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03.11 Loan Application and Approval

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1. About this policy

1.1 Why this policy

The purpose of this policy is to provide an overview of:

- Costs which can be included in the loan amount
- Consumer mortgage application forms and declarations
- Power of Attorney rules
- Business lending customer rules
- Rules relating to:
 - validating information provided by the customer
 - the currency of completed verification activities
 - the age of verification documents
 - expiry dates associated with the consumer mortgage application

If the loan application requires mortgage insurance, refer to [Lenders Mortgage Insurance](#) where required.

2. Rules you must apply

Note: Mortgage brokers are unable to submit their own applications i.e., where the finance broker submitting the application is also one of the applicants. Brokers are still able to submit loans for their family (as long as they are not an applicant) and they are also able to have another finance broker within their group submit a loan on their behalf.

2.1 Loan Amount-including costs

Costs associated with the purchase of the collateral (e.g. legal fees and stamp duty) can be included in the loan amount, providing the maximum lending value ratio is **not** exceeded.

2.1.1 Bridging Loans

Sale Equity Rule	<p>To ensure the Bridging Loan will clear from the net sale proceeds of the existing property, the proposed Bridging portion of the loan cannot exceed:</p> <ul style="list-style-type: none"> • 85% of the security collateral value of the existing property(s) to be sold <p>This rule does not apply to any end debt.</p> <p>Also refer to 'Security Collateral Value Assessment' policy</p>
Where more than one security collateral is to be sold:	<ul style="list-style-type: none"> • Full net proceeds (including purchasers deposit paid) must always be received to the Bridging Loan and • Remaining Bridging Loan debt against the security collateral value of the remaining property(s) to be sold cannot exceed the Sale Equity Rule and • Overall LVR must comply with Lending Value Ratio (LVR) policy for Bridging Loans

Also refer to Policy Chapter [06.02 Bridging Loan](#)

2.1.2 Interest only in advance (IOA) loans

The initial amount of prepaid interest can **not** be added to the loan amount. The borrower is to provide this amount from their own funds.

2.2 Customer Interview

The interview process is to be carried out without the presence of a third party, i.e. must be between the broker and applicant(s) / guarantor(s) only.

A formal face to face interview should be completed with the loan applicant(s) or guarantor(s), prior to acceptance of the loan offer.

2.3 Customers Experiencing Vulnerability

Refer to [Eligibility](#) > Customers Experiencing Vulnerability policy

2.4 In Principle Approval (IPA)

In Principle Approval (IPA) is an application type which seeks 'Conditional Approval' only. Verification of supporting documentation and security collateral assessment is **not mandatory**.

Consent forms and verification of identity (VOI) must be completed prior to 'Review and Submit' being undertaken for an IPA. Also see:

- [Acknowledgments, confirmations and consents \(for 1st and 3rd party channel\) or Privacy Statement and other acknowledgements \(for digital applications\) \(Consent Form\)](#).
- [Playback form](#)
- [Responsible Lending Start Date](#)

When a borrower elects to proceed with the consumer mortgage application, the IPA needs to be converted to a 'full consumer mortgage application'.

Note: You can-not convert a full application back to an IPA.

2.4.1 In Principle Approval (IPA) / Conditional Approval Validity period

The in principle approval (conditional approval) letter or notification has a validity period of 90 days from the most recent application Review and Submit date (both IPA and Full application stage). The expiry period ends either when the customer mortgage application is unconditionally approved, or the consumer mortgage application is edited and re-assessed resulting in a new in principle approval (conditional approval).

2.5 Full application

A Full consumer mortgage application is an application type which seeks 'Formal Approval' (Unconditional Approval)

An application may be created as a 'full application' or may be converted from an IPA to a 'full application'.

Verification of supporting documentation and security assessment **is mandatory** for Full Applications.

Consent forms and verification of identity (VOI) must be completed prior to 'Review and Submit' being undertaken for a full application.

Also see:

- [Acknowledgments, confirmations and consents \(for 1st and 3rd party channel\) or Privacy Statement and other acknowledgements \(for digital applications\) \(Consent Form\)](#).
- [Playback Form](#)
- [Responsible Lending Start Date](#)

2.6 Responsible Lending Start Date

The Responsible Lending Start Date is used to determine if a verification document complies with the 'maximum age' policy.

