

## 03.28 Glossary

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This glossary contains a definition of common terms used throughout the Consumer Credit Policy.

Term	Definition
ABN	Australian business number
ABSTUDY SSL	SBSTUDY student Start-up Loan See <a href="#">Study and Training Support Loans</a>
ACLN	Australian credit license number
ACN	Australian company number
Add Backs	Used when calculating the income for self-employed applicants - adding to the net income of certain expenditure items, e.g. Depreciation and interest.
Additions to an already established dwelling	The addition of further living area(s) to an already established dwelling. The changes may include: <ul style="list-style-type: none"> <li>increasing living area(s) via new rooms or extra storey, and may involve full or partial <a href="#">demolition</a> of the existing dwelling, <b>or</b></li> <li>the construction of an attached <b>or</b> standalone dwelling on the title, e.g. granny flat, providing no more than 2 areas of occupancy on the title</li> </ul>

	Refer to <a href="#">Qualifying Development Cost</a>
Administration fee (also known as Management fee)	Ongoing loan fee, charged on the account monthly, for administration of the account. This is in addition to the establishment fee or loan set-up costs.
Aged care facility	A special-purpose facility which provides accommodation and other types of support, including assistance with day-to-day living, intensive forms of care, and assistance towards independent living. Refer <a href="#">LVR</a> > <i>Rules</i> > <i>Unacceptable Securities</i>
ALMI	Arch Lenders Mortgage Indemnity
Appropriation	Take possession of / devote money etc to special purposes
APRA	Australian Prudential Regulation Authority - The prudential regulator of the Australian financial services industry (Banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, private health insurance, friendly societies and most of the superannuation industry.
ASIC	Australian Securities and Investments Commission - government body that acts as Australia's corporate regulator. ASIC role is to enforce and regulate company and financial services laws to protect Australian consumers, investors and creditors.
"As is" valuation	This type of valuation refers to the property as it is currently presented. Properties may be a long term established property, or newly completed and never previously occupied.
Asset collateral	Real estate property which is already owned by the borrower <b>but is not</b> security collateral for the loan being referred to/assessed. An 'Asset collateral' may be security collateral for <b>another</b> loan (internal or external) or may be unencumbered
Assets	Items of value owned by a party, e.g. land, buildings equipment
ATO	Australian Tax Office
AVM	Automated Valuation Model. AVM is used to confirm contract of sales value in higher risk situations or to validate an estimate of the property value provided by the customer. An Automated Valuation Model (also known as Modelled Estimate, Electronic Assessment, E-Val) is a statistical estimate of the property value based on historical sales of the property and similar in the immediate area. For this reason use is restricted to areas where there have been sufficient sales of similar

	properties to provide a valid range of values. The AVM is used to confirm contract of sale values in higher risk situations or to validate an estimate of the property value provided by the customer. Refer <a href="#">Security Collateral Value</a> > Rules > Assessing security collateral value using Automated Valuation Model
Base Income	<p>Regular fixed income from salary or wages from full or part-time employment:</p> <ul style="list-style-type: none"> <li>• Full time employment – usually 32 hours or more work per week</li> <li>• Part time employment – usually less than 32 hours of work per week</li> </ul>
Base Loan amount	<p>Is the loan amount:</p> <ul style="list-style-type: none"> <li>• Excluding MI premium capitalisation</li> <li>• Where the MI premium is not being capitalised</li> <li>• Where MI does not apply</li> </ul>
Base LVR	<p>Is the LVR:</p> <ul style="list-style-type: none"> <li>• Excluding MI premium capitalisation</li> <li>• Where the MI premium is not being capitalised</li> <li>• Where MI does not apply.</li> </ul>
Benchmark Repayment Amount	A repayment value which has been calculated by the Bank for serviceability purposes only
Boarder	<p>Someone who occupies a property (who has access to part <b>or</b> all of the property) but they:</p> <ul style="list-style-type: none"> <li>• Do not own the property (their name does not appear on the certificate of title)</li> <li>• Are not purchasing the property (their name will not appear on the certificate of title post settlement)</li> <li>• Are not formally included on any rental agreement for the property (they are not the tenant named on the rental / lease agreement)</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• The owner of the property (or the formal tenant) keep control over the whole premises. The owner <b>or</b> formal tenant are considered to be the landlords of the boarder.</li> </ul> <p><b>Note:</b> An applicant may be considered a boarder even where no payment is made for the use of the property. Including but not limited to, where the borrower is living with their parents, spouse, another family member (e.g. sibling or dependant), friend or employer provided accommodation.</p>
Boarding House	<p>Premises that provide boarders and lodgers with sleeping and residential quarters equipped with beds and may have common and shared facilities such as kitchen, bathrooms and living area. Refer to <a href="#">Rental income received on a short term basis</a> and <a href="#">LVR</a> &gt; Rules &gt; Unacceptable Securities</p>

Body corporate	Statutory Corporation created under the Strata Titles Act, representing the proprietors of home units in a block of units. The Body Corporate is concerned with the control, management and administration of the building and surrounds as well as payments of insurance premiums, rates, taxes etc. Home unit owner's pay for outgoings including the cost of repair and maintenance of the building and common property areas generally - these are called Body Corporate fees. Common property is the property which is not divided into individual lots (home units), e.g. stairs, gardens etc
BoM	Bank of Melbourne
Borrowing entity	The debtor (i.e. the person who borrows the money). The borrower is not always the mortgagor. See definition of Mortgagor.
Break costs	A fee which may be payable for early payout or switch from an existing fixed rate loan. The Loan Contract will define whether these costs may be payable and how they will be applied. They are a reasonable estimate of the Bank's loss incurred when a fixed rate period is broken.
BSA	Bank of South Australia
Buffer rate	An amount which is added to the customers actual final interest rate as part of determining the Serviceability Assessment Rate Refer <a href="#">Serviceability Assessment</a>
Bureau Report	Various Credit Reporting Agencies provide a report on loan applicants. E.g. Equifax and Illion.
'Buy Now Pay Later - Fixed Term'	Fixed term 'Buy Now Pay Later' commitments - where a repayment <b>term is available</b>
'Buy Now Pay Later - Revolving Term'	Revolving 'Buy Now Pay Later' commitments -where a repayment <b>term is not available</b>
CAL	Credit Approval Limit - The maximum aggregate exposure an officer can approve for a customer group. Refer Credit Approval Limits
Capitalised Loan Amount	Is the loan amount including LMI premium capitalisation. Refer <a href="#">Mortgage Insurance</a> .
Capitalised LVR	Is the LVR including LMI premium capitalisation. Refer <a href="#">Mortgage Insurance</a> .

Cash out	'Cash out' is where existing funds are fully or partly released directly to the customer for an acceptable purpose as listed in the <a href="#">Eligibility</a> policy, e.g. the purchase of a property or debt refinance where the Bank will control the release of loan proceeds to complete the purchase or refinance is not considered 'cash out'.
Caveat	<p>A notice of warning given to a public authority, e.g. Titles Office, claiming entitlement to an interest in certain land.</p> <p>The caveat is registered and remains on the books as a warning to anyone who contemplates dealing with the property. It therefore prevents any action being taken without the previous notice of the person entering the caveat (the caveator).</p>
Caveatee	Is the registered owner of the property, which is the subject of the caveat.
Caveator	Party lodging a caveat, e.g. Westpac Group.
CCR	<p>Comprehensive Credit Report</p> <p>Various Credit Reporting Agencies (E.g. Equifax) provide a report on loan applicants which details information on credit facilities, such as financial hardship information, repayment history (both positive and negative), limits, open and closed credit dates, and credit enquiries.</p>
CDE	Customer Declared Living Expenses - All fixed and variable living expenses not including commitments. Refer <a href="#">Living Expenses</a>
CEMV	Customers Estimated Market Value -The estimated dollar value the customer provides us of their residential real estate property.
Centrelink debt	<p>A formal payment arrangement to repay a benefit overpayment, advance or loan with agreed instalments over an agreed period, usually where the applicant is no longer in receipt of payments from Centrelink. The Centrelink debt is being repaid via a deduction to an account. For further information refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Commitments policy</a> &gt; customer commitments &gt; Centrelink debt; and</li> <li>• <a href="#">Serviceability assessment</a> policy &gt; Serviceability repayment amount &gt; Centrelink debt.</li> </ul> <p>Does not include scenarios where the overpayment, advance or loan is being repaid via a reduction to the ongoing Centrelink Income amount. In these scenarios, the reduced income amount is used in the serviceability assessment, where</p>

