credit, personal and business overdrafts, and credit cards.	<ul style="list-style-type: none"> • Facility limit • Current interest rate (for mortgage facilities) 	<ul style="list-style-type: none"> • Facility limit
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For information on statements, the most recent transaction for every account must be dated no more than 45 days old at the time the application is submitted for full approval.

Note: As Novated Leases are paid as part of a customer's salary package you are only required to verify the repayment amount for these facilities.

Application Suitability

Concentration

An individual may hold up to five dwellings in one existing development however, the Bank overall exposure to any one development is limited to:

- 10% for High Density
- 25% for all other property types

Decisioning

Applications will be either input via the appropriate application system and decisioned via the automated scorecard, or manually reviewed. Credit scoring applies to all retail housing loan applications.

Applications that are referred or disputed must be submitted to the holder of an appropriate delegation for decisioning.

Income repayment requirements

Deposits

The ability to provide an adequate deposit, reduces the risk to the Bank, as it allows the customer to signal to the Bank, that they are committed to the transaction.

In all instances, originators must be satisfied that the deposit is real and that it will be made available at time of settlement.

Acceptable deposits can come from a range of difference sources.

Note: There are different deposit requirements for loans subject to LMI (Refer Lender Mortgage Insurance).

Can be	<ul style="list-style-type: none"> • Cash held with Bankwest or another financial institution; • Equity in another property that Bankwest has or will have a mortgage over; • Deposits from the sale of a share portfolio or another property; and • Gifted deposits ⁽¹⁾
Cannot be	<ul style="list-style-type: none"> • Borrowed equity, i.e. funds from another loan so as to avoid Lender's Mortgage Insurance; • From the liquidation of other necessary assets e.g. the sale of the family car; or • Supplier, vendor or builder rebates or other incentives are to be included in the deposit.

1. Gifted deposits are generally not acceptable unless a signed letter is obtained from the grantor which clearly states:

- the amount of the gift,
- the grantor's relationship to the borrower(s) AND,
- that it will not be repayable at any time in the future.

Acceptable grantors include:

- Parents / parents in law
- Spouse / de facto spouse
- Children
- Siblings – brother, sister / brother in law, sister in law; or
- Grandparents / Grandchildren

Eligible income

The eligible income types and verification requirements are set out in the page Net Income Commitment Level (NICL).

Originators must calculate commitments in line with the rules set out in page Net Income Commitment Level (NICL).

Repayment plan

The customer must be able to demonstrate that all loans can be repaid over commercially acceptable loan terms. Refer to Serviceability and Eligible Incomes for further information.

IF	And	Then, this repayment source is:
The customer has an interest only facility; and In the first instance, cannot satisfy the serviceability assessment (based on the facility being amortised over the normal term of a principal and interest loan):	The eventual repayment of the facility from the sale of the security property	Unacceptable (bridging loans excluded).
	Is within the customer's means; and The customer will not be placed in a position of having to sell their family home	Acceptable

Extended leave

- Extended Leave refers to leave other than annual leave (e.g. parental leave or extended leave due to injury / illness) and applies to applications where a borrower is either currently on, or to commence, extended leave for a period not exceeding 12 months and applying for a new, or increase to, an existing Retail (consumer) housing loans only, which are not subject to LMI.

- The borrower must be able to demonstrate that they are able to meet their total proposed commitments and living expenses, through both the period of extended leave, and upon return to work with their current employer.
- All applications must be referred to a delegated authority for review and acceptance.
- Please refer to the Broker website page 'Broker / Lender Guide for submitting a Home Loan application under the Extended Leave Policy' for further information.

Interest only facilities

- At expiry of the interest only period, the loan will convert to an amortising (principal and interest) loan without the need for a reassessment.
- If a further interest only period is requested, reassessment of the loan is required.

Acceptable repayment terms

- The maximum loan term for new residentially secured property loans is 30 years. Product exceptions may apply.
- Loans that are secured by Leasehold interests must mature at least two years before the expiry date of the leasehold.
- The maximum total interest only term for a residential home loan is;
 - ten years for investment purposes, and
 - five years for owner occupied purposes.
- Shorter periods may apply depending on the product and purpose of the loan.

NOTE: Extensions past these total interest terms are subject to full assessment.

Acceptable Security and documentation

- Loans must be secured by residential property in all cases, refer to the page Maximum Loan to Value Ratios.
- A registered second mortgage is only acceptable where the first mortgagee is:
 - Banks or financial institutions who's mortgages secures a Defence Service Housing Loan
 - Any other requests for Bankwest to take second mortgage security should be referred to Retail Credit Decisions.
- Security Guarantees can be taken in select instances. Refer to the page Guarantors.

Residential Property (freehold)	Must	<ul style="list-style-type: none"> • be equal to or less than 50 Hectares (Rural up to 60 Hectares) • have, or be legally allowed to have, a dwelling for occupation constructed thereon.
	Cannot	<ul style="list-style-type: none"> • Be used to generate income from primary production or income other than rent. (Refer comment in relation to rural lifestyle properties below).
Residential Property (leasehold)	Must	<ul style="list-style-type: none"> • Standard LVRs (refer to the page Maximum Loan to Value Ratios) can be extended for residential leasehold property on an exception basis (note that this does not apply to ACT residential leasehold property which is subject to standard lending requirements).

		<ul style="list-style-type: none">• Full copies of offer and acceptance / contract of sale and lease to be held.• A full valuation report is obtained (request to panel valuer must disclose the leasehold nature of the property to be valued).• Approval of facilities utilising this security rests with the holder of an appropriate delegation.
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Note: Lease documents are to be referred to Bankwest legal to ensure lease conditions:

- allow an acceptable mortgage to be taken over the lease and provides mortgagee with right of entry
- do not contain a clause which surrenders sub lessees / lessees interest to the sub lessor / lessor in cause of default
- do not contain a nil compensation resumption clause
- have acceptable renewal provision at the option of the lessees (if applicable)
- the leasehold is under the Torrens system of title; and
- the lease is provided by a local government authority, state government authority, semi-government authority or a corporate / private land lease.

Loan to Value

Loan to Value is calculated by adding the amount of all credit facilities supported by the security, and dividing it by the market value of the security / securities as defined by the Valuations page, expressed as a percentage.

Maximum LVRs, including with Lender Mortgage Insurance are detailed in the Loan to Value tables, refer to the page Maximum Loan to Value ratios.

Insurance

All property (including personal assets) that the Bank holds as security must be adequately insured.

Effective: 24 April 2023

Lenders Mortgage Insurance (LMI)

The following outlines the minimum requirements for applications that are subject to LMI and is to be used as a guide only.

Definitions

- LMI protects the Bank (not the borrower) against loss in the event that the borrower defaults.
- LMI is applicable for loans to borrowers with a smaller than normal deposit and is loan and borrower specific.

Exclusions

- Business loans
- Display homes where the property is subject to a lease back to the builder.
- Owner Builder
- Non Resident Borrowers
- Borrowed equity to meet the deposit requirements (i.e. personal loan or other personal lending).
- Properties located within 50m of high - tension power lines.
- Collection and Recoveries processes associated with arrears.
- Construction of multiple dwellings on one title where the subdivision of the land is to occur post the Bank funding the construction.

Business rules

- Colleagues can make LMI a condition of approving a loan where the LVR exceeds the base LVR. Refer Maximum loan to value ratios (LVR's).
- Colleagues cannot suggest to the customer that it delivers them a benefit.
- The Bank has a Delegated Underwriting Authority (DUA) with QBE LMI. This means that in some instances, the Bank can approve applications subject to LMI without further referral to QBE LMI.

Key considerations	Requirement
Cash out	Refer Housing (Retail) loans secured by residential property.
Loan amounts	Refer to Maximum loan amounts.

Key considerations	Requirement
LVR > 90%	Where the LVR > 90% (excluding the capitalised LMI premium), the customer must evidence at least 5% of the total property purchase price as already being held through either genuine savings or saved equity.
Maximum LVRs	Refer Maximum loan to value ratios (LVR's).
Ongoing requirements	<p>The Bank must obtain approval from the insurer whenever:</p> <ul style="list-style-type: none"> The insured debt is increased. Priority is granted to another lender. A variation to the insured loan will result in an increased term to run (this does not include redraw of surplus). Parties to the loan change. The property offered as security changes. Strict reporting and actioning of arrears is also required, however this is centrally managed and falls outside the scope of this policy.
Valuations	<p>Valuation reports must be addressed to both the Bank and its mortgage insurer.</p> <p>The valuation report must be less than three months old.</p>
Waiver of LMI	LMI approval may only be waived by the holder of an appropriate delegation.

Genuine savings & saved equity

Originators must evidence genuine savings through:

Acceptable sources	Requirement	Verification
Savings already held with a financial institution	Held for a minimum of three months in the name of at least one borrower prior to the loan application being received.	Bank statements ^{1,2} , for the most recent three months, prior to the application being received.
Savings accumulated (either fully or partly) over a three month period with a financial institution	A demonstrated savings or repayment pattern established over a minimum period of 3 months in the name of at least one borrower prior to the loan application being received.	<ul style="list-style-type: none"> • Bank statements^{1,2}, for the most recent three consecutive months, prior to the application being received. • Any deposits that are > 20% of the genuine savings amount must be fully evidenced, explained and documented by the originator. <ul style="list-style-type: none"> ◦ The evidence provided must confirm these funds as being from either savings already held, or being the proceeds received from the sale of existing investments. • Gifts, or proceeds from the sale of non-investment assets (e.g. cars, furniture etc.), are not acceptable.
Shares already held in an ASX listed company	Held for a minimum of three months in the name of at least one borrower prior to the loan application being received.	<ul style="list-style-type: none"> • Fund / investment statements, share certificates / Chess statements etc.

Acceptable sources	Requirement	Verification
Gifts from: <ul style="list-style-type: none"> • parents / parents in law spouse / de facto spouse • children • siblings – brother, sister / brother in law, sister in law; or • grandparents / grandchildren 	<ul style="list-style-type: none"> • The gift is non-repayable; and • Held for a minimum of three months in the name of at least one borrower prior to the loan application being received. 	<ul style="list-style-type: none"> • Written statement from the person providing the gift stating: <ul style="list-style-type: none"> ◦ the amount of the gift, ◦ the grantor's relationship to the borrower(s) AND, ◦ that it will not be repayable at any time in the future. • Bank statements showing the funds already being held, for the most recent three consecutive months, prior to the application being received.¹
Deposit already paid as noted within the Contract of Sale / Offer and Acceptance	<ul style="list-style-type: none"> • The funds, noted as already being paid as a deposit, are required to have been held for, or accumulated over, a minimum of three months in the name of at least one borrower, prior to the date that the deposit was paid, as noted within Contract of Sale / Offer and Acceptance. 	<ol style="list-style-type: none"> 1. Where the funds were already held with a financial institution, the customer is to provide Bank statements^{1, 2}, for the most recent three consecutive months, prior to the deposit being paid. 2. Where the funds were accumulated (either fully or partly) over a three month period with a financial institution, the customer is to provide Bank statements^{1, 2}, for the most recent three consecutive months, prior to the deposit being paid. <ul style="list-style-type: none"> ◦ Any deposits that are > 20% of the genuine savings amount must be fully evidenced, explained and

Acceptable sources	Requirement	Verification
		<p>documented by the originator.</p> <ul style="list-style-type: none"> • Vendor incentives or rebates are not acceptable as evidence of Genuine Savings. • The evidence provided must confirm these funds as being from either savings already held, accumulated over a three month period, or being the proceeds received from the sale of existing investments. • Gifts, or proceeds from the sale of non-investment assets (e.g. cars, furniture etc.), are not acceptable.
Funds from the Australian Government's First Home Super Saver Scheme (FHSS)³	<ul style="list-style-type: none"> • Funds from the FHSS have been credited to an account in the name of at least one borrower prior to the application being received. 	<ul style="list-style-type: none"> • Bank statements^{1,2} showing the funds from the FHSS have been credited to an account in the name of at least one borrower prior to the application being received. • A copy of the payment summary, in the name of a borrower, issued by the Australian Taxation Office (ATO), which shows the amount of FHSS released.
Rental Payments	Where three months savings account history is not available, a borrower's rental history for the previous 6 consecutive months is acceptable.	One of the following options must be provided along with the savings account history that is available: <ul style="list-style-type: none"> • The past 6 consecutive months rental statements, from the real estate agent managing the property, evidencing rent paid in the

Acceptable sources	Requirement	Verification
	<p>Source of funds to complete the transaction must be disclosed and acceptable.</p> <ul style="list-style-type: none"> • Note: Borrowed equity and vendor incentives are not acceptable. 	<ul style="list-style-type: none"> name of at least one borrower: or • The past 6 consecutive months transaction account statements, of an account in the name of at least one of the borrowers, showing clearly identified rental payments being paid. <p>Rental history must show consistent and timely payments.</p> <p>Any payment overdue by 7 days or more is unacceptable.</p> <p>The latest rental statement must be less than 45 days at the time of the home loan application.</p>

Originators must evidence saved equity through:

Acceptable sources	Requirement	Verification
Equity from an existing property being cross collateralised	<ul style="list-style-type: none"> • The property to be cross collateralised must be held for a minimum of three months in the name of at least one borrower. 	<ul style="list-style-type: none"> • Valuation(s) of the security to be taken as security.
Equity from an existing property that is not being cross collateralised	<ul style="list-style-type: none"> • The property must be held for a minimum of three months in the name of at least one borrower. 	<ul style="list-style-type: none"> • Proceeds to be made available from sale of this property; OR • Additional home loan borrowings utilising this property (with the corresponding liability disclosed within the applicant's liabilities).

