

## 03.21 Special Packages - Medico Sector

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## 1. About this policy

### 1.1 Why this policy?

This policy will help you identify if the Westpac Group will waive Lenders' Mortgage Insurance (LMI) for a consumer mortgage application where the applicant(s) meet the eligibility criteria .

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## 2. Rules you must apply

### 2.1 Overview

The following allowable variances to standard consumer mortgage policy may be applied to eligible applicants, subject to meeting the conditions documented in this policy:

- May be assessed to a **maximum** LVR of 95% of without mortgage insurance - refer to [Special conditions - LVR](#)

- Confirmation and verification of 5% genuine savings is not required for applications whereby mortgage insurance is not required (as per above)
- [Income verification](#)
- [Practice premises offered as security collateral](#)
- [Transfer of company debt to personal names in the consumer portfolio](#)

All other standard non-mortgage insured policies and product offerings for fully documented loans apply, including all Interest Only repayment terms.

Any lower LVR threshold policies will override this policy, refer to [Loan to Value Ratio \(LVR\)](#), except LVR limits on property value refer to [Special Conditions - LVR](#)

No credit exceptions are available for any occupation types not listed under [Eligibility Criteria](#)

This policy must be read in conjunction with the policies contained in the Consumer Mortgage Credit Policy.

**Note:** Approval is not guaranteed in line with the maximum offerings available under this policy

## 2.2 Eligibility criteria

The below eligibility rules relating to income, employment and LVR are applicable where LMI is eligible to be waived.

Where LMI is required, the usual policy including standard income verification requirements is to be applied.

### 2.2.1 Eligible medical professionals

For the purpose of this policy the definition of a medical professional ('medico') includes the following:

- **Group A - Medical professional with no minimum income threshold:**
  - Dentists
  - General Practitioners
  - Hospital - employed Doctors (e.g. Intern, Resident, Registrar, Staff Specialist)
  - Medical Specialists—refer to [List of Australian Recognised Medical Specialties](#) for the list of acceptable Medical Specialties
- **Group B - Medical professional with a [minimum income threshold](#) of \$90,000 per annum:**
  - Audiologist
  - Chiropractors
  - Midwife
  - Occupational therapist
  - Optometrists
  - Osteopath
  - Pharmacists
  - Physiotherapists
  - Podiatrist
  - Psychologist
  - Radiographer
  - Registered Nurse
  - Sonographer
  - Speech Pathologist
  - Veterinary Practitioners

### 2.2.2 Qualification and employment

- Confirmation must be obtained of the applicant's qualifications and employment as an eligible medical professional via one of the following:
  - Most recent Australian income tax return **or**
  - Copy of Australian university degree or qualification, **or**
  - Copy of registration with the Medical Practitioners Board of Australia or equivalent body (copy of print out from the following web page is acceptable provided the registration is current <http://www.ahpra.gov.au/Registration/Registers-of-Practitioners.aspx>).

A Sonographer, Speech pathologist and Audiologist do not require registration with AHPRA.

- A Sonographer can also be verified through this website:  
<https://www.asar.com.au/sonographer-info/find-a-sonographer/>
- A Speech pathologist must be registered as a "certified practising speech pathologist" (CPSP) with Speech Pathology Australia. CPSP can also be verified from a membership certificate
- An Audiologist can also be verified through this website:  
[https://audiology.asn.au/Consumer\\_Hub/Register\\_of\\_Audiology\\_Australia\\_Accredited\\_Audiologist](https://audiology.asn.au/Consumer_Hub/Register_of_Audiology_Australia_Accredited_Audiologist)

The applicant must be obtaining an income from their medical qualification. A qualified medical professional working in medical research can be considered under this policy if the research field is the same as their area of medical qualification.

### 2.2.3 Eligible applicant types and restrictions

- This policy is available for applications submitted for credit in the medico's own name, or related company or trust entities provided direct ownership and/or directorship by the medico is evident. Residential mortgage lending or property ownership may be in the name of the spouse or related entity, provided the medico is involved in the transaction, at least as a guarantor
- Applicants must be:
  - Australian citizens, or
  - approved permanent visa holders (refer [Lending to Non-Australian Citizens](#)), or
  - approved temporary visa holders that are acceptable to the Bank **and** the Mortgage Insurer (refer [Lending to Non-Australian Citizens](#) policy)
- Residency, citizenship and VISA status must be verified at the time of submission of the loan application. (refer to the following policies, [Lending to Non-Australian Citizens](#) > Visa matrix > Acceptable Visas and [Eligibility](#) > Eligible Borrowers).