Refer to:

- [Loan Expiry Types](#) and rules for the [Responsible Lending Start Date](#)
- Refer to [Document Standards](#) for the maximum age of verification documents

2.7 Validation of information provided by the customer

Purpose	'Validation of information provided by the customer' is part of the Responsible Lending scrutiny check and helps us ensure an accurate loan assessment.
Applicable to	Information provided by a borrower or income guarantor for the Consumer mortgage application types: <ul style="list-style-type: none"> • new loan • loan increase • loan variation activity requiring a serviceability assessment
Policy exclusion	This policy does not apply to a Bridging ICAP loan with no end debt
Associated policies	You may also need to refer to other lending policy rules, including but not limited to: <ul style="list-style-type: none"> • Commitments • Guarantees • Living Expenses • Serviceability assessment • If the application requires mortgage insurance, where required refer to: <ul style="list-style-type: none"> ◦ Lenders Mortgage Insurance

2.7.1 Reviewing customer provided information

Conflicts to look for		What to review	Action required
Commitments:	<ul style="list-style-type: none"> • Any commitment: <ul style="list-style-type: none"> ◦ that is undisclosed • Where there is mismatch to the Comprehensive Credit Bureau Report (CCR) • Inconsistency(s) (e.g. limit, interest rate, repayment amount) identified via internal system 	<ul style="list-style-type: none"> • The last three months of internal account¹ transactions (excluding non Flexi WBC Personal Loans) • Supporting documents used to comply with normal loan assessment policy (e.g. income verification) • Any document received, even if 	<p>Where a conflict is identified</p> <p>With the exception of outgoing child support (maintenance) payments, outgoing alimony (spousal support) and outgoing rent / board, it is not a requirement to obtain further supporting documents to specifically validate expense related outgoings.</p> <p>1. Clarify the conflicts</p>

	and/or supporting documents	it is not mandatory	with the applicant(s). You may be required to obtain additional supporting documents to verify the commitment.
Living Expenses:	<ul style="list-style-type: none"> • Undisclosed or inconsistent: <ul style="list-style-type: none"> ◦ outgoing child support (maintenance) payments ◦ outgoing alimony (spousal support) ◦ outgoing ongoing rent or board • Undisclosed or inconsistent: <ul style="list-style-type: none"> ◦ Owner Occupied Primary Residence Land Tax, Body Corp and Strata Fees. ◦ Secondary Residence / Holiday Home Costs (including Insurance) ◦ dependants related living expenses such as childcare fees and education costs ◦ life, health, sickness and personal accident insurance living expenses 	<ul style="list-style-type: none"> • Comprehensive Credit Bureau report (CCR) – manually review the CCR for new loans and loan increases only. Refer to Comprehensive Credit Report (CCR) Mismatch 	<ul style="list-style-type: none"> • Refer to Commitments policy for details of how to verify commitments <p>2. Amend or update the application to reflect the information found. Re-complete assessments and re-run credit decision if required. If serviceability is still met, continue with application processing.</p> <p>3. Where serviceability is not met with the updated information, then clarify any conflicts with the applicant(s) and either further update or withdraw the application.</p> <p>4. Enter application comments detailing any amendments made to the application and / or the outcome of all related customer discussions. This will provide an audit trail and prevent rework.</p> <p>5. Enter a final comment in the application confirming the account review activity has been completed</p>
Other:	<ul style="list-style-type: none"> • Potential conflicts 		

	relating to declared: <ul style="list-style-type: none"> ◦ marital status ◦ number of dependants • employment type / mode • citizenship status 	
Living Expenses:	<ul style="list-style-type: none"> • Undisclosed or inconsistent: <ul style="list-style-type: none"> ◦ Investment property costs 	where an individual tax return is held, and the property costs are listed in the rental schedule, review the actual costs (other than interest, depreciation and once off capital expenses).
¹ Internal <ul style="list-style-type: none"> • For Westpac brand, St George Bank Group and RAMS accounts are considered to be external. 		

2.8 Currency of Verification

Verifications completed in the consumer mortgage application remain current until any one or more of the following occur:

- Any 'loan expiry' type occurs. Refer to '[Loan Expiry Types and Rules](#)'
- Advice is received that information upon which the verification was based has changed (e.g. income details change).

2.9 Pipeline Authority Policy

Purpose	This policy identifies the standards for assessing an IPA or full application under a prior (old) credit policy
Exclusions	This policy does not need to be followed if the application meets the current (new) policy.
Applicable to	Consumer mortgage applications where a borrower is seeking any of: <ul style="list-style-type: none"> • new loan • loan increase

2.9.1 Eligibility

An IPA or Full application can be assessed under prior (old) policy, if it complies with the table below.

Applications that **do not** meet the rules may be referred to Credit for override consideration where justified. E.g. process errors. If LMI is applicable, LMI Underwriter approval (DUA4) will be required.

If 'non-standard' pipeline condition/s apply to a specific policy change, they will be documented in the related change communication.