Acceptable sources	Requirement	Verification
Surplus funds available for redraw in an existing Housing Loan	<ul style="list-style-type: none"> • The property must be held for a minimum of three months in the name of at least one borrower. 	<ul style="list-style-type: none"> • Bank statements^{1,2}, for the most recent three consecutive months, prior to the application being received, evidencing that surplus funds are able to be redrawn from the applicant's existing home loan.

Note:

¹ Internet statements are acceptable but must contain the applicant's name, account number and balance of the account. The most recent statement must be dated no more than 45 days old at the time the application is submitted for full approval.

² Any lump sums, or large deposits outside of the applicant's normal savings pattern that are evident in the bank statements provided within the three month period must be fully evidenced, explained and documented by the originator.

These amounts must be confirmed as being savings or proceeds from sale of investments and not gifts or proceeds from the sale of non-investment assets (e.g. cars, furniture etc.). See verification requirements above.

³ Originators are to note that the applicant is required to be purchasing, or constructing, their first residential property, and are;

- to either live, or intend to live in the premises they are purchasing or constructing as soon as practical.
- Intending to live in the property, for at least six months of the first 12 months after they own it, after it is practical to move in,
- Not purchasing any property that cannot be occupied as a residence, a houseboat, a motor home, or vacant land.

They must not have previously owned a property in Australia This includes investment property, vacant land, commercial property, a lease of land in Australia, or a company title interest in land in Australia.

Maximum loan amounts

QBE LMI also set maximum loan amounts based upon a matrix of LVR and property location.

Maximum aggregate: loan amount and loan amount per security

Product	Maximum Aggregate Loan Amount	Maximum Loan Amount Per Security
Full documentation loans	\$3M	\$1.5M

The table below outlines the maximum LVR and loan amount for each security property based upon the loan account type applied for:

Retail home loans (both Fixed and Variable)

Security Type	Maximum LVR	Location Category					
		Metropolitan		Regional		National	
		95%	90%	95%	90%	95%	90%
Residential Property	\$900,000	\$1,500,000	\$600,000	\$900,000	\$275,000	\$550,000	
Vacant Land	\$600,000	\$720,000	N/A	\$600,000	N/A	\$330,000	

Effective: 22nd April 2022

Maximum Loan to Value Ratios

The following document outlines Bankwest's maximum Loan to Value Ratios (LVR's) that will be considered for Retail (consumer) lending and is to be used as a guide.

The Loan to Value Ratio (LVR) is calculated by adding the amount of all credit facilities supported by the security, and dividing it by the market value of the security / securities expressed as a percentage.

Refer to the tables below to review the LVRs for various property types. These tables detail:

- the Maximum LVR the Bank will entertain without mortgage insurance, and
- the Maximum LVR the mortgage insurer will generally accept.

The Bank's mortgage insurer may adopt their own guidelines for certain locations.

Houses

Description	Owner occupier		Investor	
	No LMI	LMI	No LMI	LMI
House	80%	95% (98% including capitalisation of LMI premium)	80%	90% (including capitalisation of LMI premium)
Prefabricated / Kit / Transportable Dwellings	80%	95% (98% including capitalisation of LMI premium)	80%	90% (including capitalisation of LMI premium)
Refinance	80%	90% (excluding capitalisation of LMI premium)	80%	90% (including capitalisation of LMI premium)
Houses in Restricted Regional Postcodes (including all the above categories)	80%	90% (excluding capitalisation of LMI premium)	80%	Not Available
House in a Category B location (refer below)	Refer to Retail Credit Decisions			

Notes:

- Restricted postcodes can be identified through use of the Bankwest Valuation and Policy Tool.
- Where an Interest Only (IO) period is applied for and the loan purpose is Owner Occupied, the LVR cannot be >80%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- Where an Interest Only (IO) period is applied for, and the loan purpose is Investment, the LVR cannot be >90%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.

- For Heritage properties, the LVR cannot be > 90%.

Units

A unit is an apartment/flat:

- that is not classified as being either a detached or semi-detached dwelling; and
- is in a development that has either ≤5 floors or ≤ 50 accommodation units.

Note:

- Townhouses or villas are considered to be a house, where they are classified as being either a detached or semi-detached dwelling.
- The number of floors within a unit development is based upon those 'from the ground up', irrespective of their use (i.e. accommodation, mixed used / commercial, car parking).
- Units within developments that contain 'Mixed Use' are acceptable subject to the current use being residential and permitted under the Zoning.

Minimum requirements

Must	<ul style="list-style-type: none"> • have a minimum living area of more than 30 sqm (based solely on the living area); and • have at least one separate bedroom.
Cannot	<ul style="list-style-type: none"> • be an off the plan purchase or developer sale (please refer to the separate page Off the plan purchase and developer sales) • have a minimum living area of ≤30 sqm (based solely on the living area); or • be an Off the Plan Developer sale that has a minimum living area of less than 40 sqm (based solely on the living area); or • be in a development that has ≥ 6 floors or more than 50 accommodation units (Refer High Density below); or • be a unit contained within a development designated for the sole use of Student Accommodation; or • be a Serviced Apartment.

Description	Owner occupier		Investor	
	No LMI	LMI	No LMI	LMI
Residential unit ≥40 sqm	80%	95% (98% including capitalisation of LMI)	80%	90% (including capitalisation of LMI)
Residential unit ≥40 sqm Restricted Postcodes	80%	90% (Including capitalisation of LMI)	80%	90% (Including capitalisation of LMI)
Residential unit ≥40 sqm Restricted	80%	90% (Including capitalisation of LMI)	80%	NA

Regional Postcodes				
Residential unit >30 sqm <40 sqm	65%	NA	65%	NA
Refinance	As per category above	As per the above criteria; Either N/A, or 90% (excluding capitalisation of LMI)	As per category above	As per the above criteria; Either N/A, or 90% (excluding capitalisation of LMI)
Category B (refer below)	Refer to Retail Credit Decisions.			

Notes

Restricted postcodes can be identified through the use of the Bankwest Valuation and Policy Tool.

Where an Interest Only (IO) period is applied for and the loan purpose is Owner Occupied, the LVR cannot be >80%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.

Where an Interest Only (IO) period is applied for, and the loan purpose is Investment, the LVR cannot be >90%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.

For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.

For Heritage properties, the LVR cannot be > 90%.

Units in a High Density Property

A high density unit is an apartment/flat:

- that is not classified as being either a detached or semi-detached dwelling; and
- is in a development that has either ≥ 6 floors or more than 50 accommodation units.

Notes:

- Townhouses or villas are considered to be a house, where they are classified as being either a detached or semi-detached dwelling.
- The number of floors within a unit development is based upon those 'from the ground up', irrespective of their use (i.e. accommodation, mixed used / commercial, car parking).
- Units within developments that contain 'Mixed Use' are acceptable subject to the current use being residential and permitted under the Zoning.

Minimum requirements

Must	<ul style="list-style-type: none"> • have a minimum living area of $\geq 40\text{sqm}$ (based solely on the living area); and • have at least one separate bedroom.
Cannot	<ul style="list-style-type: none"> • be an off the plan purchase or developer sale (please refer to the separate page Off the plan purchase and developer sales) • have a minimum living area of less than 40sqm (based solely on the living area); or

- be used as security for loans that involve progress payments; or
- be a unit contained within a development designated for the sole use of Student Accommodation; or
- be a Service Apartment.

Description	Owner occupier		Investor	
	No LMI	LMI	No LMI	LMI
High Density	80%	95% (including capitalisation of LMI)	80%	90% (including capitalisation of LMI)
High Density Restricted Postcode	80%	90% (including capitalisation of LMI)	80%	90% (including capitalisation of LMI)
High Density Restricted Regional Postcodes	80%	90% (including capitalisation of LMI)	80%	N/A

Notes:

- Restricted postcodes can be identified through the use of the Bankwest Valuation and Policy Tool.
- Where an Interest Only (IO) period is applied for and the loan purpose is Owner Occupied, the LVR cannot be >80%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- Where an Interest Only (IO) period is applied for, and the loan purpose is Investment, the LVR cannot be >90%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- For properties within 50m of High Tension powerlines refer to Retail Credit Decisions
- For Heritage properties, the LVR cannot be > 90%.

Rural

Minimum requirements

Must	<ul style="list-style-type: none"> • Have, or be applying for finance to construct a residence on the lot. • Zoned by the local government authority as being for domestic occupation including rural lifestyle properties. • Be connected to all services (e.g. mains electricity, potable water, and sewerage systems).
Cannot	<ul style="list-style-type: none"> • Generate more than 25% of the income used to service debt, excluding rent. <p>Note: For business deals, income to be measured as Earnings Before Interest Tax Depreciation Amortisation (EBITDA).</p>

Description	Owner occupier	Investor

	No LMI	LMI	No LMI	LMI
Being >10 to 50 hectares	80%	90% (93% including capitalisation of LMI premium)	80%	90% (including capitalisation of LMI premium)
Being >10 to ≤50 hectares for Restricted Regional Postcodes	80%	90% (including capitalisation of LMI)	80%	NA
Being >50 to 60 hectares	80%	NA	80%	NA
Refinance	As per category above	For properties ≤50 Hectares 90% (excluding capitalisation of LMI Premium) For properties >50 to ≤60 hectares N/A	As per category above	For properties ≤50 Hectares 90% (including capitalisation of LMI Premium) For properties >50 to ≤60 hectares N/A
Category B (Refer below)	Refer to Retail Credit Decisions			

Notes:

Restricted postcodes can be identified through use of the Bankwest Valuation and Policy Tool.

Where an Interest Only (IO) period is applied for and the loan purpose is Owner Occupied, the LVR cannot be >80%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.

Where an Interest Only (IO) period is applied for, and the loan purpose is Investment, the LVR cannot be >90%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.

For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.

For Heritage properties, the LVR cannot be > 90%.

Luxury

The following outlines the Banks's internal appetite from an LVR perspective for Residential properties, by state.

State / Territory	Property value	Maximum LVR
South Australia, Tasmania, Northern Territory	Greater than \$1.33m* up to and including \$3m	80%
New South Wales, Victoria, Western Australia, Queensland, Australian Capital Territory	Greater than \$1.66m* up to and including \$3m	

State / Territory	Property value	Maximum LVR
All	Greater than \$3m up to and including \$5m	75%/80%**
All	Greater than \$5m	70%

This represents the Bank's internal appetite from an LVR perspective. For SLM purposes the standard SLM for a residential collateral is 80%.

* QBE LMI appetite is restricted to a maximum loan amount of \$1.5m for NSW, VIC, WA, QLD and ACT (\$1.5m/90% ≈ \$1.66m) and \$1.2m (\$1.2m/90% ≈ \$1.33m) for all other states, at a maximum LVR of 90%. Please refer to the page Lenders Mortgage Insurance (LMI).

** subject to the following criteria:

- No valuation Risk Alerts; and
- Not a construction loan.

