



Credit Policy

Eligible Income

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PAYG Commissions and/or Incentive Payments

| Restrictions | Verification | % Used for Servicing |
|--|---|--|
| Commission and/or Incentive Payments must be a permanent part of income and been consistent for at least one year. | <p>Use one of the following methods:</p> <p>1. Employment Contract or Letter from employer (which shows employer / business name and ABN, employee's name, total income earned over the last 12 months) or One acceptable payslip showing current base wage</p> <p>and</p> <p>minimum of twelve months' immediately preceding the date of the application of salary credits including commission payments. into a Commonwealth Bank account or Other Financial Institution (OFI) account - copies of the OFI bank statements and/or Internet banking transaction listings are required.</p> <p>Note: If the internet banking transaction listing does not contain all the account holders information (e.g. account holder name & account number) an old bank statement can be provided to verify ownership of account. Bank statements (including internet banking transaction listings) must be from the bank where the salary is credited.</p> <p>Where the customer has completed a withholding declaration to claim their tax offsets in their salary then salary credits cannot be used to verify income and you will need to use other verification methods below.</p> <p>2. One pay slip showing current base wage and letter/s from employer detailing the commission amount/s received over the past twelve months</p> <p>Note: Acceptable payslips excludes hand written payslips and should as a minimum display the following:</p> <ul style="list-style-type: none"> ▶ employer's name ▶ ABN (except for Government Bodies) ▶ employee's name ▶ break up of year to date income <p>3. One payslip showing current base wage and > 3 months YTD income and PAYG payment summary/'Tax ready' Income Statement OR tax return</p> | The system will automatically apply 80% of the full amount of commission income to loan servicing. |

Calculations

Option 1

1. Calculate total income by adding up the twelve months salary credits. Enter this amount into the net to gross calculator and determine the annual gross income earned.
2. Deduct the annual base wage amount (as stated on employment contract, employment letter or payslip) from the calculated annual gross income (as calculated in step 1) to determine the amount of commission.
3. Enter as two separate amounts in the application:
 - ▶ Base wage as salary/wages
 - ▶ Commission into the "Bonus" income field.

Option 2

Enter as two separate amounts:

- ▶ Base wage as "Gross Salary"
- ▶ Commission as "Bonus"

Option 3

1. Using the YTD calculator, annualise the YTD amount from the payslip.
2. Compare the annualised amount calculated in step 1 to the PAYG payment summary/'Tax ready' Income Statement or tax return and use the lower amount.
3. Enter as two separate amounts in the application:
 - ▶ Base wage as "Gross Salary"
 - ▶ Commission as "Bonus"