	acceptable. Refer to <a href="#">Verifying income</a> policy > Supplementary income > social security income.
Certificate of Occupancy	Issued upon satisfactory final inspection by the A.C.T. Building Controller, confirming that construction has been in accordance with the approved plans and to Australian Building Control Standards.
Charge (over property)	The term used to describe any right established over a borrower's property to secure a debt or performance of an obligation.
Chargor	The owner of property who gives the Bank a Charge to secure its debt
Collateral	Real estate property. Refer also to 'Asset collateral', 'Existing security collateral', 'New security collateral'
Commercial and industrial property (non-specialised)	Comprises of properties with the following features <ul style="list-style-type: none"> <li>• Properties zoned for general commercial and/or industrial use</li> </ul> Refer <a href="#">LVR</a> > Rules > <i>Unacceptable Securities</i>
Commercial and industrial property (specialised)	Properties that cannot be easily converted to other uses and that have a specific licence attached which is integral to its value (e.g. squash courts, hotels, bottle shops, caravan parks, specialised factories, service stations, theme parks, hospitals and nursing homes). Refer <a href="#">LVR</a> > Rules > <i>Unacceptable Securities</i>
Commitments	For the purposes of our policy a Commitment is defined as a debt, liability or facility which may be secured or unsecured and also includes outgoing rent, board, child support payments (maintenance) and alimony. (Excludes living expenses) Refer <a href="#">Commitments</a>
Common Law System of land	Refer Old System Title
Community title	Title issued for each lot of land that has been divided into at least two lots and has common property (land that is shared within the community scheme such as the service infrastructure and driveways). The owner is responsible for the maintenance and insurance of any structures on their own lot, and has no obligation for maintenance of other lot owner's buildings (unlike strata title)
Company	An incorporated body as recognised by ASIC (i.e. Smith Pty Ltd). A company has a separate legal existence from its owners.

	The company's owners are known as members or shareholders. Companies are managed by directors and secretaries.
Company title	The company title owner does not have title in any real estate, but has, by virtue of the ownership of shares in the company, the right to occupy a particular apartment in the building owned by the company. The share certificate and ownership of the shares allows that person to live in the unit. Unlike strata title, the buyer of a company title home unit will not receive a certificate of title to the property.
Completed residential dwelling	A completed residential dwelling is a property which is not currently under construction. It may be a long term established property, or newly completed and never previously occupied.
Construction Loan	A construction loan is a specialised lending option that will assist a borrower and their builder through the process of building or renovating a property. Refer to <a href="#">Qualifying Development Cost</a>
Construction valuation	Refer to <a href="#">TBE valuation</a>
Contingent liability	An amount not yet payable but which may become payable should a future defined event occur.
COS	Contract of Sale - Signed agreement to purchase a particular property. Refer <a href="#">Security Collateral Value</a> > Process > Contract of Sale
Conversions to residential from other usage	Non-residential properties (warehouses, hotels or motels, commercial offices etc.) that are converted for residential use are often smaller than normal strata units or have unique features. Refer <a href="#">Acceptable Security Collateral</a> > Assessing security Collateral requirements - Non-standard Development
Conveyance	The document or deed by which an interest in property is conveyed (transferred) by one person to another.
Cost Plus Contract	There is no guaranteed final cost for the build. Often this contract is used where the project's nature prevents the final cost from being calculated. The consumer repays the builder for verified direct and indirect costs and fees at regular intervals. There is usually a percentage added on top of the cost paid to builder (i.e. Cost PLUS 10%). Refer to <a href="#">Qualifying Development Cost</a>
Corporation	A body or group, which has in law and in existence, rights and duties distinct from those who form it.

Covenant	An agreement creating an obligation contained in a security document. A promise within a deed or similar document, (it may be positive, negative or restrictive).
Crown Lands System of Title	Crown Land is land belonging to the government. Titles may vary, e.g. occupational licences, leases for a specified period and perpetual leases. Most crown land is outside the metropolitan area.
Currently tenanted	The rental property is tenanted at the time of income verification and will continue to be tenanted after loan funding.
Customer	In the OBMB policy a reference to 'customer' can also include an: <ul style="list-style-type: none"> <li>• Applicant</li> <li>• Borrower</li> <li>• Income guarantor</li> <li>• An individual assessed under the "Apportioned household expenses and shared commitments – Spousal same household" policy</li> </ul>
Debt Consolidation	Two or more debts being refinanced. Refer definition for Refinance.
Debtor	Someone who owes money to another and can be compelled to perform an obligation.
Deed	A document in writing, which is signed, sealed and delivered by the parties thereto, to prove and testify the agreement of the parties whose deed it is, to the things contained in the deed.
Demolition of an already established dwelling	The reduction of living space in an existing floor plan through the demolition of part or the whole of the already established dwelling. May be undertaken to facilitate <a href="#">additions</a> to a dwelling. Refer to <a href="#">Qualifying Development Cost</a>
Deposited plan	A plan of division of land registered with the Land Titles Office. A Deposited plan is generally divided into a number of 'lots', each identified by a lot number.
Desktop Valuation	A 'Desktop' valuation is a report completed by a valuer using a range of property specific data and imagery supplied by a data company which, coupled with the valuer's local knowledge and expertise, allows the valuation report to be completed at the valuer's desktop in lieu of having to undertake a physical inspection of the property. Refer <a href="#">Security Collateral Value</a> > <i>Rules</i> > <i>Desktop Valuation</i>



Discharge	To release an entity from an obligation. A Discharge of Mortgage is a document prepared and executed by the mortgagee to permit the removal of a specific mortgage from the Certificate of Title once the debt has been fully repaid. A mortgagee retains its right/s to the personal covenants contained in the mortgage in the event that the amount repaid is insufficient.
Display homes	A home that has a contract of sale involving sale and leaseback (rental agreement) arrangement to the developer. The specialised nature of the property limits resale opportunities. Refer <a href="#">Acceptable Security Collateral</a>
Disposable income	Remaining income available to service a loan after deduction of tax, living expenses and existing/continuing loan commitments.
Distress	An entity taking possession of another's property to compel payment of a debt.
Document of title	A Bank term for items, which prove ownership of property e.g. Certificate of Title, Life Policy or Share Scrip etc.
DRA	Delegated Risk Authority
DUA2	Delegated Underwriting Authority (Level 2) - Mortgage Insurance approval code input by Credit Managers when approving mortgage insurance
DUAG	Delegated Underwriting Authority (Level G) - Mortgage Insurance approval code input by onsite underwriters when approving mortgage insurance (ALMI)
EAL	Equity Access Loan
Easement	Generally restricts construction e.g. right of way, drainage easement. If building works are to occur, easements must be checked to confirm or obtain permission.
Encumbrance	A charge or liability, e.g. a mortgage.
Encumbrancer	The registered proprietor of the land over which the encumbrance has been lodged.
EMV	Estimated Market Value
Entity	A natural person, company, or group of persons who conduct business with the Bank. See Corporation.