Pipeline Eligibility Rules					
Scenario	Application stage		Applicable to	Can be assessed under old (prior) policy if:	
1	A 'Review and Submit' (RnS) decision had not previously occurred		Third Party (Broker) applications only	<ul style="list-style-type: none"> The application met the prior (old) credit policy, but now fails the current (new) policy¹; and The Apply Online (AOL) submission date was no more than 90 days prior to the policy change date; <p>AND one of the below apply:</p> <ul style="list-style-type: none"> The system input change (in the Third Party originations system or OBP) was triggered by a standard validation activity, to align input with: <ul style="list-style-type: none"> supporting documents provided by the finance broker at the time the application is submitted; or the internally sourced credit bureau report; or an internal system extract or enquiry (Westpac or St.George Bank Group) 	

			<p>refer Document standards</p> <p>Warning: Refer to Loan Expiry Types and Rules for information regarding loan re-assessment requirements (e.g. Responsible Lending Expiry) which override this pipeline policy.</p> <p>OR</p> <ul style="list-style-type: none"> No Material changes have occurred since the AOL submission date 	
2	A 'Review and Submit' (RnS) decision had previously occurred	First Party and Third Party (Broker) applications	<p>The application met the prior (old) credit policy, but now fails current (new) policy¹, and:</p> <ul style="list-style-type: none"> A 'Review and Submit' (RnS) – 'passed' decision (<i>approval granted manually or automatically</i>) was no more than 90 days prior to the policy change date; and No Material changes have occurred since the RnS 'passed' date 	
¹ Where the application met the prior (old) credit policy, but now fails the current (new) policy due to the Household Expenditure Measure (HEM) table being updated, the previous HEM table can be used.				
Material Changes				
For Mortgage insured and Non-mortgage insured applications:			Some examples:	
<ul style="list-style-type: none"> Assets are decreased 			Title search indicates an asset is not owned	

	by the borrower and is deleted	
<ul style="list-style-type: none"> • Borrower/s or guarantor/s – are deleted or added 	<ul style="list-style-type: none"> • Additional borrower is added to application • A borrower becomes a guarantor or guarantor becomes a borrower 	
<ul style="list-style-type: none"> • Credit bureau: A new decline or refer decision is received related to credit bureau default or bankruptcy 	Initial application shows no defaults. At a decision run after the policy change, borrower one now has a Telstra default for \$120	
<ul style="list-style-type: none"> • Employment mode is changed 	Employment mode is changed from full time to casual (even if on the same income)	
<ul style="list-style-type: none"> • Expenses, outgoings or existing loan repayments are increased 	<ul style="list-style-type: none"> • Borrower 1 and 2 have increased rental outgo • Borrower 2 has an existing loan (not the loan being processed) and the repayments are increased for that loan 	
<ul style="list-style-type: none"> • Income is reduced 	Allowable social security income removed as it does not meet social security income requirements due to the age of the dependants	
<ul style="list-style-type: none"> • Liabilities are increased (internal or external) 	Applicant three has a new credit card added	
<ul style="list-style-type: none"> • Security collateral is added or removed <p>Applies to:</p>	The initial application (Full or IPA) involved the purchase of	

<ul style="list-style-type: none"> Full applications IPAs where the security had been previously identified 	<p>security collateral 'A'. After receiving an unsatisfactory building inspection report, the purchase contract for 'A' is cancelled. The borrower offers a new Security property 'B'.</p>	
<p>Security collateral is added or removed</p> <p>Applies to:</p> <ul style="list-style-type: none"> IPA where the security had not been previously identified <p>When the security collateral is identified and:</p> <ul style="list-style-type: none"> it is unacceptable; or the IPA to Full application contains another 'Material Change' listed in this table 	<p>The initial application was an IPA for a loan of \$400k and purchase of \$500k but the actual security address had not been identified. The borrower has now found a property, and it is on the unacceptable Security Development Register list</p>	
For Non-Mortgage insured applications:	Some examples:	
<ul style="list-style-type: none"> Loan amount is increased, and: <ul style="list-style-type: none"> the increase is greater than 10% of the original loan amount, or; the increase is not greater than 10% of the original loan amount but the increased loan amount would have failed serviceability on the prior (old) policy 	<p>The initial application was an In Principle Approval (IPA) for a loan of \$400k and purchase of \$500k. The borrower has now found a property costing more at \$550k and requires a loan for \$441k (10.25% increase). If the loan was increased to \$440k this would be non-material as the increase is =10% (not greater)</p>	
For mortgage insured applications:	Some examples:	

<ul style="list-style-type: none"> • Loan amount is increased 	Any loan amount increase	
<ul style="list-style-type: none"> • LVR is increased due to a low valuation and the application: • previously required LMI; or • now requires LMI as a result of the low valuation 	<p>Application is lodged for a refinance of an existing debt. The borrower estimates that the property is valued at \$500k and based on the estimate our LVR is 80%. When the valuation is completed the customer estimate was high and the actual value of the property came in at \$470k. LVR has increased to 85% and now LMI is required.</p>	

2.10 Acknowledgments, confirmations and consents (for 1st and 3rd party channel) or Privacy Statement and other acknowledgements (for digital applications) (Consent Form)

All consumer mortgage applications require a Consent Form to be signed and dated or accepted digitally by the applicants (and guarantors, if any), prior to credit decisioning.