Note:

- For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.

Vacant land

	Owner Occupier		Investor	
	No LMI	LMI	No LMI	LMI
Vacant Land (Metro) ≤1,500 sqm	80%	95% (98% including capitalisation of LMI premium)	80%	90% (including capitalisation of LMI premium)
Vacant Land (Regional) ≤1,500 sqm	80%	90% (including capitalisation of LMI premium)	80%	90% (including capitalisation of LMI premium)
Vacant Land (Restricted Regional Postcodes) ≤1,500 sqm	80%	90% (including capitalisation of LMI premium)	80%	N/A

	Owner Occupier		Investor	
	No LMI	LMI	No LMI	LMI
Vacant Land (Zoned by the local government authority as being for domestic occupation including rural lifestyle properties) ->1,500 to 500,000 sqm	80%	N/A	80%	N/A
Refinance Vacant Land ≤ 500,000 sqm (Where Vacant Land is to be refinanced as part of a construction application, construction policy to apply)	80%	N/A	80%	N/A
Vacant Land in a Category B location	Refer to Retail Credit Decisions			

Notes:

- Restricted postcodes can be identified through use of the Bankwest Valuation and Policy Tool.
- Where an Interest Only (IO) period is applied for and the loan purpose is Owner Occupied, the LVR cannot be >80%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- Where an Interest Only (IO) period is applied for, and the loan purpose is Investment, the LVR cannot be >90%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.
- For Heritage properties, the LVR cannot be > 90%.
- LMI will not consider applications where the applicant already owns vacant land and is purchasing an additional vacant allotment.
- **For properties being > 10 to ≤ 60 hectares zoned by the local government authority as being for domestic occupation including rural lifestyle refer to Maximum Loan to Value Ratios – Rural.**

Other property types / purposes

Property type / purpose	Maximum LVR without LMI	Maximum LVR with LMI
Company title	Nil	N/A

Property type / purpose	Maximum LVR without LMI	Maximum LVR with LMI
Purple Title or Moiety Title	Nil	N/A
Dwellings within retirement villages	Nil	N/A
Serviced Apartments	Nil	N/A
National Rental Affordability Scheme (NRAS)	80%	N/A
Owner builder / subcontractor	Refer Retail Credit Decisions	N/A

- For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.

Category B (with postcodes)

State	Postcodes
General	<p>Any island not connected to the mainland by roadway, with the exception of:</p> <ul style="list-style-type: none"> QLD - 4183 Stradbroke Island (Restricted to Dunwich, Amity Point and Point Lookout) QLD - 4819 Magnetic Island NSW - 2083 Dangar Island NSW - 2105 Scotland Island
Western Australia	<ul style="list-style-type: none"> 6218 Yarloop 6290 Molloy Island 6320 Tambellup 6346 Ravensthorpe, Jerdacuttup, West River 6348 Hopetoun 6423 Boodarockin, Carrabin, Warrachuppin, Westonia 6429 Coolgardie 6436 Menzies, Ularring 6438 Lake Darlot, Leonara 6442 / 6444 Kambalda 6443 Norseman

State	Postcodes
	<ul style="list-style-type: none"> • 6484 Bullfinch, Ennulin, Lake Deborah • 6639 Sandstone • 6642 Angelo River, Capricorn, Kumarina, Meekatharra, Peak Hill • 6646 Lake Carnegie, Little Sandy Desert, Wiluna • 6718 Roebourne
New South Wales	<ul style="list-style-type: none"> • 2330 Camberwell • 2834 Lightning Ridge
Victoria	Nil
Queensland	<ul style="list-style-type: none"> • 4709 Tieri • 4717 Blackwater • 4742 Burton, Eaglefield, Elphinstone, Hail Creek, Kemmis, Mt Britton, Nebo, Oxford, Strathfield, Turrawulla, Valkyrie • 4743 Glendon, Suttor • 4744 Moranbah, Peak Downs Mine • 4745 Dysart, Norwich Park • 4746 German Creek, May Downs, Middlemount • 4804 Collinsville, Mount Coolon, Mouth Wyatt, Newlands, Scottville, Springlands
South Australia	<ul style="list-style-type: none"> • 5601 Iron Knob • 5722 Andamooka • 5725 Olympic Dam, Roxby Downs
Tasmania	<ul style="list-style-type: none"> • 7256 King Island (e.g. Currie, Naracoopa, Grassy) • 7470 Roseberry
Northern Territory	<ul style="list-style-type: none"> • 847 Pine Creek
ACT	Nil

- For properties within 50m of High Tension powerlines refer to Retail Credit Decisions.

Restricted Regional Postcodes

State	Postcodes
New South Wales	<ul style="list-style-type: none"> • 2835 – Bulla, Canbelego, Cobar, Cubba, Irymple, Kerrigundi, Kulwin, Noona, Sandy Creek, Tindarey
Queensland	<ul style="list-style-type: none"> • 4413 – Auburn, Baking Board, Barakula, Blackswamp, Boonarga, Burncluith, Cadarga, Cameby, Canaga, Chances Plain, Chinchilla, Crossroads, Durah, Fairyland, Goombi, Greenswamp, Hopeland, Kragra, Montrose, Pelican, Red Hill, Rywung, Sujewong, Wieambilla • 4415 – Columboola, Dalwogon, Gurulmundi, Hookswood, Kowguran, Miles, Myall Park, Pelham • 4680 – Barney Point, Beecher, Benaraby, Boyne Island, Boyne Valley, Boynedale, Burua, Byellee, Callemondah, Calliope, Clinton, Curtis Island, Diglum, Gladstone, Glen Eden, Heron Island, Iveragh, Kin Kora, Kirkwood, Mount Alma, New Auckland, O'Connell, River Ranch, South End, South Gladstone, South Trees, Sun Valley, Tablelands, Tannum Sands, Taragoola, Telina, Toolooa, Ubobo, West Gladstone, West Stowe, Wooderson, Wurdong Heights • 4702 – Alberta, Alsace, Alton Downs, Anakie Siding, Arcturus, Balcombe, Banana, Baralaba, Barnard, Bingegang, Blackdown, Bluff, Boolburra, Bouldercombe, Bushley, Canal Creek, Canoona, Carnarvon Park, Cawarral, Central Queensland MC, Cheeseborough, Comet, Consuelo, Coomoo, Coorooman, Coorumbene, Coowonga, Dalma, Dingo, Dixalea, Dululu, Dumpy Creek, Etna Creek, Gainsford, Garnant, Gindie, Glenroy, Gogango, Goomally, Goovigen, Goowarra, Gordonstone, Gracemere, Humboldt, Jambin, Jardine, Jellinbah, Joskeleigh, Kabra, Kalapa, Keppel Sands, Kokotungo, Junwarara, Lowesby, Mackenzie, Marmor, Midgee, Milman, Mimosa, Morinish, Mount Calmers, Nine Mile, Parkurst, Pheasant Creek, Pink Lily, Plum Tree, Rewan, Ridgelands, Rolleston, Rossmoya, Rubyvale, Sapphire Central, Shoalwater, South Yaamba, Stanage, Stanwell, Stewarton, Taramba, The Caves, Thompson Point, Togara, Tungamull, Ulogie, Wallaroo Westwood, Willows, Wollein, Wooroona, Wowan, Wycarbah • 4709 - Tieri • 4715 – Biloela, Callide, Castle Creek, Dakenba, Dumgree, Greycliffe, Mount Murchison, Orange Creek, Prospect, Valentine Plains • 4717 – Blackwater • 4718 – Bauhinia, Bromedary, Kianga, Moura, Mungabunda, Oombabeer, Rhydding, Roundstone, Warnoah • 4720 – Emerald, Lochington, Yamala • 4721 – Argyll, Belyando, Clermont, Elgin, Frankfield, Gemini Mountains, Kilcummin, Laglan, Pasha, Peak Vale, Theresa Creek, Winchester, Wolfgang

State	Postcodes
	<ul style="list-style-type: none"> • 4723 – Belcong, Bundoora, Capella, Carbine Creek, Chirnside, Cotherstone, Crinum, Fork Lagoons, Hibernia, Khosh Bulhuk, Lilyvale, Lowestoff, Mount MacArthur, Retro, Wyuna • 4737 – Armstrong Beach, Blue Mountain, Campwin Beach, Freshwater Point, Sarina, Sarina Beach, Sarina Range, Sunnyside • 4740 – Alexandra, Alligator Creek, Andergrove, Bakers Creek, Balberra, Balnagowan, Beaconsfield, Belmunda, Blacks Beach, Cape Hillsborough, Chelona, Cremorne, Dolphin Heads, Dumbleton, Dunnrock, East Mackay, Eimeo, Erakala, Foulden, Glenella, Grasstree Beach, Habana, Haliday Bay, Hay Point, Homebush, Mackay, McEwens Beach, Mount Jukes, Mount Pleasant, Munbura, Nindaroo, North Mackay, Ooralea, Paget, Racecourse, Richmond, Rosella, Rural View, Sandiford, Slade Point, South Mackay, Te Kowai, The Leap, West Mackay • 4741 – Ball Bay, Brightly, Clairview, Coppabella, Epsom, Eton, Eungella Hinterland, Farleigh, Gargett, Hampden, Hazledean, Kinchant Dam, Kuttabul, Mackay, Mount Charlton, Mount Ossa, Mount Pelion, North Eton, Oakenden, Orkabie • 4742 – Burton, Eaglefield, Elphinstone, Hail Creek, Kemmis, Mount Britton, Nebo, Oxford, Strathfield, Tarrawulla, Valkyrie • 4743 – Glenden, Suttor • 4744 - Moranbah • 4745 - Dysart • 4746 – May Downs, Middlemount • 4804 – Collinsville, Mount Coolon, Mount Wyatt, Newlands, Scottville, Springlands • 4805 – Bogie, Bowen, Gumlu, Guthalangra, Merinda • 4824 – Cloncurry, Four Ways, Gidya, Kuridala, Selwyn, Three Rivers • 4825 – Barkly, Breakaway, Buckingham, Carrandotta, Dajarra, Duchess, Fielding, Fisher, Georgina, Gunpowder, Happy Valley, Healy, Kalkadoon, Lanskey, Lawn Hill, Mezies, Mica Creek, Miles End, Mornington, Mount Isa, Parkside, Pioneer, Piturie, Ryan, Soldiers Hill, Spreadborough Sunset, The Gap, Townview, Waverley, Winston
Northern Territory	<ul style="list-style-type: none"> • 4825 – Alpurrurulam, Ranken
South Australia	<ul style="list-style-type: none"> • 5722 – Andamooka, Andamooka Station • 5725 – Olympic Dam, Roxby Downs, Roxby Downs Station
Western Australia	<ul style="list-style-type: none"> • 6348 - Hopetoun

State	Postcodes
	<ul style="list-style-type: none"> • 6429 – Boorabbin, Bullabulling, Coolgardie, Karramindie, Londonderry, Mount Burges, Victoria Rock, Wallaroo • 6430 – Binduli, Broadwood, Hannans, Kalgoorlie, Karlkurla, Lamington, Mullingar, Piccadilly, Somerville, South Kalgoorlie, West Kalgoorlie, West Lamington, Williamstown, Yilkari • 6432 – Boulder, Fimiston, South Boulder, Victory Heights • 6434 – Cundeelee, Forrest, Parkeston, Rawlinna, Zanthus • 6438 – Lake Darlot, Leonora • 6442 – Kambalda East, Kambalda West • 6443 – Balladonia, Caiguna, Cocklebiddy, Dundas, Eucla, Fraser Range, Higginsville, Madura, Mundrabilla, Norseman, Widgiemooltha • 6635 – South Murchison, Yalgoo • 6638 – Cooladar Hill, Daggar Hills, Mount Magnet, Paynesville • 6642 – Angelo River, Capricorn, Karalundi, Kumarina, Meekatharra, Peak Hill • 6646 – Lake Carnegie, Little Sandy Desert, Wiluna • 6710 – Cane, Onslow, Peedamulla, Talandji, Yannarie • 6713 – Dampier, Dampier Archipelago • 6714 – Antonymyre, Balla Balla, Baynton, Bulgarra, Burrup, Cleaverville, Cooya Cooya, Gap Ridge, Gnooreea, Karratha, Maitland, Mardie, Millars Well, Mount Anketell, Mulataga, Nickol, Pegs Creek, Sherlock, Stove Hill • 6716 – Fortescue, Hamersley Range, Millstream, Pannawonica • 6720 – Cossack, Point Sampson, Wickham • 6721 – Indee, Mundabullangana, Pardoo, Port Headland, Redbank, Strelley, Wallareny, Wedgefield • 6722 – Boodarie, De Grey, Finucane, Pippingara, South Headland • 6751 – Chichester, Innawanga, Juna Downs, Karjini, Mount Sheila, Mulga Downs, Nanutarra, Rocklea, Tom Price, Wittenoom • 6753 – Jigalong, Newman • 6754 - Paraburdoo • 6758 - Nullagine • 6760 – Marble Bar

Effective: 17th February 2023

Off the plan purchases and developer sales

The following outlines the general requirements for apartments / units, town houses and houses that are subject to a purchase that is off the plan or a developer sale and is to be used as a guide only.