Equity	<p>Generally used to denote the financial interest of a person in a property or business enterprise, e.g. a person's equity in their house is the difference between its value and the amount still owed to a creditor.</p> <p>A person's overall equity refers to their net financial worth, or the difference between what they own and what they owe i.e. <math>\text{Assets} - \text{Liabilities} = \text{Equity}</math>.</p>
Estate	An interest in land
Execution	<p>The signing of security documents by the parties involved in giving the security, in the presence of witnesses.</p> <p>A company will usually execute by affixing its seal (if the company has a seal), in the presence of certain officers in the company.</p>
Existing security collateral	Is defined as real estate property over which the Bank already holds a mortgage from the borrowers.
EVD	Existing Valuation Dated - A valuation that is stored in the bank system that was previously performed for another customer and/or brand. An existing valuation can be reused for the same security address, subject to meeting policy requirements. Refer <a href="#">Security Collateral Value</a> > Rules > Re-using an Existing Valuation
Fast Track	Self-employed application processed using income from Notice of Assessments only. i.e. No add backs used.
FHOG	First Home Owners Grant
Firm	A business partnership - not incorporated
Fixed and Floating Charge	<p>A charge over the assets of a company incorporated under the Corporations Law.</p> <p>Also known as a Mortgage Debenture.</p>
Fixed Price Contract	<p>The builder or tradesperson agrees upfront to a fixed amount for the whole job. Customer requested changes during construction may affect the final cost. For example upgrades or down-grades to PC items or increases to the cost of footings.</p> <p>Refer to <a href="#">Qualifying Development Cost</a></p>
Flexible Payment Option (FPO)	A facility option normally attached to a Charge card (e.g. Amex, Diners and some retail store cards) which traditionally would require the card to be cleared in full each month and has no pre-determined Credit or Spending Limit. This Option allows a customer to repay a portion of the balance, to a predetermined limit (FPO Limit), in instalments similar at that of a normal

	credit card facility, with the remaining balance above the FPO limit to be cleared in full monthly .
Flood prone areas	Generally, properties that are located in a floodway or direct current are not acceptable as security collateral. Proposals will be considered provided the conditions are met. Refer <a href="#">Acceptable Security Collateral</a> > Rules > Assessing security collateral impacted by Geographical or Environmental issues
Floor Rate	The lowest benchmark rate that the Bank has set for testing a customer's ability to repay the loan. Refer <a href="#">Serviceability Assessment</a>
FSV	Financial Situation Verification
Full Application	An application type which seeks 'Formal Approval' (Unconditional Approval)
Full time	Employment type <ul style="list-style-type: none"> <li>• Usually 32 hours or more of work per week</li> <li>• work is regular and ongoing</li> </ul>
Fully drawn / funded	A loan in which the amount approved has been fully advanced.
Gearing	The total amount of debt compared to total assets. Normally expressed as a percentage and is a good indicator of an applicant's ability to accumulate assets. The lower the percentage the better.
GEMI/GEMICO	GE Mortgage Insurance (formerly HLIC)
Guarantee	A contractual promise given by a third party, i.e. The guarantor agrees to have a liability to pay for the loan if the customers are unable or unwilling to repay the loan.
Guarantor	An entity that agrees to be responsible for the obligations of another.
HECS	Higher Education Contribution Scheme (replaced by HELP) See <a href="#">Study and Training Support Loans</a>
HELP	Higher Education Loan Programme See <a href="#">Study and Training Support Loans</a>
HEM	Household Expenditure Measure. An index produced by the Melbourne Institute and used by the Bank to set the minimum surplus rule for serviceability.

HLEM	Housing Loan Enquiry Module - Housing loan simulator to assist you determine borrowing capacity of applicant and repayment, term etc. for various loan products/scenarios.
HLIC	Housing Loan Insurance Corporation - see GEMI/GEMICO
HomeBuilder Grant	Federal Government grant to assist customers in constructing a new build ( <u>Grant Ended 31/3/2021</u> ).
Hotel rental	See <a href="#">Rental income received on a short term basis</a>
Household	Household is defined as a maximum of two adults living together at the same address who are in a married /defacto relationship, and includes their dependants as per policy definition
Indemnify	Make good a loss that one entity has suffered as a consequence of an act of default by another
Indemnity	Security against damage or loss; sum paid in compensation for loss incurred
Individual/natural person	A private or natural person as distinguished from a partnership, firm, company, corporation or association.
Interest	A person has an interest in a thing when they have rights, titles, advantages, duties or liabilities connected with it.
IPA	In Principle Approval. An application type which seeks 'Conditional Approval' only. In order to progress to a 'Formal Approval' (Unconditional Approval), the application must be submitted and assessed as a 'Full Application'
Joint and severally liable	The Bank's joint account authorities, guarantee forms, etc are framed to ensure that joint account holders with debts due to the Bank or joint guarantors liable to the Bank shall be <b>severally</b> liable, (i.e. individually), as well as <b>jointly</b> . With joint and several liability, a creditor has as many rights of action as there are debtors - the creditor can sue them jointly or severally until payment is obtained, and an unsatisfied judgement against one debtor will not be a bar to an action against the others.
Joint tenancy	Indivisible, concurrent ownership of land, or any other asset, by two or more persons, where upon the death of one of the joint tenants, the surviving joint tenant/s is automatically entitled to legal ownership of the interest in the land or asset of the

	<p>deceased joint tenant.</p> <p>The ownership of joint tenants is not stated in a specific share or portion as they each are held to own, at law, 'half of all and half of nothing'. There is no restriction on the number of joint tenants.</p>
Kit Homes	<p>A dwelling that is wholly or partially constructed offsite (i.e. in manufacturer's premises to a specific stage) then delivered to borrower's land for affixing to the borrower's land. Alternatively, all building materials necessary to construct the home are delivered to the borrower's land for constructing on site. Refer <a href="#">Acceptable Security Collateral</a> &gt; <i>Assessing security Collateral requirements - Non-standard Development</i></p>
LAE	Lending against existing - Security Collateral
Landlocked	<p>A property with no direct access to a public street or thoroughfare. The only way to access the property is to cross land owned by another party, i.e. via a neighbouring property(s)</p>
Land slip area	<p>Property located in landslides area. Refer <a href="#">Acceptable Security Collateral</a> &gt; <i>Rules &gt; Assessing security collateral impacted by Geographical or Environmental issues</i></p>
Land Tax	<p>State Government imposed tax on land.</p> <p>Exemptions to land tax apply to owner occupied land (principal place of residence), land used for primary production and land held by a landowner which is not the principal place of residence but the land value does not exceed a pre-determined amount.</p> <p>Most land tax liabilities will apply to investment properties after the cumulative value threshold (as set by the government) is exceeded.</p>
Lease (Finance)	<p>A finance lease is often used to lease a vehicle for personal or business purposes. These leases usually are only made up of a finance amount however they may include operating costs as well. Effectively a leasing company buys an asset for the user and receives payment from the user for their exclusive use.</p>
Lease (Novated)	<p>A novated lease is similar to a financial lease with the addition of an agreement with the applicant's employer. Payments on the lease may include operating costs. Payments are made directly from the employee's salary and may include pre-tax and post-tax deductions.</p>
Lenders Mortgage Insurance (LMI)	<p>Lender's Mortgage Insurance (LMI) :</p> <ul style="list-style-type: none"> <li>• is a once-only premium payable by the borrower when the LVR is greater than a specified threshold</li> </ul>