Also refer to [Power of Attorney/Administration order](#) where this applies to the application.

2.11 Playback Form

The Playback Form has been designed to provide the borrower's with an overview of the information captured including the credit assessment within their consumer mortgage application.

Upon submission of a consumer mortgage application for assessment (In principle approval (IPA) and Full Applications), a copy of the Playback Form is to be provided to the borrower's by the Bank.

This information is available online in the borrower's application tracker via Internet Banking (once registered) and can also be provided physically where needed.

The playback form is also accepted as being accurate by the borrower as part of the loan offer document pack.

2.12 Power of Attorney/Administration Order

Where a Power of Attorney (POA) or Administration Order is in place the Attorney/Administrator must act in the best interests of the donor (person giving the Power of Attorney) and **not** in the best interests of themselves.

The Bank's obligations under *The Privacy Act* advises that **an Attorney cannot sign or digitally accept the [Consent Forms](#) on behalf of a borrower / donor where the borrower**

has capacity. Credit (or other Credit Risk authorised staff) approval is required when the [Consent Form](#) has not been signed or digitally accepted by the donor.

Brokers must also refer to [Eligibility](#)>Customers Experiencing Vulnerability and ensure that relevant criteria is applied.

The table below outlines the types of authorities that need to be considered.

Representative authority table		
Type of authority	Documents that can be signed under authority	Special Conditions
General Power of Attorney (POA)	<ul style="list-style-type: none"> • Loan Contract • Variation Agreement • Mortgage Agreement • Guarantee Contract • Loan Authority (includes direct debit, surplus contribution, additional payment etc) 	<ul style="list-style-type: none"> • Cannot be used when the donor has a cognitive impairment (refer to Eligibility>Customers Experiencing Vulnerability) • POA document must: <ul style="list-style-type: none"> ◦ either specifically grant authority for financial matters that include to buy, sell or mortgage real estate or grant authority over all dealings without excluding real estate and/or entering loans ◦ not be relied upon where a customer has lost capacity ◦ only be considered in extenuating circumstances when the donor is not available, e.g. donor is overseas, indisposed and the Bank is unable to send documents electronically to sign. • If POA is being used to sign a mortgage agreement, the POA must be registered in the same state as the security property.
Enduring Power of Attorney (POA): <ul style="list-style-type: none"> • when borrower or guarantor has capacity / cognitive function) 	<ul style="list-style-type: none"> • Loan Contract • Variation Agreement • Mortgage Agreement • Guarantee Contract • Loan Authority (includes direct 	<ul style="list-style-type: none"> • When the donor has a cognitive impairment, refer to next row of this table 'Enduring Power of Attorney: when borrower or guarantor no longer has capacity / cognitive function' • The POA document must: <ul style="list-style-type: none"> ◦ either specifically grant authority for financial matters

	debit, surplus contribution, additional payment etc)	<p>that include to buy, sell or mortgage real estate or grant authority over all dealings without excluding real estate and/or entering loans</p> <ul style="list-style-type: none"> ◦ not contain a limitation that it only takes effect on loss of capacity. ◦ only be considered in extenuating circumstances when the donor is not available, e.g. donor is overseas, indisposed and the Bank is unable to send documents electronically to sign. • If POA is being used to sign a mortgage agreement the POA must be registered in the same state as the security property.
<p>Enduring Power of Attorney (POA):</p> <ul style="list-style-type: none"> • when borrower or guarantor no longer has capacity / cognitive function and no Administration Order has been made 	<ul style="list-style-type: none"> • Consent Form • Loan Contract • Variation Agreement • Mortgage Agreement • Guarantee Contract • Loan authority (includes direct debit, surplus contribution, additional payment etc) 	<ul style="list-style-type: none"> • You will also need to refer to Eligibility>Customers Experiencing Vulnerability • POA document must either specifically grant authority for financial matters that include to buy, sell or mortgage real estate or grant authority over all dealings without excluding real estate and/or entering loans. • The date the POA document was signed must be prior to loss of cognitive ability. • If POA is being used to sign a mortgage agreement the POA must be registered in the same state as the security property.
<p>Administration Order:</p> <ul style="list-style-type: none"> • when borrower or guarantor no longer has capacity / cognitive function 	<ul style="list-style-type: none"> • Consent Form • Loan Contract • Variation Agreement • Mortgage Agreement • Guarantee Contract • Loan authority (includes direct debit, surplus contribution, 	<ul style="list-style-type: none"> • You will also need to refer to Eligibility>Customers Experiencing Vulnerability • An Administration Order must either grant authority over all of the financial affairs of the donor or specifically grant authority over a list of financial matters that includes buying / selling property

	additional payment etc)	
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2.13 Business Purpose Declaration

If the loan purpose established is wholly or predominantly (i.e. more than or equal to 50%) for business purposes then it is not eligible for a consumer product and must be referred to Business banking. Refer to [Eligibility](#).

