






Search

Credit Policy | Lenders' Mortgage Insurance (LMI)

	What	<p>LMI is required where there is an increased risk associated with a home loan. The circumstances of the loan determine whether LMI may apply.</p> <p><b>LMI offers protection</b> to the bank in the event that the borrower cannot pay back the home loan. The customer could remain liable for any unpaid portion of the loan.</p>															
	Why	<p>LMI helps broaden out who can take out home loans by <b>taking some of the Bank's risk</b> out of lending money, and it means more people can get the home they want sooner.</p>															
	How	<p>The maximum allowable LVR and when LMI applies depends on the circumstances of the loan. See <a href="#">Security Lending Margins</a> and refer to the <a href="#">Postcode Lookup Tool</a>.</p>															
<p><u>Resources</u></p> <p>See <a href="#">LVR Restrictions</a>, <a href="#">Unacceptable Security</a>, and <a href="#">Professionals Offer</a></p>		<table><tr><th colspan="3">APPROVAL LIMITS</th></tr><tr><th>Commonwealth Bank \$2m</th><th>Genworth \$3.5m</th><th>Aggregate exposure limits (all)</th></tr><tr><td colspan="3">APPLICATIONS OUTSIDE DUA</td></tr><tr><td colspan="3"><ul style="list-style-type: none"><li>▶ Total aggregate (LMI insured) facilities exceed \$2.0m</li><li>▶ The loan purpose is for bridging finance</li><li>▶ The application involves Property Share</li><li>▶ Account conduct doesn't meet guidelines</li></ul></td></tr><tr><td colspan="3"><ul style="list-style-type: none"><li>▶ The bureau check has more than:<ul style="list-style-type: none"><li>- 1 paid default greater than \$1,000 for financial institutions</li><li>- 2 paid defaults greater than \$500 in total for non-financial institutions</li><li>- Unpaid defaults</li></ul></li><li>▶ Applications previously decisioned by Genworth</li></ul></td></tr></table>	APPROVAL LIMITS			Commonwealth Bank \$2m	Genworth \$3.5m	Aggregate exposure limits (all)	APPLICATIONS OUTSIDE DUA			<ul style="list-style-type: none"><li>▶ Total aggregate (LMI insured) facilities exceed \$2.0m</li><li>▶ The loan purpose is for bridging finance</li><li>▶ The application involves Property Share</li><li>▶ Account conduct doesn't meet guidelines</li></ul>			<ul style="list-style-type: none"><li>▶ The bureau check has more than:<ul style="list-style-type: none"><li>- 1 paid default greater than \$1,000 for financial institutions</li><li>- 2 paid defaults greater than \$500 in total for non-financial institutions</li><li>- Unpaid defaults</li></ul></li><li>▶ Applications previously decisioned by Genworth</li></ul>		
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