	<ul style="list-style-type: none"> <li>• is a contract between the Bank and the Mortgage Insurer which protects the Bank against loss should the security collateral be sold at due to borrower default and there is a shortfall in the sale proceeds</li> <li>• does not provide any protection for the borrower</li> <li>• the policy is a contract between the Bank and the Mortgage Insurer</li> </ul> <p>LMI is not to be confused with Life Insurance, Mortgage Protection Insurance or Property Insurance.</p>
Liability	A debt for which one is liable; being responsible only to a limited amount.
Licensed Builder	<p>A Licensed Builder is a person/company who has met the requirements of their State builders licensing authority. They are permitted to carry out work in the home building and / or construction sector for third parties.</p> <p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Construction Loans</a></li> <li>• <a href="#">Qualifying Development Cost</a></li> </ul>
Limited title	<p>A warning placed on a title under the Torrens Title system advising that the boundaries of the property described are not conclusive and therefore not guaranteed by the Land Titles Office.</p> <p>In order to remove the limitation, a plan of survey defining the boundaries must be lodged with the Land Titles Office. This limitation generally appears on titles that have been converted from the Old System Title of land to Torrens Title by the Land Titles Office. Solicitors acting on the conveyance will generally treat these as 'Old System' conveyances when checking title.</p>
Linked Credit Arrangement	<p>Referral of customers to the Bank by third party suppliers of goods or services for credit to purchase those goods or services will create a linked credit arrangement.</p> <p>The link is by arrangement or understanding between Westpac Group and the supplier. Arrangements can be verbal, implied or in writing.</p>
Living Expenses	Discretionary living expenses as advised by the loan applicants.
Loan to Lending Value	The Loan Lending Value (LLV) is the maximum loan amount we can provide against the offered residential security property collateral calculated by multiplying the Security Collateral Value by the assigned Loan to Value Ratio
LLVR	Loan to Lending Value Ratio. The ratio of secured debt to the lending value based on the maximum LVR allowable.

LMI	Lender's Mortgage Insurance
Loan advance	Drawing part or all of the approved loan amount
Loan agreement	For the purposes of Consumer Lending this is made up of the Loan Offer (details form) and the General Terms & Conditions for a loan
Loan offer	Specifies the details of an individual loan such as loan amount, annual percentage rate, repayments, and the disclosures for the fees & charges on that loan, together with any special conditions for that loan.
LVR	Lending Value Ratio -The percentage value of the loan amount compared to the security collateral value. Refer <a href="#">Loan to Value Ratio (LVR)</a>
Maturity	The date financial obligations under a loan agreement become due.
Migrant	A person who has been approved under one of the Australian Government temporary or permanent working VISA classifications for entry into Australia. Refer to <a href="#">Lending to Non-Australian Citizens</a>
Market value	<p>The estimated amount which a seller would expect to receive from an informed purchaser for the property in the current resale market with normal marketing support through an Australian based real estate agency.</p> <p>The market value is determined on a vacant possession basis and is to be exclusive of purchase incentives, non-fixed chattels, legal / stamp duty costs and rental guarantees.'</p> <p>A market value assessed on this basis will <b>not</b> reflect the mortgagee in possession or other forced sale circumstances.</p>
Mine subsidence	<p>When material is mined from underground, the land above can alter and shift, which can impact buildings and other structures. The various movements of the surface and subsurface are known as mine subsidence. Each situation of mine subsidence is different and needs to be assessed according to the local conditions. Refer <a href="#">Acceptable Security Collateral</a> &gt; Rules &gt; Assessing security collateral impacted by Geographical or Environmental issues</p>
Mixed residential and commercial property	Properties that have an occupied residence attached to a commercial premise (e.g. shop-front with a residence above or at the rear). Refer <a href="#">Acceptable Security Collateral</a> > Assessing security Collateral requirements - Non-standard Development

Mortgage	A charge over real property, chattels, share scrip, ship etc as security for repayment of a debt.
Mortgagee	Name of financial institution or person making a loan who takes security over a property e.g. Westpac Group.
Mortgagor	The owner of property who gives a mortgage to the Bank to secure a debt
Mortgage debenture	Refer Fixed and Floating Charge
Mr Fluffy ACT & NSW asbestos affected homes	Homes identified by the ACT and NSW Governments as affected by loose fill asbestos and 'tagged' with warning stickers to meter boxes and switch boards. Refer <a href="#">Acceptable Security Collateral</a> > Rules > ACT and NSW Asbestos Affected Homes (Mr Fluffy)
MV	Market Value
Narrative (may also be known as a transaction or payment description)	<p>A transaction narrative is used to identify important information relating to credit or debit transactions on an account statement or account transaction listing, e.g. who the payment is to or from, reason for the payment etc.</p> <p>In some cases, the transaction narratives may be restricted by character count, where this occurs the narrative may only contain a partial description of the transaction.</p> <p>Where a single supporting document is used for verification, the transaction narrative must contain sufficient detail to clearly identify the transaction.</p> <p><b>Example</b> of an acceptable narrative where a single supporting document is used, may include, but is not limited to:</p> <ul style="list-style-type: none"> <li>Where verifying base salary credits to an account, the employer's name in the narrative may appear partially or in full. To be acceptable the transaction narrative must be sufficient to be able to link the payment to the employer's name entered in the loan application</li> </ul> <p>Where a document(s) is used in combination with another document(s), a simpler narrative may be acceptable and must adhere to any requirements detailed in the specific policy.</p> <p><b>Example</b> of an acceptable narrative where documents are used in combination may include, but is not limited to:</p> <p>Where verifying income from a payslip and the supplied document is missing the 'Period the payslip covers' (e.g., weekly fortnightly, monthly), an internal system extract (account transaction listing) confirms the applicant is paid weekly. The account transaction listing may have a simplified transaction narrative of 'wages'.</p>



NDIS	National Disability Insurance Scheme
New security collateral	Is defined as real estate property in which the Bank does not currently hold as security collateral but offered by the borrower as security collateral to secure a mortgage.
NRAS	<p>National Rental Affordability Scheme - A government backed incentive scheme that seeks to address the shortage of affordable rental housing by offering financial incentives to the business sector and community organisations to build and rent dwellings to low and moderate income households at lower levels compared to market rates. NRAS aims to increase the supply of new rental dwellings and improve rental affordability. There are two distinct NRAS structures:</p> <p><b>Head leases</b></p> <p>Some schemes operate on a head-lease structure where the scheme operator leases the property from the investor for a 10-year period and in turn sub-leases it to a qualifying tenant. Under this structure the investor has little or no control over the selection of tenants or the selection of the property manager (with the scheme operator generally taking care of both).</p> <p><b>Non-entity joint ventures (NEJV)</b></p> <p>Other schemes provide for the investor to select their own property manager and in turn enter into direct residential tenancy agreements with their tenants (and involve themselves in tenant selection).</p> <p>Refer <a href="#">Lending Value Ratio (LVR)</a> &gt; Rules &gt; Assessing LVR by Security Type</p> <p>Refer <i>Acceptable Security Collateral</i></p>
NOA	Notice of Assessment - provided by the Australian Tax Office (ATO) summarising an individual's taxable income.
Non-Resident	A person who does not hold an Australian Citizenship or Australian Permanent Residency visa or a person who holds an Australian Temporary visa however does not ordinarily reside in Australia. Refer to <a href="#">Lending to Non-Australian Citizens</a> > Non-Resident Lending
Non-Trading Entity	<p>An entity that is 'Non-trading' is not involved in any production activity or sale of goods and services; there is an absence of creditors, debtors or stock on the balance sheet.</p> <p>Income will typically be derived from passive investments.</p> <p>Passive income will typically include rent, dividends or interest.</p>
Not currently tenanted	The rental property is not tenanted at the time of income verification but will be tenanted after loan approval.
OBP	One Bank Platform