It is the Broker or Assessor's responsibility to determine whether a loan agreement is to be regulated or not under the National Credit Code. This is determined from loan purpose (not the collateral/s offered to support the loan).

As a guide the following questions may be used to assist Brokers or Assessors in determining whether the loan is regulated or not under NCC:

1. Is this loan in a Company Name? (If **YES**, never regulate.)
2. Will another property be the principal place of residence?
3. Are the loan funds to be used for any business purposes and / or investment purposes other than investment in residential property?
4. Are the loan funds to be used wholly or predominantly for business purpose and /or investment purposes other than investing in residential property?

Where the answer to questions 1, 3-4 inclusive is **YES**, the loan may be unregulated.

2.14 Loan Expiry Types and Rules

The below expiry dates apply to loan applications

Loan Expiry Type	Start Date	Expiry Occurs when	If expiry occurs
Responsible Lending	<ul style="list-style-type: none"> • First Apply Online (AOL) submission date (as either an IPA or Full Application), or • If the expiry period has lapsed: The first OBP 'Review and Submit' date following the expiry 	<p>Loan - where the purchase is residential property and the credit will be secured by a mortgage over the same residential collateral:</p> <p>The expiry period ends when the borrower has signed and returned their loan offer.</p> <p>The expiry period is 120 calendar days from the Start Date.</p> <p>In the 120-day period prior to the end date,</p>	<p>If the expiry period lapses, the consumer mortgage application will be forced to be edited. The assessor must advise the broker to resubmit the application in AOL .</p> <p>Broker must ensure that all the details provided within the application are reconfirmed with borrower prior to re-submission</p> <p>Upon re-submitting the application, the RL expiry period will be reset, and documents</p>

		<p>the following needs to have occurred:</p> <ul style="list-style-type: none"> reasonable inquiries regarding the customer's requirements and objectives and financial situation reasonable steps to verify the borrower's financial situation an unsuitability assessment for the credit contract including a credit assessment <p>Loan – other</p> <p>The expiry period ends when the customer has signed and returned their loan offer. The expiry period is 90 calendar days from the Start Date.</p> <p>In the 90-day period prior to the end date, the following needs to have occurred:</p> <ul style="list-style-type: none"> reasonable inquiries regarding the customer's requirements and objectives and financial situation reasonable steps to verify the borrower's financial situation an unsuitability assessment for the credit contract including a credit assessment 	<p>must be re-verified. Refer to Verification</p> <p><u>Verification</u></p> <p>Verification tasks must be completed and updated / new verification documentation is required where:</p> <ul style="list-style-type: none"> the relevant verification document has 'expired', i.e. it does not meet the 'maximum age' policy against the new Responsible Lending Start Date Information requiring verification has changed (e.g. income has changed)
Loan Drawdown	Loan Offer generated date	<p>For single draw loans:</p> <p>Loan not drawn within 180 days of the Start Date.</p> <p>For Progress Draw</p>	

		loans: Initial draw down has not occurred within 12 months of the Start Date.	
	Loan Offer Expiry	The loan offer prints an expiry period of 14 days from the date of generation. The purpose of this expiry is to ensure it is actioned in a timely manner. If the loan offer is returned after 14 days but within any other expiry periods, it can be accepted without any further action.	If the RL expiry date is sooner than the loan offer 14 day expiry period, the loan offer will expire in line with the RL expiry date. The consumer mortgage application must be re-submitted and re-assessed with a new loan offer generated.

3. Comprehensive Credit Report (CCR) Mismatch

Where a mismatch is identified during manual review of the report, further investigation and action is required. For specific scenarios, refer to the table below:

Scenario		Action	Additional requirements
1	The applicant advises the facility has been closed but the CCR still shows the account as open.	Evidence that the account has been closed must be obtained prior to formal approval. Refer to Serviceability assessment > Rules > Amended current commitment Note: If unable to obtain evidence of closure, then the commitment is to be included in the serviceability assessment	Enter application comments detailing the outcome of all related customer discussions
2	The applicant advises the facility has been	Further enquires are to be made with the applicant:	Enter application comments detailing the outcome of all related