Definitions:

- Off the plan: Purchase of a property that is either to be constructed or not yet complete. The purchaser typically pays the developer a 10% deposit to secure the property with the balance of contract due on completion.
- Developer sales: The developer is selling the property or has not sold the property to an independent third party in the open market before.
- Unit: A unit is an apartment / flat:
 - that is not classified as being either a detached or semi-detached dwelling; and
 - is in a development that has either ≤5 floors or less than 50 accommodation units.
- High density unit: A high density unit is an apartment / flat:
 - that is not classified as being either a detached or semi-detached dwelling; and
 - is in a development that has either ≥6 floors or more than 50 accommodation units.

Notes:

- Townhouses or villas are considered to be a house, where they are classified as being either a detached or semi-detached dwelling.
- The number of floors within a unit development is based upon those 'from the ground up', irrespective of their use (i.e. accommodation, mixed used / commercial, car parking).
- Units within developments that contain 'Mixed Use' are acceptable subject to the current use being residential and permitted under the Zoning.

Minimum requirements

Must	<ul style="list-style-type: none">• have a minimum living area of 40 sqm or more (based solely on living area); and• have at least one separate bedroom.
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Cannot	<ul style="list-style-type: none"> • be located in a Category B location; • be a unit contained within a development designated for the sole use of Student Accommodation; or • be a unit contained within a Retirement village; or • be a Serviced Apartment; or • be a Company title; or • have a minimum living area of less than 40 sqm (based solely on living area).
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Lending parameters

	Requirements		
Maximum LVR Note: For luxury residential the lower LVR will apply as stated in the pages Maximum Loan to Value Ratios (LVR's) Luxury	Townhouses / houses / villas	Units	High Density Units
	Owner Occupier No LMI – 80% LMI – 95% (including capitalisation of LMI)	Owner Occupier No LMI – 80% LMI – 95% (including capitalisation of LMI)	Owner Occupier No LMI – 80% LMI – 95% (including capitalisation of LMI)
	Investor No LMI – 80% LMI – 90% (including capitalisation of LMI)	Investor No LMI – 80% LMI – 90% (including capitalisation of LMI) Restricted Postcodes	Investor No LMI – 80% LMI – 90% (including capitalisation of LMI) Restricted Postcodes

Requirements			
		LMI - 90% (including capitalisation of LMI) For Restricted postcodes refer the Bankwest Valuation and Policy Tool.	LMI - 85% (including capitalisation of LMI) For Restricted postcodes refer the Bankwest Valuation and Policy Tool.
Approval and funding	<ul style="list-style-type: none"> Within six months of settlement, loans can be assessed and progress to Unconditional Approval. Unconditional Approvals must be re-assessed in full if not settled within six months of approval. Prior to funding the loan, the Bank must be satisfied that the property is fully complete in line with the plans and specifications with the exception of kitchen and / or laundry electrical and gas appliances (e.g. oven, hot plate, rangehood, dishwasher, washing machine, dryer, etc.). 		

Notes:

- Restricted postcodes can be identified through use of the Bankwest Valuation and Policy Tool.
- Where an Interest Only (IO) period is applied for and the loan purpose is Owner Occupied, the LVR cannot be >80%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- Where an Interest Only (IO) period is applied for, and the loan purpose is Investment, the LVR cannot be >90%, including any capitalisation of the Lenders Mortgage Insurance (LMI) premium.
- For properties within 50m of high tension powerlines, refer to Retail Credit Decisions.
- For heritage properties, the LVR cannot be > 90%.

Effective: 29th July 2022

Things you should know about becoming a guarantor

The Banking Code of Practice and becoming a guarantor



Bankwest, a division of Commonwealth Bank of Australia
ABN 48 123 123 124 AFSL/Australian credit licence 234945

The Banking Code of Practice applies to you if you're an individual who has signed (or is considering signing) a Guarantee to help another individual or a small business to secure any financial accommodation or loan provided by Bankwest.

Becoming a guarantor is a serious undertaking.

Put simply, you'll be agreeing to guarantee that the person or business we're lending to (the borrower) will keep to all the terms and conditions of that loan or contract, including repaying the loan.

If that person doesn't do so, as guarantor, you become liable for the contract. This means that you might have to pay the amount of the loan (or the amount of the loan up to any limit set out in the Guarantee - plus costs and interest). If you don't or can't pay, you might have to sell your own assets (such as any house you have mortgaged to support the Guarantee) to pay the debt.

Banking Code of Practice

You can ask us for a copy of the Banking Code of Practice, or download it at www.bankwest.com.au.

National Credit Code

If you're an individual who has signed (or is considering signing) a Guarantee to support an individual to secure credit (including a loan) for wholly or predominantly non-business purposes, the National Credit Code might also apply to you and could give you additional rights.

Becoming a guarantor

If you're an individual, we'll only accept a Guarantee from you if your liability is limited to:

- a specific amount and/or category of amounts such as all amounts owing under a specific loan, plus other liabilities and amounts as described in the Guarantee (for example, interest and recovery costs)
- the value of a specified property or other assets under a specified mortgage or other security at the time of recovery.

Things to expect before we take a Guarantee from you

We'll give you a prominent notice that:

- you should seek independent legal and financial advice on the effect of the Guarantee
- you can refuse to enter into the Guarantee
- there are financial risks involved
- you have a right to limit your liability in accordance with the Banking Code of Practice and as allowed by law
- you can request information about the transaction or facility to be guaranteed, and
- if applicable, the Guarantee might cover future credit facilities and variations of the existing loan.

Unless you're a commercial asset financing guarantor*, a sole director guarantor# or a trustee guarantor^, we will:

1. **tell you:**
 - about any notice of demand made by us on the borrower for the guaranteed loan or any loan the borrower has, or has had, with us within two years before we tell you this, and
 - if any existing loan we've given the borrower will be cancelled if the Guarantee isn't provided, and
2. **give you a copy of:**
 - the proposed loan contract
 - a list of any related security contracts
 - any related credit report from a credit reporting agency
 - any current credit-related insurance contract that's in our possession
 - any financial accounts or statement of financial position given to us by the borrower in the previous two years for the purpose of the guaranteed loan
 - the latest statement of account relating to the loan for a period in which a notice of demand was made by us within the last two years, and
 - other information we have about the guaranteed loan that you reasonably request - but we don't have to give you our internal opinions.

If you're a director guarantor+ (other than a sole director guarantor):

- you have the right to receive the documents referred to in paragraphs 1 and 2 above. These documents contain important information that might affect your decision to give a Guarantee, and
- you can choose not to receive some or all of those documents and we won't influence your choice.
- If you choose not to receive some or all the documents, we'll need you to confirm your decision in writing.

We won't accept a Guarantee from you until:

- you've been given the information mentioned above in accordance with the Banking Code of Practice.
- the third day after you've been given that information.

However, we can accept the Guarantee earlier if you:

- have obtained independent legal advice about the Guarantee
- have accepted an extension of the Guarantee
- are a commercial asset financing guarantor, sole director guarantor, trustee guarantor or vehicle asset financing guarantor, or
- are a director guarantor and you choose to sign and deliver the Guarantee earlier.

We won't influence your choice.

How can you withdraw from your Guarantee?

You must tell us in writing if you want to withdraw from your Guarantee.

You can do so:

- at any time before we provide credit under the loan
- after credit is first provided, if the signed version of the relevant loan differs in a material respect from the proposed loan we gave you before you signed the Guarantee, except when you have agreed in writing to the signed version.

However, you can do so only to the extent of the obligations under the Guarantee.

How can you end your Guarantee?

You can end your liability under a Guarantee you've given to us by:

- paying us the lower of the borrower's outstanding liability, including any future or contingent liability, or the amount to which your Guarantee of the borrower's liability is limited under the Guarantee, or
- making other arrangements which are acceptable to us to in return for releasing you from your Guarantee.

Some common questions

How is a guarantor different to a co-borrower?

A guarantor only becomes liable for the amount they've guaranteed (this could be up to the full amount of the home loan, along with interest and reasonable expenses) in the event the borrower(s) can't meet the repayment terms and conditions of the home loan contract.

A co-borrower is someone who chooses to borrow money with someone else. They're also responsible for the home loan repayments and repaying the home loan. For more information about co-borrowers read our co-borrower information sheet available at

www.bankwest.com.au.

What information can I ask for during the life of the loan?

You can ask us at any time for a statement of the amount the borrower(s) currently owes, any amounts debited or credited, overdue amounts and when they became overdue. This information will be given to you verbally unless you ask for it in writing.

We'll also give you the following information about a borrower's deteriorating financial situation as it relates to the loan you guarantee, within 14 days of the relevant event:

- A copy of any formal demand or default notice we have sent to the borrower
- A written notice if the borrower has advised us that they're experiencing financial difficulty which has resulted in a change to their loan, and
- A written notice if the borrower is in continuing default for more than two months after the issuance of the default notice referred to above.

This doesn't apply if you're a sole director guarantor or a trustee guarantor.

Will becoming a guarantor affect my future borrowing capacity?

When you apply for credit, you might need to tell the credit provider about any loans you're a guarantor on. This can affect your borrowing capacity, especially if you want to borrow against the property you've provided as security.

Will becoming a guarantor affect my ability to sell a property I've offered as security?

If you decide to sell the property, then the additional security is required to be removed from the loan. This could mean that the borrower(s) might need to pay Lenders' Mortgage Insurance (LMI) or come up with the funds to avoid the need to pay LMI. Due to the reduction in security on the loan, the loan amount might be more than how much we're willing to lend to the borrower(s), even with LMI. In this case, the request to release your property as security might be declined. A cash contribution might be requested to reduce the loan down to an acceptable maximum or we might ask for another Guarantee to be put in place.

In any event, it can be complicated and costly to remove the Guarantee if you want to sell, so you should factor this in before agreeing to the Guarantee.

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- * Commercial asset financing guarantor is a director, shareholder or manager of a company, that has provided a guarantee for the company's commercial asset financing.
- # Sole director guarantor is a director of a company that has only one director, and that company is to be the borrower for the loan.
- ^ Trustee guarantor is when the guarantor and the borrower are the same person acting as trustee of a trust in one role and acting in their personal capacity in the other role.
- + Director guarantor is a director of a company which is to be the borrower for the loan.

Important things you should know: If you're obtaining legal advice you should take this brochure together with your other documents to your legal adviser. These guidelines are general and descriptive and should not be taken as a complete statement of the relevant law or practice. You should obtain your own legal and financial advice before providing a Guarantee or exercising any right you think you may have as Guarantor in respect of our facilities. These guidelines do not apply to all businesses/companies. Please refer to your Customer Service Representative for further clarification. Bankwest is a division of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL/Australian credit licence 234945.

Serviceability & Eligible Incomes

The following document outlines Bankwest's Serviceability Test and the Income Types that will be considered for Retail (Consumer) lending and is to be used as a guide.

Bankwest's Servicing Test is completed through a Net Income Commitment Level (NICL) calculation.

This is calculated by subtracting the total of their annual repayment commitments (both existing and proposed) and annual living expense allowance from their total allowable net income.

Servicing capacity is to demonstrate a surplus income position, i.e. net cash position must be greater than \$0, after allowing for taxation, household and general living expenses and commitments, on a monthly basis.

Exceptions to this include Bridging loans require that borrowers must be able to clear the bridging loan at the expiry of its term through sale of assets.