Off-the-plan strata/unit purchase	The customer enters into a contract to purchase a property before or during the construction phase of the development. In general, the customer has only sighted the plans for the development not the finished property.
Old System Title	Also called 'Common Law System Title'. Evidence of ownership of land is recorded on individual deeds that establish a chain of title. Copies of these deeds are lodged at the Land Titles Office. Accurate and correct ownership of a property under Old System Title can only be determined if the chain of title is unbroken.
Open Policy	Refers to LMI Policy. If the application meets certain set criteria as set by ALMI then mortgage insurance can be approved without referral to the mortgage insurers.
Over 55s developments	Residential properties held under clear title in designated communities where age restrictions (generally greater than 55 years old) must be met in order for individuals to own and live in the property. These properties are not a retirement village as defined by the Retirement Villages Act 1999 nor are they any residential facility that provides assisted living in the form of nursing care, meal support or housekeeping. Refer <a href="#">Lending Value Ratio (LVR)</a> > <i>Rules &gt; Assessing LVR by Security Type</i>
Owner Builder	An owner-builder is anyone who takes on the responsibility of managing their own residential building project. This includes: <ul style="list-style-type: none"> <li>• Coordinating and contracting roles usually undertaken by an architect or builder.</li> <li>• Where any portion of the construction is carried out by the owner.</li> </ul> Refer to <a href="#">Qualifying Development Cost</a>
PAP	Premier Advantage Package
Part time	Employment type <ul style="list-style-type: none"> <li>• Usually less than 32 hours of work per week</li> <li>• Work is regular and ongoing. The weekly hours worked would vary little or not at all.</li> </ul>
PAYG Applicant	Pay as you go - used to describe applicants who work for an employer and are salary and wage earners and describes the method of paying tax.
Peak Debt	Peak debt is the total outstanding loan amount that may result for a Bridging (Relocation) loan, where the interest is capitalised over the full term of that facility. <ul style="list-style-type: none"> <li>• For a new Bridging (Relocation) loan OBP will determine the peak debt, which will be based on the bridging loan amount plus interest over the full (maximum) loan term of 12 months.</li> </ul>

	The interest rate used in the peak debt calculation is the standard owner occupier (O/O) interest only (IO) variable interest rate plus a 1% buffer. No package discounts are applied to the IO variable interest rate.
Portable/ relocatable dwellings	A dwelling transported to a site and not permanently affixed in place, even if connected to services such as mobile homes converted to permanent or semi-permanent residences located in holiday parks or workers camps, temporary movable farm accommodations, caravans, caravan park allotments and converted buses. Refer <a href="#">Loan to Value Ratio (LVR)</a> > <i>Assessing Unacceptable Securities</i>
Power of Attorney	A written authorisation to another person, or persons, to perform certain acts for the signer
Practical Completion	A term commonly used in the construction industry to indicate that the work has been done according to the contract and the building is suitable for occupation or use.
Predominant Purpose	The predominant purpose of a loan is the purpose for which the majority of the loan funds will be used for. Refer to <a href="#">Eligibility</a>
Private School	A private school is defined as an independent school which is funded by a combination of parental contribution and federal and state government funding. This includes independent non-denominational schools as well as religious schools, e.g. Catholic schools.
Progress Payment	The construction loan amount will be paid out progressively when requested by builder as progress payments.
Purchased Leave	Some employers offer their employees the ability to take additional leave above standard entitlements. Instead of taking the additional leave as unpaid, purchased leave allows the employee to receive a wage during the additional leave period. This is achieved by the employee receiving a reduced wage over the non leave period, via a salary sacrifice.
Purchase price	An amount quoted in a contract of sale, may be used to determine the security value where we have excluded the value/cost of chattels (furnishings) and any rebates or incentives offered by the vendor
Put or Call	A 'put' or 'call' option is a method that can be used in a contract of sale to reflect an agreement to sell or purchase the property for a particular price at a future point in time or on the occurrence of an event.  The 'put' or 'call' option operates to provide both parties with

	<p>the right (but not the obligation) to compel the other party to buy or sell the property, as follows:</p> <ul style="list-style-type: none"> <li>• If a buyer exercises their 'put' option, this allows them to compel the vendor to sell,</li> <li>• If a vendor exercises their 'call' option, this allows them to compel the buyer to purchase, or</li> <li>• If there is 'no exercise' of the put or call option, then neither party exercises their option and the agreement comes to an end.</li> </ul>
Qualified title	<p>Warning placed on a certificate of title of a property, which means that the particulars set out as to ownership and interests in the property are not guaranteed by the Land Titles Office. Will generally appear on titles recently converted from Old System to Real Property Act titles by the Land Titles Office. Solicitors will generally treat these as for Old Systems Titles. See also "Limited Title"</p>
Qualifying Development Costs	<p>The value of the security collateral being 'constructed', as used in the LVR calculation for a <a href="#">Construction Loan</a>. Refer to ' <a href="#">Loan to Value Ratio</a> &gt; LVR calculation'</p>
RA Valuation	<p>A Restricted Assessment (RA) (also known as kerbside inspection) is a qualified opinion by a panel valuer of the market value range of a property based on an external inspection (kerbside) of the property. The valuer does not enter the property's boundaries. The valuer provides an indicative market range for a similar property in the same locality as the security collateral being valued. Refer <a href="#">Security Collateral Value</a></p>
RAP	Risk Assessment Platform
Refinance	<p>The partial or full repayment of an existing secured or unsecured debt using loan funds. The facility may be closed (clearing debt) or may remain in place (reducing debt). The debt may be internal or external. Refinance can be facilitated via a new loan or an increase to an existing loan</p> <p>Note:</p> <ul style="list-style-type: none"> <li>• A refinance may also be considered a 'Debt Consolidation'. Refer definition for Debt Consolidation</li> </ul>
Registered proprietor	<p>Person or corporation who is registered at the Land Titles Office as proprietor (owner) of a particular property. There can be more than one registered proprietor of a property. Only a registered proprietor of a property can give a valid mortgage over the property to a mortgagee.</p>
Regulated loan	A loan regulated under the National Credit Code <i>WBC</i>

Renovations to an already established dwelling	<p>Improvements made to an already established dwelling that may include, but are not limited to, updating internal fixtures and fittings (e.g. new bathroom or kitchen).</p> <ul style="list-style-type: none"> <li>• <b>Does not include</b> any change(s) to an existing floor plan, full or partial <a href="#">demolition</a> , <b>or</b> the construction of an attached <b>or</b> standalone dwelling on the title, e.g. granny flat</li> </ul> <p>Refer to <a href="#">Qualifying Development Cost</a></p>
Rental income received on a long term basis	<p>Property is self-contained and is rented out to a single tenant or group of tenants usually on a vacant possession basis. Leases may be between 6 months and 24 months in length and give the tenant/s right to occupy the whole of the premises.</p> <p><b>Note:</b> For the purpose of rental income, a granny flat is considered the “whole premises” when it is a fully self-contained separate area of occupancy with full living facilities including standard kitchen, bathroom facilities and direct independent access.</p> <p>The property is <b>not</b> rented on a room by room basis or a room within an owner occupied dwelling</p>
Rental income received on a short term basis	<p>The property is typically tenanted for says of less than 6 months at a time (except for student accommodation) where the occupant has sole / exclusive use of the whole property. A property rented on a short term basis may be a:</p> <ul style="list-style-type: none"> <li>• Standard investment property rented on a holiday basis (e.g. rented through Airbnb or Stays)</li> <li>• Serviced apartment, Hotel / Motel or holiday accommodation</li> <li>• Student accommodation</li> <li>• Self contained granny flat</li> </ul> <p><b>Note:</b> For the purpose of rental income, a granny flat is considered the “whole premises” when it is a fully self-contained separate area of occupancy with full living facilities including standard kitchen, bathroom facilities and direct independent access.</p> <p>The property is <b>not</b> rented on a room by room basis or a room within an owner occupied dwelling</p>
Renter	<p>Someone who rents a property from a landlord and has exclusive right to the rented property during a lease term. There is usually a written tenancy agreement signed by both the landlord and the tenant.</p>
Residential Long Form Valuation	<p>Residential Long Form Valuation Report is also known as a comprehensive valuation report. A full length, detailed report. A Residential Long Form valuation report is not in a standard format. Refer <a href="#">Security Collateral Value</a> &gt; Rules &gt; Default Residential Long Form Valuation Scenarios</p>