	<p>paid back, but the CCR shows the account is still open as they have not formally closed the facility</p>	<p>If the applicant wants to retain the facility, then the commitment is to be included in the serviceability assessment. Verify the details of the commitment as per Commitments > Verifying customer commitments</p> <p>If the applicant does not want to retain the facility, they will need to provide evidence the facility has been closed as per Scenario 1</p>	<p>customer discussions</p>
3	<p>The CCR shows an open facility that the borrower forgot and did not declare</p>	<p>Where the CCR contains:</p> <ul style="list-style-type: none"> • a maximum of one undisclosed / undeclared debt (facility) per application and the debt is either: <ul style="list-style-type: none"> ◦ a Credit Card or ◦ an Overdraft (unsecured / non-mortgage) • and the current months repayment history status* displays a 0 (zero) refer to and follow the additional requirements. <p>* Repayment history on CCR appears from right to left. Right = current month at the time the report was generated (most recent month) to oldest month (being month 24). For more information about repayment history status refer to Commitments policy > On CCR – Repayment history criteria</p>	<p>For the previously undisclosed / undeclared commitment:</p> <ul style="list-style-type: none"> • Verify the details of the commitment as per Commitments > Verifying customer commitments • Re-complete serviceability assessments as per Serviceability Assessment > Commitments > Serviceability repayment amount • Re-run credit decision if required <p>Where serviceability is met with the additional commitment included, proceed with application processing.</p> <p>Note: No referral to the applicant is required. Inclusion of the additional commitment will result in a more conservative serviceability assessment outcome.</p> <p>If serviceability is not</p>

			<p>met with the additional commitment included further enquires are to be made with the applicant:</p> <ul style="list-style-type: none"> • If the applicant wants to retain the facility, then the commitment is to be included in the serviceability assessment (refer to Scenario 2 > Additional requirements) <p>If the applicant does not want to retain the facility, they will need to provide evidence the facility has been closed. Evidence must be obtained prior to formal approval (refer to Scenario 1 Action and Additional requirements)</p>
		<p>Where the CCR contains:</p> <ul style="list-style-type: none"> • > 1 undisclosed / undeclared Credit card or Overdraft (unsecured / non-mortgage); or • The Credit Card or an Overdraft (unsecured / non-mortgage) current months repayment history status does not display a 0 (zero); or • The undisclosed / undeclared debt (facility) is not a credit card or overdraft (unsecured / non-mortgage) <p>Further enquires are to be made with the applicant:</p> <ul style="list-style-type: none"> • If the applicant wants to retain the facility, then the commitment is to be included in the serviceability assessment. Verify the details of the 	<p>Record in application notes the outcome of all related customer discussions</p>

		<p>commitment as per Commitments > Verifying customer commitments</p> <ul style="list-style-type: none"> If the applicant does not want to retain the facility, they will need to provide evidence the facility has been closed as per Scenario 1 	
4	<p>The CCR evidences a lower limit than the value entered into the application / used for the monthly repayment calculation.</p>	<p>Where the applicant declared limit is > the CCR limit and serviceability is able to be demonstrated based on the higher customer declared limit.</p> <p>This is an allowable variance as per the Commitments policy > Allowable Variances. You may rest on the customer declared limit.</p> <p>Note: Applicant may have recently increased the limit and it is not yet evident on the CCR.</p>	
5	<p>The CCR evidences a lower limit than the value entered into the application / used for the monthly repayment calculation.</p>	<p>Where the applicant declared limit is > the CCR limit and serviceability is not able to be demonstrated based on the higher customer declared limit.</p> <p>Unable to rest on the CCR limit</p> <p>Obtain additional supporting documentation to verify the actual limit.</p>	<p>Enter application comments detailing the outcome of all related customer discussions.</p> <p>Verify the details of the commitment as per:</p> <ul style="list-style-type: none"> Commitments Serviceability assessment > Assessing commitments > payment amount used for serviceability <p>Amend or update the application to reflect the verified position.</p> <p>Re-complete serviceability</p>

			assessments, and re-run credit decision if required
6	The CCR evidences a higher limit than the value entered into the application / used for the monthly repayment calculation.	<p>Where the applicant declared limit is < the CCR limit and serviceability is able to be demonstrated based on the higher CCR limit</p> <p>This is an allowable variance as per the Commitments policy > Allowable Variances. You may rest on the CCR limit.</p>	
7	The CCR evidences a higher limit than the value entered into the application / used for the monthly repayment calculation.	<p>Where the applicant declared limit is < the CCR limit and serviceability is not able to be demonstrated based on the higher CCR limit.</p> <p>Unable to rest on applicant declared limit or CCR limit</p> <p>Obtain additional supporting documentation to verify the actual limit.</p> <p>Note: applicant may have recently decreased the limit and it is not yet evident on credit bureau report.</p>	<p>Enter application comments detailing the outcome of all related customer discussions.</p> <p>Verify the details of the commitment as per:</p> <ul style="list-style-type: none"> • Commitments • Serviceability assessment > Assessing commitments > payment amount used for serviceability <p>Amend or update the application to reflect the verified position.</p> <p>Re-complete serviceability assessments, and re-run credit decision if required</p>
8	The applicant declares a facility but it does not appear on the CCR as an open facility.	<p>Not all financial institutions participate in CCR and some facility types are not supported for positive reporting</p> <p>Obtain an alternate supporting documentation to verify the customer declared commitment</p>	<p>Verify the details of the commitment as per:</p> <ul style="list-style-type: none"> • Commitments • Serviceability assessment > Assessing commitments > payment amount used for serviceability