Verifying income is an important part of ensuring the borrower is able to service the loan and is a requirement as part of our responsible lending obligations.

Income and verification

It is imperative that the Bank:

- understands the customer's employment arrangement, e.g. full time, part time, casual, as well as their income structure, e.g. base, overtime, shift, bonus, to ensure that an accurate income / servicing assessment is completed. This must be completed at the start of the application process to enable the correct verification documentation to be obtained;
- includes comments in the application detailing the customer's employment arrangements, income structure and any associated calculations; and
- uses the most appropriate verification method which will accurately reflect the customer's income position.

Income types

Income used in the NICL calculation is broken into different categories:

Personal / PAYG

This is all income received that is taxed at the standard Australian Resident personal taxation rates.

For individuals receiving income as a sole trader, from a partnership, or income from a business entity where the income has been expensed as a profit and loss item e.g. Director's Salary or Partner's Wages, refer to Completing the self-employed worksheet.

Note: Amounts representing statutory employer contributions towards superannuation are to be excluded from serviceability calculations.

- For full information on the income type conditions, description and verification refer to the section 'PAYG' below.

Self employed

This represents the Australian income received for individuals who have self-determination of their salary (i.e. company directors, business proprietors etc).

Self Employed income for non-residents is not acceptable.

- For full information on the income type conditions, description and verification refer to the section 'Self Employed' below.

Rental income

Rental income refers to the amount of rent received, or will be received, by the customer prior to the deduction of real estate agent's commission, other expenses and income tax. Gross rental income only applies to self-contained dwellings. Room rental and board are unacceptable. A retail customer can receive up to 100% of their income from rental sources. The borrower must derive a benefit from all of their properties by being an owner occupier or from rental income.

- For full information on the income type conditions, description and verification refer to the section 'Rental Income' below.

Foreign income

This represents ongoing income that is paid to individuals who are either not Australian citizens or Permanent Australian Residents OR the income is paid in a currency other than Australian Dollars.

The only acceptable foreign income sources are Foreign Pensions and Salary Based Income.

For full information on the income type conditions, description and verification refer to the section 'Foreign Income' below.

Disallowed income

Disallowed income is any income which is not contained within the respective Income Matrixes and must be referred to Retail Credit Decisions with the appropriate delegation before including this income.

Commitments & Living Expenses

An applicant's ongoing financial commitments and expenditure must be considered in the serviceability assessment. These are defined within two categories:

Category	Definition
Commitments (New and Existing)	<p>On-going financial debts or facilities that are typically repaid or held over an extended period of time, bound by contractual terms including;</p> <ul style="list-style-type: none"> • Fixed commitment repayments (e.g. loans) OR, • Limit facilities (e.g. credit cards and overdrafts). <p>All commitments must be included in the customer's serviceability assessment. Refer to 'Minimum assessment rates and requirements for Bankwest and Other Financial Institution (OFI) commitments' below for details on the treatment of specific commitments.</p>
Monthly Living Expenses	<p>Include all other expenditure associated with the cost of living (including charge cards without a limit; and Buy Now Pay Later (BNPL) facilities if no formal loan offer issued, the facility is to be repaid within a very short term and cannot be redrawn or reused).</p> <p>The borrower's declared living expenses must be itemised, documented and reviewed for reasonableness.</p> <p>The amount of living expenses used in the servicing assessment is:</p>

-
1. The higher of either:
 - a. the declared basic living expenses advised by the borrower/s; OR
 - b. determined using the retail annual living expenses based upon the Household Expenditure Measure (HEM).
 2. Plus any declared additional living expenses not included in the HEM comparison.
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Minimum assessment rates and requirements for Bankwest and Other Financial Institution (OFI) commitments

Repayment commitments included in the application must include all debt servicing commitments on a fully amortised basis, including, where applicable, consideration of the current interest rate, remaining term, outstanding balance and amount available for redraw of the existing loan facility plus any ongoing rental payments that will continue to be met by loan borrowers for existing housing arrangements.

Supporting commentary outlining the rationale of a varied approach to the calculation of servicing commitments may be included (do not alter the assessed commitment). These applications must be referred to a PCAA holder who will consider the information on a case-by-case basis.

The method of assessing a borrower's repayment commitments is as follows:

Interest rate / repayment amount	Facility	New / existing	Requirement
Interest rate	Where the loan is fully secured by residential property	New	<p>The higher of either the:</p> <ul style="list-style-type: none"> • Current assessment rate floor of 5.40% OR • Applicable current fixed Principal and Interest (P&I) product rate OR • Applicable current variable P&I product rate plus the minimum assessment rate buffer of 3.00% OR • Actual product's go-to rate plus the minimum assessment rate buffer of 3.00%.
		Existing	<p>The higher of either the:</p> <ul style="list-style-type: none"> • Current assessment rate floor of 5.40% OR • Actual rate plus the minimum assessment rate buffer of 3.00%.
Repayment terms	Home loan fully secured by residential property	New	<p>Annual repayment is to be assessed using regular instalments over the remaining P&I term of the loan.</p> <p>Note: When the facility is construction until fully drawn a 2-year default IO period is applied.</p>

Interest rate / repayment amount	Facility	New / existing	Requirement
		Existing	<p>Annual repayment is to be assessed using regular instalments over the remaining P&I term of the loan.</p> <p>Note: For existing Bankwest construction facilities the annual repayment is to be assessed over the remaining term.</p>
	Non-amortising facilities fully secured by residential property	All	<p>Annual repayment is to be assessed using P&I repayments over a period of 25 years.</p>
	Credit Cards (i.e. OFI, store cards)	All	<p>A monthly repayment equal to 3.80% of the limit of the facility.</p> <p>Note: This includes Personal Overdrafts which are a limit facility.</p>
	Buy Now Pay Later (BNPL) facilities	All	<p>Treatment of Buy Now Pay Later facilities is dependent on the type of facility offered:</p> <ul style="list-style-type: none"> • If a formal loan offer is issued and / or the facility can be redrawn and reused, it must be included as a liability in servicing and treated the same as a credit card commitment. • If no formal loan offer issued, the facility is to be repaid within a very short term and cannot be redrawn or reused, discussion should be had with the customer to determine if inclusion in the monthly living expenses is appropriate.
	Personal loans	New	<p>The higher of either the</p> <ul style="list-style-type: none"> • Actual repayment OR • As if the loan was amortised over the term of the loan at the Personal Loan Benchmark Rate.
		Existing	<p>The higher of either the</p> <ul style="list-style-type: none"> • Actual repayment OR • As if the loan was amortised over a period of five years at the Personal Loan Benchmark Rate.
	Business loans	All	<p>The higher of either the:</p> <ul style="list-style-type: none"> • Current Business Benchmark Rate of 7.25% OR

Interest rate / repayment amount	Facility	New / existing	Requirement
			<ul style="list-style-type: none"> Actual product rate plus a buffer of 2.50%.
			A monthly repayment equal to 3.80% of the limit of the facility.
Other liabilities, not already included in living expenses, including but not limited to HELP / HECS / Family Maintenance / ATO Debt(s) / Margin Loans.	All	The actual amount	

Annual rental expense allowance

Where the primary purpose of the Retail Home loan being applied for is investment, and the borrower(s) are either renting, boarding, or living with parents / other individuals, they are required to confirm their rental expense.

The amount of the rental expense used in the NICL is the higher of either the amount advised by the borrower(s) OR \$150 per week (\$7,800 per annum).

NOTE: The application of an annual rental expense does not apply where the primary purpose of the loan is not for investment purposes.

Living expenses

Responsible lending obligations require reasonable inquiries to be made about the consumer's financial situation, their requirements and objectives. The below table provides a guide as to how living expenses are to be applied. For further assistance, please contact your Bankwest Business Development Manager.

Borrowers	Living allowance applied to application
Married / Defacto couple where both adults reside at the same address.	Joint SOP with living allowance of one adult and one subsequent adult.
Married / Defacto couple where each adult resides at a different address.	Single SOP for each borrower, inclusive of living allowance of one adult for each.
Married / Defacto couple where both adults reside at the same address, and single person (such as parents and adult child purchasing a home together).	Joint SOP with living allowance of one adult and one subsequent adult applied to the parents as well as a separate SOP including living allowance of one adult for adult child.
Married / Defacto couple, where each adult resides at a different address, and single person (such as parents and adult child purchasing a home together).	Single SOP for each borrower, inclusive of living allowance of one adult for each.
Brother and sister / parent and adult child.	Single SOP for each borrower, inclusive of living allowance of one adult for each.
Two x friends.	Single SOP for each borrower, inclusive of living allowance of one adult for each

Note: Single borrowers in a spousal relationship (married / defacto) – Though the application is in one name, it requires inclusion of living allowance expense of two adults.

Income Types

PAYG

Unless specified below or noted in the verification requirements the most recent payslip must be dated within 45 days immediately preceding the application date.

Note: Application date includes the transfer date to formal application for pre-approved home loans.

Note: Enter 100% of the gross amounts into Apply Online for all income types. Shaded income amounts will be automatically calculated by the system for use in the serviceability assessment.

Income type & conditions	Description	Verification
PAYG Salary / Wage		
Base Full Time	This is the minimum income the customer earns excluding any allowances, commission, bonus and overtime.	Use one of the following options:
Base Part Time		1. One acceptable payslip, OR
Base Contract		2. Australian bank account statements with a minimum of three months' consecutive salary credits that show the employer's name. (For Bankwest accounts, online salary credits can be used for verification.). Refer Below 'Income Verification - three month's salary credits' for further details.
Base Employed by family (100% - Personal)	If an income level above the Base Income is required to service the proposed debt (overtime, commission, etc.) then further supporting documents are required as per income matrix.	
		Note: For PAYG applications subject to LMI approval AND less than six months with current employer: In addition to the option chosen from the above, a letter from the applicant's employer (on a company letterhead) detailing name, length of employment, income details, and confirmation that any probationary period has been completed.

An acceptable payslip must include:

- Borrowers name
- Employer name
- ABN (if not a government department)
- Gross Income / Tax paid / Net income
- Breakdown of any allowances and deductions

Should the payslip provided not contain all the above information the customer is required to provide either:

1. A signed letter on the employer's letterhead confirming the missing details, or
2. Online ABN and White / Yellow Pages searches must be completed by Bankwest and salary credits matched to Bank account statements.

Income type & conditions	Description	Verification
Income verification – three month's salary credits		
The following sets out the eligibility criteria for verifying income through the use of bank statements to verify income.		
For customers who have held account/s with Bankwest or another financial institution for at least three months, their wage and salary income may be verified through evidencing direct salary credits without the need to further source pay slips / salary advices where:		
<ul style="list-style-type: none"> • The income being verified is wage and salary based only. • Where the customer is an existing BWA account holder only, salary credits can be relied upon subject to there being a minimum of three months consecutive salary payments and these show the employer's name, with the most recent credit being within the observed pay cycle. • Where the customer holds an Australian bank account with another financial institution, the provision of three months bank statements (internet or online transaction history is not acceptable) that show a minimum of three months consecutive salary payments and these show the employer's name, with the most recent credit being within the observed pay cycle. • The applicant's name must be displayed on the bank account statement and they should be noted as being an account holder. • Where the last three months of consecutive salary credits are of a consistent nature and within a 10% variance by dollar value, this value can be relied upon. • If these salary credits vary by more than 10%, then the lowest value is to be relied upon. • Any other income type is required to be verified in line with existing policy requirements. 		
Note 1: It is acceptable to include other regular salary credits to a different account e.g. \$50 per fortnight to a credit union account, provided these are also verified through the provision of Bank account statements that meet the criteria above.		
Note 2: Where the existing three month's salary credits are not sufficient to meet the Bank's serviceability requirements or a higher income amount is to be relied upon (e.g. Where salary sacrifice may exist), full income documentation is required to be provided as per existing policy and verification of this is to be completed.		
Salary Sacrifice (100% - Personal)	<p>Salary sacrifice is an arrangement between an employer and an employee, whereby the employee agrees to forgo part of their future entitlement to salary or wages in return for the employer providing them with benefits of a similar value.</p> <p>A salary sacrifice arrangement is also commonly referred to as salary packaging or total remuneration packaging.</p> <p>Common salary sacrifices include but are not limited to:</p>	<p>Use one of the following options:</p> <ol style="list-style-type: none"> 1. One acceptable electronic year to date income payslip verifying base income that covers at least two consecutive pay cycles in the year to date amount, OR 2. A letter from the employer, OR 3. Current employment contract or remuneration schedule. <p>Note: Where there are multiple salary sacrifice deductions, and they are not itemised on the payslip, additional documents must be obtained.</p> <p>The full amount of all liabilities (e.g. novated lease, home loan) must be included as a commitment in servicing.</p>