Residential dwelling to be erected (e.g. by licensed builder or owner builder)	Construction of a standalone dwelling or duplex, structural renovations to an existing property or multi-unit residential developments. Refer <a href="#">Acceptable Security Collateral</a> > <i>Rules you must apply</i> > <i>Identifying Standard Real Estate Security Collateral</i> Refer to <a href="#">Qualifying Development Cost</a>
Residential Short Form Valuation	A residential Short Form valuation report (also known as Property Pro report), is an industry based standard 2 to 3 page (usually) valuation report for use on an average residential property. Refer <a href="#">Security Collateral Value</a> > <i>Rules</i> > <i>Default Residential Short Form Valuation Scenarios</i> In most instances where a valuation report is required, valuers will prepare a standard valuation (Short Form report).
Resort rental	See <a href="#">Rental income received on a short term basis</a>
Retired	Employment type <ul style="list-style-type: none"> <li>• Having left one's job and ceased to be working</li> <li>• All or majority of income is derived from pensions (including aged and service pensions from Government sources), investments and / or annuities.</li> </ul>
Retirement village accommodation	Retirement villages are designed for people aged over 55 years or older or are retired from full-time employment (or are spouses/partners of such people). Such residents receive accommodation and services, other than services provided in a residential care or aged care facility. Refer <a href="#">Acceptable Security Collateral</a> > <i>Assessing security Collateral requirements - Non-standard Development</i>
Reverse Mortgage	A reverse mortgage is designed for people aged over 60 years or older using the equity in your Owner Occupied property as security, to advance funds. The borrower is not required to make repayments, interest and fees compound and add to the principal amount borrowed. Normally the loan is repaid in full when the borrower (or deceased estate) sells the security.
Rural property (non-specialised)	Income-producing properties used for rural/primary production activities such as grazing of stock common for the area and cropping of standard broad acre and horticultural crops. They may also be non-income producing hobby farms with a land area in excess of 8 hectares that do not meet the requirements of 'residential real estate'. Refer <a href="#">Acceptable Security Collateral</a> > <i>Rules</i> > <i>Assessing Unacceptable Security Collateral</i>
Rural property (specialised)	Properties restricted to primary production use or a use that cannot be readily adapted to alternative uses and retain their current market value in the process (e.g. intensive poultry, intensive piggeries and boutique ventures such as emu or

	<p>alpaca grazing).</p> <p>Other specialised rural properties may contain water allocation rights or licence. These rights can influence and inflate a purchase price. They can also be sold or traded separately to the security property itself. These properties are normally found adjoining major river systems. Refer <a href="#">Acceptable Security Collateral</a> &gt; <i>Assessing security Collateral requirements - Non-standard Development</i></p>
S.C.A.T.T.	<p>Solicitor's Certificate as to Title and Undertaking - which is the certification given by the Bank's solicitor or Mortgage Preparer that all appropriate enquiries in relation to the proposed security have been satisfied, all appropriate documentation has been executed by the borrowers/mortgagors, and that funds are to be released in preparation for settlement. In addition the solicitor also undertakes to complete the matter in a timely fashion including the lodgement of documents for registration and return to the Bank.</p>
SDA	Specialist Disability Accommodation
Search	<p>The examination of records and registers at offices of public record (e.g.. Lands Titles Office, Australian Securities and Investment Commission) to determine ownership, encumbrances and information (such as registered mortgages and charges) that are essential to effectively determine the Bank's security position, secure and settle advances.</p>
Security Collateral Value	<p>Refers to the value of the property offered as security collateral determined in accordance with the valuation methods defined in this policy and is used in the calculation of loan to value ratio (LVR).</p> <p>The Security Collateral Value may be based on:</p> <ul style="list-style-type: none"> <li>• Contract of sale (purchase price)</li> <li>• Validated customer estimated market value</li> <li>• An acceptable Valuation</li> </ul>
Sense Check Interest Rate	<p>A comparison rate which can be used to validate the customer declared interest rate on an external non-clearing mortgage commitment (owner occupied or investment), where the customer declared interest rate is equal to or higher than the Sense Check Interest Rate.</p> <p><b>In OBP, the comparison between the Sense Check Interest Rate and the customer declared interest rate is automated.</b></p> <p>Where the customer declared interest rate is:</p> <ul style="list-style-type: none"> <li>• Equal to or higher than the Sense Check Interest Rate, verification of the customer declared interest rate is not required</li> </ul>

	<ul style="list-style-type: none"> <li>Lower than the Sense Check Interest Rate, a verification task will render, and the customer declared interest rate must be verified to an <a href="#">Acceptable Document</a>.</li> </ul>
Serviceability Repayment Amount	The repayment amount which is ultimately used within the serviceability assessment
Serviceability Assessment Rate (SAR)	The interest rate which is applied within the calculation of the monthly payment/commitment used for serviceability Refer <a href="#">Serviceability Assessment</a>
Serviced apartment	A fully furnished apartment available for short-term stays that provides hotel-like amenities, such as room service, a fitness centre and shared laundry. Most are equipped with full kitchens, Wi-Fi and internal washer and dryers. Refer to <a href="#">Rental income received on a short term basis</a> and <a href="#">Acceptable Security Collateral</a> > <i>Assessing security Collateral requirements - Non-standard Development</i>
Servicing capacity	See Disposable Income
Settlement	The purchaser of a property hands over the balance of purchase price in exchange for the title documents and keys. Also called 'completion'. Settlement of the loan funds will not necessarily coincide with the settlement of the purchase.
SFSS	Student Financial Supplement Scheme See <a href="#">Study and Training Support Loans</a>
SGB	St George Bank
SMSF	Self-managed Super Fund
Snow leases	Properties located in the Snowfields with ownership held under a lease/head lease structure. Example: Located in Kosciusko National Park subject to a head lease from the National Parks and Wildlife Service and Kosciusko Thredbo Pty Ltd. Refer to <a href="#">Rental income received on a short term basis</a> and <a href="#">Acceptable Security Collateral</a> > <i>Assessing security Collateral requirements - Non-standard Development</i>
Social Security Recipient	Employment type <ul style="list-style-type: none"> <li>In receipt of a Government Income support payment (e.g. age pension, Family tax benefit)</li> </ul>
Split contracts (multi-unit)	Split contract for a multi-unit residential developments, generally a developer is seeking to sell and settle the land prior



residential developments	to construction of the houses/townhouses/units occurring. Refer <a href="#">Acceptable Security Collateral</a> > Assessing security Collateral requirements - Non-standard Development
Split contracts (single residential property constructions)	Single, stand-alone residential property constructions with no common roadways, common access ways and in particular common walls or slab, even where there is a split contract involved (such as a standard house and land package). Refer <a href="#">Acceptable Security Collateral</a> > Assessing security Collateral requirements - Non-standard Development
SRO	State Revenue Office
Stamp duty	Form of tax charged by state government on certain documents or transactions e.g. contract of sale, mortgage, share transfers, leases etc. The rate at which duty is payable will depend on the state, and type of instrument/document.
Spousal	Married or de facto relationship
SSL	Student Start-up Loan See <a href="#">Study and Training Support Loans</a>
Strata title	Home units divided into lots. These lots form the strata plan for that building. The owners of a unit own a lot in the Strata Plan. The Strata Plan is managed by the Body Corporate. A separate Certificate of Title is issued by the Land Titles Office in respect of each individual home unit. There is also a Certificate of Title in relation to the common property (e.g. stairs) but should never be mortgaged by the Body Corporate.
Stratum title	Stratum title pre-dates modern strata title subdivisions. Under stratum title, the property is subdivided into lots. Each unit owner is the registered proprietor of their lot and also holds shares in a service company established under the Corporations Act 2001. The service company owns and manages common property.
Structural renovation or extensions	As a guide structural renovations include additional rooms, or new floors being added, or other significant changes to a dwellings structure. Excluded are cosmetic changes such as internal/external painting, bathroom/kitchen renovations, pools, landscaping.
Student	Employment type <ul style="list-style-type: none"> <li>• Principally involved in academic study with little or no income</li> </ul>