9	<p>The CCR shows the account as closed.</p> <p>The applicant continues to make payments to the account.</p>	<p>Confirm with the applicant why they continue to make payments to the account.</p> <p>For example, a credit card may have been closed to prevent accidental redraw of available funds while the applicant is repaying the debt.</p>	<p>Verify the details of the commitment as per:</p> <ul style="list-style-type: none"> • Commitments • Serviceability assessment > Assessing commitments > payment amount used for serviceability
10	<p>Facility is unheard of – applicant denies any knowledge of facility</p>	<p>Application cannot proceed until issue is resolved</p>	<p>To query the facility and have the bureau content amended:</p> <ul style="list-style-type: none"> • The applicant may choose to make direct contact with the credit provider
11	<ul style="list-style-type: none"> • The customer disputes the repayment history on the CCR or • The history on the CCR is inconsistent with repayment history on another supporting document • and results in the facility not demonstrating satisfactory repayment history requirements 	<p>Application cannot proceed until issue is resolved</p>	<p>To query the facility and have the bureau content amended:</p> <ul style="list-style-type: none"> • The applicant may choose to make direct contact with the credit provider

Change History

Amendment number	Amendment issue date	Description of changes
1	3 November 2021	First OBP issue online for Brokers on the OKA platform.
2	8 November 2021	Links updated
3	21 November 2021	Removed duplicated content located in 3.09 Eligibility > 3.2 Identifying a business banking client
4	22 May 2022	<p>Change 1</p> <ul style="list-style-type: none"> Section 'Full Application date' renamed as 'Responsible Lending Start Date' Change to measure the maximum age of verification documents from the 'Responsible Lending Start Date' (previously 'Full Application date') Section 'Loan Expiry Types and Rules': <ul style="list-style-type: none"> updated to include rules relating to the 'Responsible Lending Start Date' updated to include rules relating to action required if expiry occurs reformatting of existing content to improve clarity <p>Change 2</p> <p>Section 'Conditional Approval Validity period':</p> <ul style="list-style-type: none"> renamed 'In Principle Approval (IPA)/ 'Conditional Approval Validity period'-clarification only content updated to include references to 'in principle approval' -clarification only <p>Change 3</p> <p>Added sections 'In Principle Approval' and 'Full Application' to provide an overview of these application types and their requirements-- clarification only</p> <p>Change 4</p> <p>Reformatting of existing content to improve clarity</p>
5	21 August 2022	<p>Change 1</p> <p>Policy Standards and Procedure rewrite</p> <p>Change 2</p> <p>Updated references to the 'Minimum Document Standards Matrix'. The matrix has been superseded, with all matrix rules transferred into the main body of the 'Document Standards' chapter. Existing references have been updated to point to the 'Document Standards' chapter</p>

Amendment number	Amendment issue date	Description of changes
6	21 May 2023	<p>Change 1</p> <ul style="list-style-type: none"> Added new section 'Validation of information provided by the customer'. The associated policy rules for this section have been transitioned from the (now decommissioned) '03.26 Validation of information provided by the customer' chapter. As part of this transition: <ul style="list-style-type: none"> Existing policy rules were re-written to: <ul style="list-style-type: none"> re-format and re-wording of policy to improve clarity (with no change to policy) The existing policy rules 'What to look for' were changed: <ul style="list-style-type: none"> Change from looking for: <ul style="list-style-type: none"> property related expenses (such as land tax, rates, strata fees, utilities and insurance) for primary and secondary residences, and investment properties Change to looking for: <ul style="list-style-type: none"> Owner Occupied Primary Residence Land Tax, Body Corp and Strata Fees. Secondary Residence / Holiday Home Costs (including Insurance)
7	2 July 2023	<p>Change 1</p> <p>Housekeeping change only- correct spelling of dependant vs dependent</p> <p>Change 2</p> <p>Added new section 'Pipeline Authority Policy'. The associated policy rules for this section have been transitioned from the (now decommissioned) '04.05 Pipeline Authority Policy' chapter. As part of this transition:</p> <ul style="list-style-type: none"> Existing policy rules were re-written to: <ul style="list-style-type: none"> re-format and re-wording of policy to improve clarity (with no change to policy)
8	8 October 2023	<p>Change1</p> <p>Updated the Review of customer provided information table to clarify what to review and action required for Investment property costs, when an individual tax return is held with property costs listed in the rental schedule.</p>
9	19 November 2023	<p>Change 1</p> <p>Updated section 2.2 Customer Interview wording - no change to current requirements</p>