Income type & conditions	Description	Verification
	<ul style="list-style-type: none"> • Liabilities (e.g. novated lease, home loan repayment, other loan repayment) Living expenses (e.g. gym membership, childcare fees, transport, charitable donation) • Other (e.g. voluntary or compulsory superannuation, purchase leave) <p>Note: Compulsory superannuation payments are additional payments that an employee must make as a condition of their employment, that are above the minimum employer superannuation guarantee contributions.</p> <p>Salary sacrifice arrangements can only be used if the customer is willing and able to stop the deduction; you must understand the customer/s employment/salary arrangement in detail to determine this.</p> <p>Example:</p> <p>Total Package (gross) = \$100,000</p> <p>Salary Sacrifice = \$20,000 (confirmed that this can be discontinued at any time)</p> <p>Cash Component excl. salary sacrifice (gross) = \$80,000</p> <p>Use the Total gross package amount of \$100,000 as the customer can elect to discontinue the salary sacrifice amount at any time.</p>	
Commission (80% - Personal)	Commission (e.g. retail sales commissions without incurring business related expenses) must be a permanent part of income and been consistent for at least six months.	Use one of the following options: <ol style="list-style-type: none"> 1. One acceptable payslip showing current base wage AND a letter/s from the employer detailing the commission amount/s received over the past six months, OR

Income type & conditions	Description	Verification
	Where the applicant incurs business related expenses in earning their commission based income (e.g. Real Estate Agents, Insurance Agents, etc.) these applications are to be processed as a self-employed application.	<ol style="list-style-type: none"> <li data-bbox="906 226 1503 444">2. One acceptable payslip showing current base wage AND the most recent tax return or PAYG payment summary / ATO Income Statement that must be 'Tax Ready' not more than 18 months old, OR <li data-bbox="906 444 1503 579">3. Payslips showing the commission amounts received over six consecutive months.
Bonus Income (80% - Other Gross) Note: The lowest of the most recent two years gross bonus payments is to be used.	Bonus income can be monthly, quarterly, half-yearly or annually.	Use one of the following options: <ol style="list-style-type: none"> <li data-bbox="906 646 1503 759">1. A letter/s from the employer detailing the bonus amount/s received over the most recent two financial years, OR <li data-bbox="906 765 1503 855">2. Payslips showing the bonus amount/s received over the past two financial years.
Incentive Income (80% - Personal)	Must be regular and received at least monthly.	Use both of the following options: <ol style="list-style-type: none"> <li data-bbox="906 923 1503 1035">1. Payslips showing the incentive income received over two consecutive pay cycles, AND <li data-bbox="906 1042 1503 1131">2. Copy of either letter of entitlement from employer or employment contract
Allowances (100% - Personal)	<p>Work related allowance must be a permanent and ongoing part of the customer's income.</p> <p>Examples may include allowances for a motor vehicle, living away from home, shift allowances or penalty rates where those allowances have been received for a minimum of 3 months.</p>	Use one of the following options: <ol style="list-style-type: none"> <li data-bbox="906 1199 1503 1311">1. One acceptable payslip, which shows a YTD income history of at least three months, OR <li data-bbox="906 1318 1503 1491">2. One acceptable payslip AND the most recent tax return or PAYG payment summary / ATO Income Statement that must be 'Tax Ready' not more than 18 months old, OR <li data-bbox="906 1498 1503 1610">3. Payslips showing the allowance amounts received over three consecutive months, OR <li data-bbox="906 1617 1503 1837">4. The most recent acceptable payslip showing less than three months in the YTD AND one payslip from end of the most recent pay year which combined show YTD income history of at least three months.
Overtime (80% / 100% - Personal) Notes:	Overtime must be a permanent and ongoing part of the customer's income .	Use one of the following options: <ol style="list-style-type: none"> <li data-bbox="906 1904 1503 2016">1. One acceptable payslip, which shows a YTD income history of at least three months, OR

Income type & conditions	Description	Verification
<p>1. For applications where the individual is employed in either the Health Care or Emergency Services industries use 100%.</p> <p>2. For applications where the individual is not employed in either the Health Care or Emergency Services industries a maximum of 80% can be used.</p>		<p>2. One acceptable payslip AND the most recent tax return or PAYG payment summary / Australian Taxation Office (ATO) Income Statement that must be 'Tax Ready' not more than 18 months old, OR</p> <p>3. Payslips showing the overtime amounts received over three consecutive months, OR</p> <p>4. The most recent acceptable payslip showing less than three months in the YTD AND one payslip from end of the most recent pay year which combined show YTD income history of at least three months.</p>
<p>Casual Employment / Employees of Temporary Agencies (100% - Personal)</p> <p>Note: 100% of the lower of either;</p> <ul style="list-style-type: none"> • the current payment annualised, OR • the YTD / PAYG summary annualised where payments covering a minimum of six months with their current employer is evident. <p>Note: This is not to be used for seasonal workers where income is received over a season only and not across a full year. Refer to the 'Seasonal Employment' verification requirements</p>	<p>Minimum six months with current employer.</p> <p>This is where a full time or part time employee is not permanently employed or is employed by a temp agency.</p>	<p>Use one of the following options:</p> <ol style="list-style-type: none"> 1. One recent acceptable electronic year to date income payslip verifying base income that covers at least six months year to date income, OR 2. One acceptable payslip AND the most recent PAYG summary / ATO Income Statement that must be 'Tax Ready' for the last financial year.
<p>Seasonal Employment (100% - Personal)</p> <p>Note: For applications where customers have worked for more than one season in the same industry or employment role</p>	<p>Seasonal employees typically receive their income over a particular period or part of the year, i.e. they do not receive the income across the full year.</p> <p>Income is not to be annualised and the actual income received</p>	<p>Use ALL of the following options:</p> <ol style="list-style-type: none"> 1. Letter from current employer or employment agency detailing: <ol style="list-style-type: none"> a. current employment arrangement (number of months per year they work); AND

Income type & conditions	Description	Verification
	over the season must be used for servicing.	<ul style="list-style-type: none"> b. length of employment; AND c. annual gross salary, AND <p>2. The most recent acceptable payslip (may be older than 45 days if season has ended), AND</p> <p>3. Either of:</p> <ul style="list-style-type: none"> a. The most recent PAYG summary / ATO Income Statement that must be 'Tax Ready' for the last financial year; OR b. The most recent tax return. <p>NOTE: If evidence is held on file from different sources with differing income amounts, the lowest figure must be used.</p>
Second Job (100% - Personal)	<p>Minimum six months with current employer.</p> <p>This is where a full time or part time employee has a second job.</p>	<p>Use one of the following options:</p> <ol style="list-style-type: none"> 1. One acceptable electronic year to date income payslip verifying base income that covers at least six months year to date income, OR 2. One acceptable payslip AND the most recent PAYG summary / ATO Income Statement that must be 'Tax Ready' for the last financial year.

Self Employed

For the self-employed or those who have self-determination of their salary, i.e. company directors, the minimum level of income evidence is as below.

	Simple Verification	Full verification or where two years financials are provided
Maximum age of documents	The most recent payslip must be dated within 45 days immediately preceding the application date.	20 months.
Income amount used in servicing calculation	100%	Most recent financial year.
Variance review	<p>Not applicable for applications with LVR<=80% where the financial statements only include the most recent financial year.</p> <p>Where two years financials have been provided both years must be considered as part of verification and the below variance rules will apply.</p> <p>Where the variance is +/-20% and greater than \$10,000 the application must be referred to a PCAA holder for review and approval.</p>	

Sole Trader

Business Type	Sole Trader	
Application conditions	LVR ¹ <=80%	LVR ¹ >80%
Minimum ABN / ACN registration ²	18 months	24 months
Documentation required	Personal tax return from most recent financial year including depreciation schedule ³ AND Corresponding Notice of Assessment (NOA) ⁴ , OR Letter from an accountant to confirm the tax return provided is final and have been lodged with the ATO.	Two years personal tax return from the most recent financial years including depreciation schedule ³ AND Most recent Notice of Assessment (NOA) ⁴ , OR Letter from an accountant to confirm the tax returns provided are final and have been lodged with the ATO.

Partnership

Business Type	Partnership	
Application conditions	LVR ¹ <=80%	LVR ¹ <=80%
Minimum ABN / ACN registration ²	18 months	24 months
Documentation required	Personal tax return from most recent financial year; AND Corresponding Notice of Assessment (NOA) ⁴ OR letter from an accountant to confirm the tax return provided is final and have been lodged with the ATO; AND Business tax return from most recent financial year; AND Accountant prepared business financial statements from the most recent financial year ⁵ including depreciation schedule ³ .	Personal tax return from most recent financial year; AND Corresponding Notice of Assessment (NOA) ⁴ OR letter from an accountant to confirm the tax return provided is final and have been lodged with the ATO; AND Business tax return from most recent financial year; AND Accountant prepared business financial statements from the most recent financial year ⁵ including depreciation schedule ³ .

¹ Loan to value ratio.

² If an entity does not meet the minimum requirement, individual circumstances can be considered by a Personal Credit Approval Authority (PCAA) holder.

³ Where there is no depreciation claimed in the profit and loss, no depreciation schedule is required. Where the depreciation is unable to be verified as recurring or is not supplied, it can be entered as a non-recurring expense.

⁴ The taxable income stated on the NOA must be compared to the personal tax return to ensure the amount is the same.

⁵ For trusts, the financial information must include distribution statements.

Trust or company

Business Type	Trust or Company	
Application conditions	<p>Simple Verification: Can only be used where customer is paying themselves a regular salary from their company or trust for a minimum period of 6 months and there is no reliance on additional income from the business to demonstrate servicing.</p> <p>If customer requires additional income from the business to support servicing, or the required documents cannot be evidenced, the Full verification method must be used.</p>	
	LVR ¹ <=80%	LVR ¹ >80%
Minimum ABN / ACN registration	18 months	24 months
Documentation required	<p>Use ONE of the following options:</p> <p>Individual ATO lodged tax return showing twelve months income; OR</p> <p>The most recent payslip showing > six months YTD income; OR</p> <p>One payslip showing < six months YTD income and most recent financial years' PAYG Payment Summary/'Tax ready' Income Statement; OR</p> <p>The most recent six months consecutive acceptable payslips;</p> <p>AND Evidence the business is operating at a net profit using ONE of the following:</p> <p>The most recent year's ATO lodged Business Tax Return; OR</p> <p>The most recent year's ATO lodged accountant prepared Business Profit and Loss statement; OR</p> <p>Accountant prepared letter stating that the company/ trust has sufficient profits to meet the business commitments and can continue to pay the salary the customer has declared.</p>	<p>Use ONE of the following options:</p> <p>Individual ATO lodged tax return showing twelve months income; OR</p> <p>The most recent payslip showing > six months YTD income; OR</p> <p>One payslip showing < six months YTD income and most recent financial years' PAYG Payment Summary/'Tax ready' Income Statement; OR</p> <p>The most recent six months consecutive acceptable payslips;</p> <p>AND Evidence the business is operating at a net profit using ONE of the following:</p> <p>The most recent year's ATO lodged Business Tax Return; OR</p> <p>The most recent year's ATO lodged accountant prepared Business Profit and Loss statement.</p>
Application conditions	<p>Full Verification: must be used to verify self-employed income where additional income from the business is required to demonstrate servicing.</p>	
	LVR ¹ <=80%	LVR ¹ >80%
Minimum ABN / ACN registration ²	18 months	24 months
Documentation required	<p>Personal tax return from most recent financial year; AND</p> <p>Corresponding Notice of Assessment (NOA)⁴ OR letter from an accountant to</p>	<p>Personal tax return from most recent financial year; AND</p> <p>Most recent Notice of Assessment (NOA)⁴ OR letter from an accountant to confirm the</p>

Business Type	Trust or Company
	confirm the tax return provided is final and have been lodged with the ATO; AND
	Business tax return from most recent financial year; AND
	Accountant prepared business financial statements from the most recent financial year ⁵ including depreciation schedule ³ .
	tax returns provided are final and have been lodged with the ATO; AND Business tax return from most recent financial year; AND Accountant prepared business financial statements from the most recent financial year ⁵ including depreciation schedule ³ . The statements must show the last two consecutive years profit and loss information.