Student accommodation	<p>Similar to any residential dwelling where property are mainly rented to students as temporary accommodation.</p> <p>A dormitory (dorm) or boarding house that provides sleeping and residential quarters for large numbers of students in school, college or university are not acceptable form of student accommodation to the bank. Refer to <a href="#">Rental income received on a short term basis</a> and <a href="#">Acceptable Security Collateral</a> &gt; <i>Assessing security Collateral requirements - Non-standard Development</i></p>
Study and Training Support Loans	<p>Government financial assistance loans for people undertaking higher education, trade apprenticeships and other training programs.</p> <p>HECS/HELP/VSL/SFSS/SSL/ABSTUDY SSL/TSL</p> <p>Refer <a href="#">Serviceability Assessment</a></p>
Substitution of security	<p>A loan variation activity which allows the security on an existing loan to be changed while the loans remains open .</p> <p>Also known in WBC as a 'Portability'</p>
Superannuation Guarantee Charge (SGC)	<p>Contributions into Super are made by employer and must be equal or greater than to 9.5% of your 'ordinary time earnings'. The ATO defines 'ordinary earnings' as what an employee earns for ordinary hours of work. It includes things like commissions and allowance but not overtime.</p> <p>Where an employee salary sacrifices for any reason the employer can apply the SGC to the total ordinary earnings <b>or</b> the total ordinary earnings after the salary sacrifice.</p>
Supported Guarantee	<p>The guarantors security is used to support the loan application i.e. the applicant should be able to service the proposed loan commitments however requires assistance from a guarantor to provide additional security. A guarantee is required for each mortgagor who is not a borrower for a particular facility.</p>
Surety	<p>Person who makes themselves responsible for another's payment of debt; also known as the guarantor.</p>
Survey	<p>Diagrammatical representation &amp; report from a qualified surveyor, showing the boundaries of a specific property and any existing or proposed improvements. The report attached to the diagram indicates whether the building complies with local government ordinances e.g. distance of exterior walls to boundaries.</p> <p>The report may also state whether there are any encroachments from buildings or fencing on or by adjoining properties.</p>
TAE	<p>Total Approved Exposure - applicant's borrowing exposure to the Bank covers all liabilities including unsecured loans and</p>

	credit cards
Tax Bill	<p>An amount payable to the Taxation Office for <b>previous</b> year/s tax which <b>is not yet due</b> as at full application date.</p> <p>e.g. \$4,000 payable for Notice of Assessment -year ended 30 June 2019. Payment due 26 November 2019 Full application date 5 November 2019</p>
Tax Debt-Type A	<p>A formal payment plan with the Taxation Office to pay <b>previous</b> year/s tax in agreed instalments over an agreed period of time.</p> <p>This does not include any arrangements to <b>pre-pay</b> tax expected to be payable for the <b>current</b> tax year, e.g. <i>PAYG Instalments</i></p>
Tax Debt-Type B	<p>An amount payable to the Taxation Office for <b>previous</b> year/s tax which <b>is overdue</b> at full application date and no formal payment plan is in place with the Taxation Office.</p> <p>e.g. \$4,000 payable for Notice of Assessment -year ended 30 June 2019. Payment due 26 November 2019 Full application date 5 December and \$4,000 has not been paid</p>
TBE Valuation	<p>To be erected or 'as if complete' or 'on completion' valuation. May also be referred to as a 'Construction' valuation.</p> <p>The terms refer to a valuation being done on the basis of a property that is yet to be constructed or is not yet fully constructed.</p> <p>It can include existing dwellings where an extension is being added or renovations are being undertaken, vacant land where a stand-alone dwelling will be built or a multi-unit development.</p> <p>Refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Construction loans</a></li> <li>• <a href="#">Qualifying Development Cost</a></li> </ul>
T & C	Terms and Conditions letter
Temporary Employment	<p>Refer to <a href="#">Verifying Income</a> &gt;:</p> <ul style="list-style-type: none"> <li>• Casual</li> <li>• Dependant Contractor</li> </ul>
Tenants in common	A form of co-ownership in which the property is held in common with others. Tenants in common have fixed undivided shares in the property. Tenants in common can have unequal

	shares (for example, two-thirds to one and one-third to the other).
Third party security	Security collateral offered by a person or persons not identical to the borrower (s) such as a company offering company directions or the security collateral is owned by two people but offered as collateral for a loan for only one of those people). Refer <i>Guarantees</i> .
Timeshare property	A form of ownership or right to use a particular property or properties, such as a holiday villa, apartment or cabin for a set period of time. Refer <a href="#">Acceptable Security Collateral</a> > <i>Assessing security Collateral requirements - Non-standard Development</i>
Torrens title	System whereby ownership and all dealings on a property are detailed on the one document, i.e. A Certificate of Title or Deed of Grant. Under this system a mortgage is a charge or encumbrance on the title. Registration is compulsory to effect legal transfer of an interest in property, and each time the property is sold, mortgaged, or a mortgage discharged, the transaction is recorded on the Certificate of Title.
Trading entity	An entity that is 'Trading' is involved in a production activity (i.e. manufacturing or sales of goods or services).  If creditors, debtors or stock are observed on the balance sheet, and/or if a measure of 'cost of goods sold' is observed on the profit and loss statement the entity is considered to be trading.
Transfer	A document transferring ownership of property under the Real Property Act e.g. in the case of a sale, the vendor signs this document to enable transfer of ownership to the purchaser at settlement. This document is liable for stamp duty, and is registered at the Land Titles Office.
Transportable homes	A dwelling transported to site and permanently affixed in place and connected to services (e.g. water, gas, electricity, sewerage) and cannot be moved again. Refer
Trust	A trust is an obligation imposed on a person or other entity to hold property for the benefit of the beneficiaries. The trustee is responsible for managing the trust's affairs. Common types of trusts are: <ul style="list-style-type: none"> <li>• <b>Bare Trust:</b> A trust where there is no trust deed. This type of trust commonly arises from a single transaction (e.g. used when a superannuation fund is purchasing a property)</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Discretionary Trust:</b> The trustee has discretion as to how to distribute income and assets between beneficiaries. The beneficiaries are usually described by reference to a certain criteria. Generally, it is not possible to clearly identify all of the potential beneficiaries (e.g. a Family Trust)</li> <li>• <b>Unit Trust:</b> The beneficiaries hold units in the trust and funds and assets can be distributed according to the unit holdings. The unit holders can be easily determined at any given time. Unit Trust can be listed or unlisted.</li> </ul>
TSE	Total Secured Exposure - Is the total of all loan exposure against the (proposed) new and/or existing residential real estate security collateral(s).
TSL	Trade Support Loan See <a href="#">Study and Training Support Loans</a>
UCCC	Uniform Consumer Credit Code.
Unemployed	Employment type <ul style="list-style-type: none"> <li>• Not currently employed but actively seeking employment and / or in receipt of unemployment benefits</li> </ul>
Unit	Any property with a unit number or entitlement allocated including but not limited to: duplex, triplex, villa, strata title unit, townhouse, apartment, company title unit, community title unit, stratum title unit.
Unregulated loan	Any loan not covered by the definition of Regulated Loan
Unsupported Guarantee	The guarantor's income is used to support a loan application, i.e. the applicant has insufficient income to meet serviceability and the guarantor's income is sufficient to assist. Reliance on an unsupported guarantee is only acceptable from a married or defacto partner. Refer <i>Guarantees</i> .
Vacant land	Land void of any improvements (must be residential)
VSL	VET Student Loans See <a href="#">Study and Training Support Loans</a>
WBC	Westpac Banking Corporation
WBG	Westpac Banking Group - incorporating Westpac, St George Bank Group and RAMs
WLMI	Westpac Lenders Mortgage Insurance