Amendment number	Amendment issue date	Description of changes				
10	18 February 2024	<p>Change 1 Updated section ‘Validation of information provided by the customer:’ From: Applicable to a servicing / variation activity requiring a serviceability assessment. To: Applicable to a loan variation activity requiring a serviceability assessment.</p> <p>Change 2 Minor wording update to section 2.8.1 ‘Reviewing customer provided information’ to:</p> <ul style="list-style-type: none">• Make clear that living expense review includes both undisclosed and inconsistent.				
11	7 April 2024	<p>Change 1 Under section ‘Loan Amount’:</p> <ul style="list-style-type: none">• Added sub section ‘Bridging Loans’ and relocated the below existing rules from the Bridging Loan product chapter <table><tr><td>Sale Equity Rule</td><td><p>To ensure the Bridging Loan will clear from the net sale proceeds of the existing property, the proposed Bridging portion of the loan cannot exceed:</p><ul style="list-style-type: none">• 85% of the security collateral value of the existing property(s) to be sold<p>This rule does not apply to any end debt. Also refer to ‘Security Collateral Value Assessment’ policy</p></td></tr><tr><td>Where more than one security collateral is to be sold:</td><td><ul style="list-style-type: none">• Full net proceeds (including purchasers deposit paid) must always be received to the Bridging Loan and• Remaining Bridging Loan debt against the security collateral value of the remaining property(s) to</td></tr></table>	Sale Equity Rule	<p>To ensure the Bridging Loan will clear from the net sale proceeds of the existing property, the proposed Bridging portion of the loan cannot exceed:</p> <ul style="list-style-type: none">• 85% of the security collateral value of the existing property(s) to be sold <p>This rule does not apply to any end debt. Also refer to ‘Security Collateral Value Assessment’ policy</p>	Where more than one security collateral is to be sold:	<ul style="list-style-type: none">• Full net proceeds (including purchasers deposit paid) must always be received to the Bridging Loan and• Remaining Bridging Loan debt against the security collateral value of the remaining property(s) to
Sale Equity Rule	<p>To ensure the Bridging Loan will clear from the net sale proceeds of the existing property, the proposed Bridging portion of the loan cannot exceed:</p> <ul style="list-style-type: none">• 85% of the security collateral value of the existing property(s) to be sold <p>This rule does not apply to any end debt. Also refer to ‘Security Collateral Value Assessment’ policy</p>					
Where more than one security collateral is to be sold:	<ul style="list-style-type: none">• Full net proceeds (including purchasers deposit paid) must always be received to the Bridging Loan and• Remaining Bridging Loan debt against the security collateral value of the remaining property(s) to					

Amendment number	Amendment issue date	Description of changes
		<div> <div>be sold cannot exceed the Sale Equity Rule and</div> <ul style="list-style-type: none"> Overall LVR must comply with Lending Value Ratio (LVR) policy for Bridging Loans </div> <p>Change 2 Update to “Loan Expiry Types and Rules” Responsible Lending 3rd Party Start date has been amended:</p> <p>Old Wording: 3rd Party (Broker) <ul style="list-style-type: none"> First Apply Online (AOL) submission date (as either an IPA or Full Application), or If the expiry period has lapsed: The first AOL resubmission date following the expiry. </p> <p>New Wording: 3rd Party (Broker) <ul style="list-style-type: none"> First Apply Online (AOL) submission date (as either an IPA or Full Application), or If the expiry period has lapsed: The first OBP ‘Review and Submit’ date following the expiry </p> <p>Change 3 Updated section 2.7.1 Reviewing customer provided information to include the following under Commitments > Conflicts to look for: Inconsistency(s) (e.g. limit, interest rate, repayment amount) identified via internal system and/or supporting documents</p>
12	19 May 2024	<p>Change 1 Added the following footnote to 2.10.1 Eligibility -> Pipeline Eligibility Rules table: ¹Where the application met the prior (old) credit policy, but now fails the current (new) policy due to the Household Expenditure Measure (HEM) table being updated, the previous HEM table can be used.</p> <p>Change 2 Updated 2.1.1 Bridging Loans section to include link to Policy Chapter 06.02 Relocation Loan</p>

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