Other

Note: Enter 100% of the gross amounts into Apply Online for all income types. Shaded income amounts will be automatically calculated by the system for use in the serviceability assessment.

Income type and conditions	Description	Verification
Support incomes		
Government Pensions and Payments (100% Untaxed)	<p>Acceptable Government Pensions:</p> <ul style="list-style-type: none"> • Aged Pensions • Veteran Affairs pension • Disability Pensions • Widows Pensions <p>Acceptable Government Payments:</p> <ul style="list-style-type: none"> • Family Tax Benefit Part A and B (Use on a pro rata basis for each child under 15 years). • Carer's Income <p>All other government payments (including, but not limited to, Newstart / Austudy / Parenting Payment / Pharmaceutical Allowances and Mobility Allowance payments) are unacceptable forms of income.</p> <p>There is no need to use acceptable Government pensions or payments when servicing can be satisfactory demonstrated from the customers other income.</p> <p>Acceptable Government payments should only be considered as a supplementary income source/s for the application</p>	<p>Use the following option:</p> <ul style="list-style-type: none"> • Letter from the respective Australian Government Department confirming benefit amount dated within the preceding six months. <p>Note 1: Family tax benefit A Includes allowances such as large family supplement and multiple birth allowance.</p> <p>Note 2: Carer payment for foster children Where this payment is in relation to foster children, the income should not be included and the foster children should not be treated as dependents.</p>

Income type and conditions	Description	Verification
	<p>where the main stream of income is derived from another source.</p> <p>Where Acceptable Government payments are the only source/s of income, the application must be referred to credit sanctioning.</p>	
Overseas Pension (90% Untaxed)	<p>Austria, Belgium, Canada, Chile, Croatia, Cyprus, Denmark, Finland, Germany, Greece, Ireland, Italy, Japan, Republic of Korea, Malta, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Switzerland and the United States of America only.</p> <p>UK pensions in existence prior to 1/3/01 are still acceptable.</p>	<p>Use one of the following options:</p> <ol style="list-style-type: none"> 1. Letter from Centrelink confirming benefit amount dated within the preceding six months, OR 2. Written evidence to prove receipt of entitlements. (Limited to the listed countries which have reciprocal arrangements with Australia).
Paid Parental Leave (100% Personal)	<p>Suitable to be used in calculating servicing requirements for all Products.</p> <p>For Home Loan Application, when reliance on the paid parental leave is required for meeting the Bank's minimum servicing requirements, the application must be referred to Retail Credit Decisions for review and acceptance.</p>	<p>Use one or a combination of the following options:</p> <ol style="list-style-type: none"> 1. Centrelink Letter confirming: <ul style="list-style-type: none"> a. Payment amount. b. Payment period. 2. Letter from employer confirming: <ul style="list-style-type: none"> a. Payment amount. b. Payment Period (start and end date of paid parental leave). c. Return to work date.
Scholarship (100% Untaxed)	The loan term must not extend past the expiry date of the scholarship.	<p>Use the following option:</p> <ul style="list-style-type: none"> • Written evidence of the scholarship payment details.
Child Support and Maintenance (30% Extraordinary)	<p>Child support and maintenance is a payment that is received to assist with the care of dependent children.</p> <p>Note: There is no need to use child support and maintenance income when servicing can be satisfactorily demonstrated from the customers other income.</p> <p>Child support and maintenance should only be considered as a supplementary income source/s for the application where the main stream of income is derived from another source. Where child support and maintenance are the only source/s of income, the application must be referred to credit sanctioning.</p>	<p>Use the following option:</p> <ol style="list-style-type: none"> 1. Confirmation of 12 months credits to an account, AND 2. Family Law Court Order, or letter from the Child Support Agency, or solicitor's letter.

Income type and conditions	Description	Verification
	Note: Where children are 14 and over, individual circumstances can be considered by Credit Decisioning.	
Workers Compensation (50% - Personal)	Salaried Position must remain open	<p>Use the following option:</p> <ol style="list-style-type: none"> 1. Letter from insurer stating the payment amount, frequency and expiration date of payments, AND 2. written confirmation from the employer that the existing salaried position continues to remain open for the customer.
Investment income		
Dividend Income (80% Personal)	<p>Shares, managed investments and other income producing assets.</p> <p>Dividend income is restricted to that received from shares listed on the ASX 200 register.</p>	<p>Use the following option:</p> <ol style="list-style-type: none"> 1. 12 months dividend advice notices OR the borrowers most recent Australian Tax Return not more than 18 months old, listing dividends received, AND 2. Statement or letter less than 60 days old immediately preceding the date of the application from a recognised brokerage, e.g. CommSec, detailing the current balance / holdings of the investment in the borrower's name.
Investment Income (proposed) (0%)	Proposed investment income is the income to be generated by any asset (excluding rental properties) that the customer is purchasing, e.g. dividends from the purchase of shares or distributions from the purchase of managed funds.	Proposed investment income is an excluded income and will not be considered.
Superannuation income		
Superannuation income is only allowed for customers who are eligible to, and currently in receipt of, these payments.		
Superannuation Fund (e.g. Retail, Industry) (100% - Extraordinary)	<p>Superannuation refers to contributions made by employers and employees to a superannuation fund of the borrower(s) which will assist them financially in their retirement.</p> <p>Generally, these funds are not available until they reach retirement age.</p> <p>When retirement age is reached the customer may choose to access these funds as either an income stream (e.g.</p>	<p>Use one of the following options:</p> <ol style="list-style-type: none"> 1. Superannuation statement which includes the indexed pension, allocated pension, or annuity amount, OR 2. Superannuation statement where the indexed pension, allocated pension, or annuity amount is not stated AND

Income type and conditions	Description	Verification
	<p>indexed pensions, allocated pensions and annuities), or a lump sum*, depending upon the circumstances.</p> <p>* Lump sum payments from a Superannuation Fund are not an acceptable income type as they do not represent an ongoing income stream.</p>	<p>a minimum of three months credits to a bank account, OR</p> <p>3. Most recent annual or bi-annual superannuation statement AND three months consistent credits to an account.</p> <p>Note: The credits to the customer's account must be identifiable as superannuation payments.</p>
<p>Self-Managed Superannuation Fund (SMSF)</p> <p>To be treated as two separate amounts as follows:</p> <p>Personal for the Taxable component portion only, AND</p> <p>Untaxed for the tax-free component only</p>	<p>Self-managed superannuation funds (SMSF's) are a way of saving for retirement.</p> <p>The difference between an SMSF and other types of funds (e.g. Retail, Industry) is that the members of an SMSF are usually also the trustees. This means the members of the SMSF run it for their own benefit and are responsible for complying with the superannuation and tax laws.</p> <p>Generally, SMSF's can only pay a member super benefits when the member reaches their 'preservation age' and meets one of the conditions of release, such as retirement. The payment may be an income stream (pension) or a lump sum*, depending on the circumstances.</p> <p>* Lump sum payments from a SMSF are not an acceptable income type as they do not represent an ongoing income stream.</p>	<p>Eligible SMSF pension to be evidenced from:</p> <ul style="list-style-type: none"> • Most recent SMSF member benefit statement; AND • Letter from Financial Planner/Adviser or Accountant on their letterhead, that is dated within the preceding 90 days, detailing the following current information: <ul style="list-style-type: none"> ○ Preservation age of applicant and indication of when benefit payments commenced or will commence ○ Members' account balance ○ Minimum benefit payment percentage and amount ○ Taxable and tax-free components <p>Note: The letter from the Financial Planner / Adviser must confirm that the SMSF is in the status of 'Pension' (i.e. is making actual payments to the borrower)</p>

Rental income

Note: Enter 100% of the gross amount into Apply Online. The shaded income amount will be automatically calculated by the system for use in the serviceability assessment.

Income type and conditions	Description	Verification
<p>Gross Rental Income (80% / 90% Rental)</p>	<p>Rental income refers to the amount of rent received, or will be received, by the customer prior to the deduction of real estate</p>	<p>Use one of the following options:</p> <p>1. A current lease agreement that has not yet ended and within its expiry date, OR</p>

Income type and conditions	Description	Verification
	<p>agent's commission, other expenses, and income tax.</p> <p>Gross rental income only applies to self-contained dwellings.</p> <p>Room rental and board are unacceptable.</p> <p>90% of gross rental income can be used except for home loan applications in restricted regional postcodes where 80% is to be used.</p>	<p>2. Most recent valuation report, completed for Bankwest that is less than three months old. (i.e. estimated market rental as if rented on a normal basis), OR</p> <p>3. Minimum of three consecutive months' rental credits into a bank account, OR</p> <p>4. A rental statement or letter from an agent less than two months old immediately preceding the date of application. Where the letter states a range for the proposed rental income then the lower figure is to be adopted.</p> <p>Note 1: If evidence is held on file and from different sources with differing rental income amounts, the lowest figure must be used. Exception: When the estimated market rental from a valuation report is lower than the value on the current lease agreement, rental statement or three consecutive month's rental credits into a bank account.</p> <p>Note 2: Where the LVR is greater than 80% a maximum gross rental income yield of 6% is acceptable for servicing; if the calculated rental yield is greater than 6% p.a. then the gross rental income is to be reduced to reflect a maximum yield of 6% p.a. (Rental yield only applies to residential property)</p> <p>Note 3: The address of all of the applicant(s) properties and any liabilities against these must always be fully disclosed in their statement of position. Copies of supporting documents must be provided and held by the Bank.</p> <p>Note 4: Rent from properties that are part of the National Rental Affordability Scheme (NRAS) must be confirmed through a full valuation report and any interest, considered as deductible for tax purposes, must be excluded from the NICL / servicing calculation.</p>
Rental Income from Holiday Letting (80% / 90% - Rental)	<p>Rental income from Holiday Letting refers to rental that is either varied or inconsistent in amount and / or regularity i.e. dependent on or determined by the time of year.</p> <p>This includes properties rented through websites including, but not limited to, AirBnB and Stayz.</p>	<p>Use one of the following options:</p> <p>Existing rental income:</p> <ol style="list-style-type: none"> 1. Most recent taxation return 2. Rental income statement issued by a managing agent less than two months old immediately preceding the date of application showing rental income received over the past 12 months. If the rental income has been received for less than 12 months, this amount is not to be annualised.

Income type and conditions	Description	Verification
	<p>Room rental and board are unacceptable.</p> <p>Rental income from serviced apartments is not to be considered under this policy.</p> <p>90% of gross rental income can be used except for home loan applications in restricted regional postcodes where 80% is to be used.</p>	<p>Note 1: If evidence is held on file from different sources with differing rental income amounts, the lowest figure must be used. Exception: If a valuation report is also provided for the property, or if dated tax returns are supplied, the most recent taxation return or rental income statement can only be accepted for servicing.</p> <p>Note 2: Where the Loan to Value Ratio (LVR) is greater than 80% a maximum gross rental income yield of 6% is acceptable for servicing; if the calculated rental yield (refer to Income - Rental) is greater than 6% p.a. then the gross rental income is to be reduced to reflect a maximum yield of 6% p.a. (rental yield only applies to residential property).</p> <p>Note 3: The address of all of the applicant/s properties and any liabilities against these must always be fully disclosed in their Statement of Position. Copies of supporting documents must be provided and held by the Bank.</p> <p>Note 4: Where the above verification requirements cannot be satisfied (i.e., property is being purchased or has not been owned for 12 months and a tax return is not yet available), revert to Gross Rental Income policy.</p>

Extraordinary / other

Extraordinary income is any income received by a borrower which may be subject to a different taxation treatment than the standard Australian resident personal taxation rates.

Given the different possible tax treatments for extraordinary income, lending officers will be required to ascertain both gross and net income amounts received by the borrower. Due enquiry must be made to correctly determine the tax payable on these types of income. Where appropriate the rationale behind the net income determination must be included within your deal comments.