Zoning certificate	Certificates from the local government (i.e. council) stating the zoning of a property (e.g. residential, commercial, industrial) and whether proposed or existing council plans affect the property
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## 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	10 November 2021	Links updated
3	22 May 2022	Added the following definitions <ul style="list-style-type: none"> <li>• Put or Call</li> <li>• Reverse Mortgage</li> <li>• Currently tenanted definition</li> <li>• Not currently tenanted</li> </ul>
4	17 July 2022	<p><b>Change 1</b></p> <p>The definition of peak debt has been updated to:</p> <p>Peak debt is the total outstanding loan amount that may result for a Bridging (Relocation) loan, where the interest is capitalised over the full term of that facility.</p> <ul style="list-style-type: none"> <li>• For a new Bridging (Relocation) loan OBP will determine the peak debt which will be based on the bridging loan amount plus interest over the full (maximum) loan term of 12 months. The interest rate used in the peak debt calculation is the standard owner occupier (O/O) interest only (IO) variable interest rate plus a 1% buffer. No package discounts are applied to the IO variable interest rate.</li> </ul> <p><b>Change 2</b></p> <p><b>Amended CCR definition:</b></p> <ul style="list-style-type: none"> <li>• Comprehensive Credit Report Various Credit Reporting Agencies (E.g. Equifax) provide a report on loan applicants which details information on credit facilities, such as <b>financial hardship information</b>, repayment history (both positive and negative), limits, open and closed credit dates, and credit enquiries.</li> </ul>

Amendment number	Amendment issue date	Description of changes
		<b>Change 3</b> <b>Added definitions for 'Buy Now Pay Later- Fixed Term' and 'Buy Now Pay Later-Revolving Term'</b>
5	2 October 2022	<p><b>Change 1</b> Added new terms and definitions for the following:</p> <ul style="list-style-type: none"> <li>• Hotel rental</li> <li>• Rental income received on a long term basis</li> <li>• Rental income received on a short term basis</li> <li>• Resort rental</li> </ul> <p><b>Change 2</b> Amended content in definitions, due to chapter name changes:</p> <ul style="list-style-type: none"> <li>• Migrant lending</li> </ul> <p><b>Old wording</b> Refer <i>Migrant Lending</i></p> <p><b>New wording</b> Refer to Lending to Non-Australian Citizens</p> <ul style="list-style-type: none"> <li>• Non-Resident</li> </ul> <p><b>Old wording</b> <b>Refer Non-Resident Lending</b></p> <p><b>New wording</b> Refer to Lending to Non-Australian Citizens &gt; Non-Resident Lending</p>
6	20 November 2022	<p><b>Change 1</b> <b>Added new terms and definitions for the following:</b></p> <p><b>1. Additions</b> to an already established dwelling</p> <p>The addition of a further living area(s) to an already established dwelling. The changes may include:</p> <ul style="list-style-type: none"> <li>• increasing living area(s) via new rooms or extra storey, and may involve full or partial demolition of the existing dwelling, <b>or</b></li> <li>• the construction of an attached <b>or</b> standalone dwelling on the title, e.g. granny flat, providing no more than 2 areas of occupancy on the title</li> </ul> <p><b>2. Demolition</b> of an already established dwelling The reduction of living space in an existing floor plan through the demolition of part or the whole of the already established dwelling. May be undertaken to facilitate additions to a dwelling</p>

Amendment number	Amendment issue date	Description of changes
		<p><b>3. Renovations</b> to an already established dwelling Improvements made to an already established dwelling that include, but are not limited to updating internal fixtures and fittings (e.g. new bathroom or kitchen).</p> <ul style="list-style-type: none"> <li>• <b>Does not include</b> any change(s) to an existing floor plan, full or partial demolition, <b>or</b> the construction of an attached <b>or</b> standalone dwelling on the title, e.g. granny flat</li> </ul> <p><b>4. Qualifying Development Costs</b> 'The value of the security collateral being 'constructed', as used in the LVR calculation for a Construction Loan. Refer to 'Loan to Value Ratio &gt; LVR calculation'</p> <p><b>Change 2</b> Added links to 'Qualifying Development Costs' against existing glossary definitions related to construction/building</p>
7	20 November 2022	Links updated
8	19 February 2023	<p><b>Change 1</b> <b>Added new terms and definitions for:</b></p> <ul style="list-style-type: none"> <li>• <b>Centrelink debt</b></li> <li>• <b>Boarder</b></li> <li>• <b>Renter</b></li> </ul> <p><b>Change 2</b> • <b>Spelling correction from 'AirBIB' to 'Airbnb'</b></p> <p><b>Change 3</b> • <b>Update to "HomeBuilder Grant" to include</b> (Note: Grant Ended 31/3/2021)</p> <p><b>Change 4</b> <b>Added new definition for 'Narrative'</b> A transaction narrative is used to identify important information relating to credit or debit transactions on an account statement or account transaction listing, e.g. who the payment is to or from, reason for the payment etc. In some cases, the transaction narratives may be restricted by character count, where this occurs the narrative may only contain a partial description of the transaction. Where a single supporting document is used for verification, the transaction narrative must contain sufficient detail to clearly identify the transaction.</p>



Amendment number	Amendment issue date	Description of changes
		<p><b>Example</b> of an acceptable narrative where a single supporting document is used, may include, but is not limited to:</p> <ul style="list-style-type: none"> <li>Where verifying base salary credits to an account, the employer's name in the narrative may appear partially or in full. To be acceptable the transaction narrative must be sufficient to be able to link the payment to the employer's name entered in the loan application</li> </ul> <p>Where a document(s) is used in combination with another document(s), a simpler narrative may be acceptable and must adhere to any requirements detailed in the specific policy.</p> <p><b>Example</b> of an acceptable narrative where documents are used in combination may include, but is not limited to:</p> <p>Where verifying income from a payslip and the supplied document is missing the 'Period the payslip covers' (e.g., weekly fortnightly, monthly), an internal system extract (account transaction listing) confirms the applicant is paid weekly. The account transaction listing may have a simplified transaction narrative of 'wages'.</p>
9	2 July 2023	<p><b>Change 1</b>  <b>Added new definition for Practical Completion (as per HIA definition)</b></p>
10	8 October 2023	<p><b>Added a definition for Temporary Employment:</b>  Refer to Verifying Income &gt;:</p> <ul style="list-style-type: none"> <li>Casual</li> <li>Dependant Contractor</li> </ul>
11	19 November 2023	<p><b>Change 1</b>  <b>Added new definition for Customer, i.e.:</b>  In the OBMB policy a reference to 'customer' can also include an:</p> <ul style="list-style-type: none"> <li>Applicant</li> <li>Borrower</li> <li>Income guarantor</li> <li>An individual assessed under the "Apportioned household expenses and shared commitments – Spousal same household" policy</li> </ul> <p><b>Change 2</b>  <b>Added a new definition for 'Landlocked', i.e.</b>  <b>A property with no direct access to a public street or thoroughfare. The only way to access</b></p>

Amendment number	Amendment issue date	Description of changes
		<b>the property is to cross land owned by another party, i.e. via a neighbouring property(s)</b>
12	18 February 2024	<b>Change 1</b> Updated the rental income definition removing the need for a granny flat to have a minimum of 1 conventional bedroom <b>Change 2</b> Deleted the tenants in common title definition
13	7 April 2024	<b>Change 1</b> <b>Added definition for:</b> <ul style="list-style-type: none"> <li>• Sense Check Interest Rate</li> </ul>
14	30 June 2024	<b>Change 1</b> <b>Added definition for Base Income, i.e.</b> Regular fixed income from salary or wages from full or part-time employment: <ul style="list-style-type: none"> <li>• Full time employment – usually 32 hours or more work per week</li> <li>• Part time employment – usually less than 32 hours of work per week</li> </ul>

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