- For full information on the income type conditions, description and verification refer to the section 'Other' below.

Investment Property Related Expenses

For housing loan applications (including increases and interest only transfers) where there is any reliance on rental income (current or proposed) then the customer is required to declare expenses that will be incurred to maintain the investment property.

The amount of investment property expenses used in the NICL will be the higher of either:

- 10% of the gross rental income; OR
- Customers declared investment property related expenses.

Tax deductibility of interest

Any interest, considered as deductible for tax purposes, as calculated by the Bank's systems, is based upon on the applicable investor rate being, for new applications the applicable product rate, and for existing loans, the confirmed interest rate, and is automatically split equally between all borrowers by LendNet. Where this is not being split equally between all borrowers, and this cannot be reflected in LendNet, a manual serviceability calculator must be uploaded to the application showing the split and also mitigating comments relating to this and must be referred to Retail Credit Decisions for approval.

Note 1: Where the security is land only and does not involve construction of a residential dwelling, any interest, considered as deductible for tax purposes, must be excluded from the serviceability calculation.

Note 2: For applicants deemed not to be a resident for taxation purposes, any interest, considered as deductible for tax purposes, must be excluded from the serviceability calculation. For more information please refer to the ATO website.

Foreign Income

Note: Enter 100% of the gross amounts into Apply Online for all income types. Shaded income amounts will be automatically calculated by the system for use in the serviceability assessment.

Income type and conditions	Description	Verification
Foreign Income Currency (80% / 70% of the Net Income amount - Extraordinary)	<p>Note: Where foreign currency is in the below list (GBP, EUR, HKD, NZD, SGD, CAD, USD, INR, IDR, VND, CNY, JPY) then use 80% of the Net Income amount.</p> <p>For all other currencies use 70% of the Net Income amount subject to approval by the holder of an appropriate delegation.</p>	<p>Use the following option:</p> <ol style="list-style-type: none"> Employment contract or letter from employer AND, Three months' Bank statement showing salary credits AND, the two most recent consecutive payslips, where the most recent is no older than 45 days from the time of application. <p>Note 1: At all times the Bank, at its absolute discretion, retains the right to ask for the provision of additional information to assist in the verification of any part of the application.</p> <p>Note 2: The letter from the employer, and payslip, must include current base salary / wage information. For Bankwest's policy in relation to accepting and assessing applications for retail products from non-Australian citizens or individuals who receive foreign income refer Consumer Lending Overview</p> <p>Note 3: Foreign Self Employed income is not an acceptable income source.</p> <p>Note 4: All applications with a reliance on foreign income must be sent to the holder of an appropriate delegation for review.</p>

Note: Any documents presented in a foreign language must be translated into English. The customer will need to accompany the documents with an English translation from a translator at the level of Professional

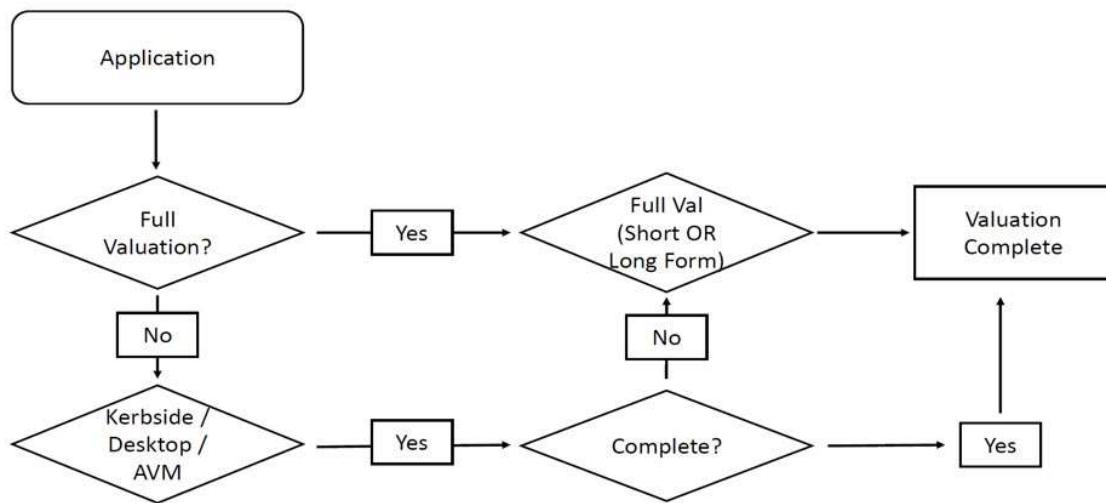
Translator or above currently accredited by the National Accreditation Authority for Translators and Interpreters (NAATI). Please refer to their website for further information. Translation of documents by brokers will not be accepted.

Effective: 17 April 2023

Valuations – Retail lending

The following outlines the general requirements for retail lending residential valuations and is to be used as a guide only.

At a glance



Business rules

Within Bankwest, the market value is validated through a valuation.

Where there is a variance between the valuation amount and the contract of sale / offer and acceptance, the lower amount must be used.

Must	<ul style="list-style-type: none"> • be prepared by an approved Bank panel valuer or be obtained via an approved service provider. • be completed in accordance with the Residential Valuation Standing Instructions developed by the Australian Banking and Finance Industry (ABFI). • be completed on a vacant possession basis (and not the 'in use' value) – (non-construction deals only.) • be prepared for Bankwest First Mortgage lending purposes. • be addressed to Bankwest and its mortgage insurer (if applicable). • be read to fully understand the assumptions and comments.
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	<ul style="list-style-type: none"> • be scanned into the common processing system (CPS) for electronic retention.
Cannot	<ul style="list-style-type: none"> • be released to the customer. • be re-assigned to Bankwest. (Customer / OFI instructed).

Minimum requirements

All new and increased credit facilities must have the security valued or revalued.

A revaluation is to be considered whenever a credit application involves a variation in the terms or conditions of an existing approval e.g. the Bank is requested to consent to a plan of subdivision, the registration of a lease, or the creation of a covenant.

The Bank's systems will in most instances, determine the type of valuation. The Bank's systems will use the following parameters to determine the most appropriate valuation type:

- Purpose of loan
- Product
- Location of security property
- Loan to value ratio (LVR)
- Security property value and / or type

Valuation type	Definition / Requirements
Full	<p>Provides the highest level of assurance as the valuer physically visits the property. A full valuation, may be either Long or Short Form and can be relied up for a period of 12 months from the date of valuation.</p> <p>Long form: The most comprehensive as it considers a range of issues, including a summary of the property, property characteristics (planning and zoning) as well as prevailing market and economic conditions.</p> <p>Short form: Covers many of the same issues as the long form, albeit in less detail. The market value will, depending upon the nature of the asset, provide a break down between the land and improvements.</p> <p>Where a full valuation is required and an internal physical inspection is not possible, the following valuation tiers will be accepted:</p> <ol style="list-style-type: none"> 1. A full external onsite inspection of the property, including but not limited to a complete walk-around of the main building and ancillary improvements

Valuation type	Definition / Requirements
	<p>2. A partial external inspection of the property for areas that are assessable but at a minimum from the road frontage. This may be conducted from the vehicle to avoid face-to-face contact and/or maintain social distancing stipulations</p> <p>3. A virtual external inspection of the property utilising satellite imagery and/or video conferencing technology. Note: In these instances, the technology must include geo-positioning capabilities or similar technology that can confirm that the correct property has been identified.</p> <p>These new tiers form part of a full valuation (under COVID-19).</p> <p>A full valuation must be obtained in the following instances;</p> <ul style="list-style-type: none"> • Bridging Finance • Broadacres • Construction and Renovation loans² • High Density LVR >70%^ • Leasehold property (excluding ACT) • Loans requiring Lenders Mortgage Insurance (LMI) • National Post Code (refer LMI Location guide) and LVR >60%^ • National Rental Affordability Scheme (NRAS)¹ • Off The Plan Purchases³ • Properties in Category 'B' locations (refer Maximum Loan to Value Ratios) • Property with floor area of less than 50sqm • Property value greater than \$2m* • Refinance OFI and LVR >80% • Related Party⁴ • Rural Property • Where an applicant is an overseas citizen without an Australian residency Visa <p>*Note: Selected postcodes are eligible for internet valuations up to \$2.5m. This will be determined by the Bank's systems at time of application.</p> <p>^ Note: Selected postcodes are eligible for Desktop valuations (up to 80% LVR and \$1.5m property value), including established High-Density properties and National Postcode locations. This will be determined by the Bank's systems at the time of application.</p>
Desktop	<ul style="list-style-type: none"> • The valuer completes the report without physically visiting the property. • The report states the market value as a single dollar value. • The confirmed dollar value is to be input into the Bank's systems and the LVR calculated using this value.

Valuation type	Definition / Requirements
	<ul style="list-style-type: none"> • In every instance where this value is not the same as the owner estimate or offer and acceptance value, the new LVR will be recalculated and could result in the LVR exceeding the desktop valuation threshold. • Acceptable in selected postcodes for: <ul style="list-style-type: none"> ◦ Applications not requiring LMI / LVR less than or equal to 80% ◦ National Postcode locations up to 80% LVR ◦ High Density properties (established) up to 80% LVR • The above will be determined by the Bank's systems at the time of application.
Kerbside	<ul style="list-style-type: none"> • It is usual for the market value to be stated as a range. • The range provided is generally 5% but can be as high as 10%. • The Bank uses the midpoint of the range for security purposes. • The range is recorded in the Bank's systems and the LVR is recalculated using the mid-point. • In every instance where the mid-point is not the same as the owner estimate or offer and acceptance value the new LVR will be calculated and could result in the LVR exceeding the kerbside valuation threshold.
Internet	<ul style="list-style-type: none"> • Internet (AVM) valuations may be completed automatically by the Bank's systems or manually by National Processing through an approved service provider. • Provides an estimate of the market value using statistical modelling. • Is requested based on an LVR calculated from the owner's estimate. • Upon receipt of the AVM, the assessed property value is to be input into the Bank's systems and the LVR will be recalculated and could result in the LVR exceeding the AVM threshold.

Notes:

1. National Rental Affordability Scheme (NRAS)

- A full valuation is required irrespective of loan to value ratio (LVR).
- The customer must provide a:
 - Full copy of the Contract of Sale (COS) / Offer and Acceptance (O&A) with all attachments and appendices; and
 - Fixed price-building contract (if a house and land construction package).
- Colleagues must provide a copy of the above to the valuer.
- The valuation report must note that the property is subject to NRAS.

2. Construction / Renovation loans - As If Complete valuation

- A formal As If Complete valuation is to be undertaken.
- The valuer must sight the plans and specifications for the construction and the offer and acceptance / contract of sale for the land portion.
- Construction loans that involve construction of more than two properties on one title should always be completed via an 'in one line' valuation methodology.

3. Off the Plan Purchases – As If Complete valuation

- A formal As If complete valuation is to be undertaken.
- The valuer must sight the plans and specifications for the construction and the offer and acceptance / contract of sale for the land portion.

4. Related Party Loans

A property is being purchased or transferred between related parties may result in the contract of sale price not reflecting the current market value. Where lenders are aware that:

- the transaction is as a result of a related party transaction; and
- the purchase price as detailed on the contract of sale or offer and acceptance is insufficient to meet the proposed level of borrowings,

The originator may obtain and rely on a valuation as confirmation of property value for lending purposes.

Where this is the case, the originator must:

- Order a full valuation, instructed by the Bank, to be completed by a Bank preferred valuer;
- As part of the instruction process, the valuer must:
 - be made aware that the transaction is an advantageous purchase or a transaction between related parties; and
 - be provided the offer and acceptance or transfer of land.
- The valuer must make comment within the final report that the property is an advantageous purchase and what supporting evidence was provided.
- In the event that the originator was not aware that the transaction was between related parties, and therefore a full valuation is not ordered, the Bank can continue to rely on the valuation ordered.

ValEx contact details

All valuation requests are to be sent to	Telephone number	Fax number
ValEx Level 8/30 Currie Street Adelaide SA 5000 Email: bankwest@valex.com.au	1300 660 051 - Option 2	1300 550 167

Note that the allocation of a valuation request is controlled by ValEx and cannot be overridden.

Effective: 6th October 2022