## 2.3 Income verification

All income must be received in AUD. A lower LVR threshold applies when foreign income is used. Refer to [Loan to Value Ratio \(LVR\)](#) > LVR by borrower type and income source.

Employment Type	Policy rules	Additional requirements for Medical professionals with a minimum income threshold
Self employed	<p>In the case of established <b>self-employed qualifying medical professionals</b>:</p> <ul style="list-style-type: none"> <li>• <a href="#">Self-employed Customers Policy applies however</a>:               <ul style="list-style-type: none"> <li>◦ Self employed income can be assessed from a single year of</li> </ul> </li> </ul>	<p>The following additional criteria apply for applicants where the minimum income threshold is \$90,000 (gross) per annum:</p> <ul style="list-style-type: none"> <li>• The income used to meet the income threshold requirement must be income from the</li> </ul>

	<p>tax returns, two years of tax returns are not required</p> <ul style="list-style-type: none"> <li>Income Tax returns may be used until May 31<sup>st</sup> each year, rather than limited to the normal policy requirement of May 15<sup>th</sup>.</li> <li><b>Where an application is being assessed under this policy with multiple applicants:</b> <ul style="list-style-type: none"> <li>If one of the applicants is <b>self-employed but not an eligible medical professional</b>, they must comply with <a href="#">Self-employed Customers</a> &gt; <i>Rules you must apply</i>.</li> </ul> </li> </ul>	<p>applicants' qualification (as listed on the latest personal tax return for Self-employed customers).</p> <ul style="list-style-type: none"> <li>Fast Track Self-employed assessment method <b>is not available</b></li> <li>If the application contains multiple qualifying professionals, the combined income of the qualifying professionals must meet the minimum \$90,000 gross taxable income.</li> </ul>
PAYG	<ul style="list-style-type: none"> <li>For PAYG medicos, standard income and employment verification is required to be undertaken as per normal policy requirements - no allowable variance is available under this package.</li> </ul>	<p>The following additional criteria apply for applicants where the minimum income threshold is \$90,000 (gross) per annum:</p> <ul style="list-style-type: none"> <li>The income used to meet the income threshold requirement must be income from the applicants' qualification (as listed on the latest personal tax return for Self-employed customers).</li> <li>Fast Track Self-employed assessment method <b>is not available</b></li> <li>If the application contains multiple qualifying professionals, the combined income of the qualifying professionals must meet the minimum \$90,000 gross taxable income.</li> </ul>

## 2.4 Special conditions - LVR

A lower LVR specified under SDR or standard LVR policy will override this policy and must be applied when any of the below occur:

- The [Security Development Register](#) specifies a lower:
  - LVR with LMI, or
  - LVR with no LMI – in the event that the LMI is not available under the SDR
- A feature or scenario from standard [LVR policy](#) is not explicitly covered in the table below, and the standard [LVR policy](#) specifies a lower:
  - Base LVR with LMI, or
  - Base LVR with no LMI – in the event that the LMI is not available or is detailed as available on a 'case by case' basis

<p><a href="#">Acceptable residential real estate security collateral</a></p> <p>This includes:</p> <ul style="list-style-type: none"><li>• Prestige Properties</li><li>• Vacant land less than or equal 8ha</li><li>• 2 standard separate residential dwellings on one title</li><li>• Units with a living area equal to or greater than 40 sqm</li></ul> <p><b>‘Lower LVR restrictions’</b> may apply</p>	<p><b>Medico A Owner Occupied or Investment with a predominant loan purpose of:</b></p> <ul style="list-style-type: none"><li>• Residential property purchase</li><li>• Licensed builder -fixed price construction</li><li>• cash out</li><li>• equity release</li><li>• increase for further loan</li><li>• internal or external refinance or debt consolidation</li><li>• business purpose less than or equal to 50% of loan amount</li><li>• Temporary Visa holders meeting the ‘<a href="#">Eligible borrower types and restrictions</a>’ conditions</li></ul>	<p><b>Medico B Owner Occupied or Investment with a predominant loan purpose of:</b></p> <ul style="list-style-type: none"><li>• Residential property purchase</li><li>• Licensed builder -fixed price construction</li><li>• cash out</li><li>• equity release</li><li>• increase for further loan</li><li>• internal or external refinance or debt consolidation</li><li>• business purposeless than or equal to 50% of loan amount</li><li>• Temporary Visa holders meeting the ‘<a href="#">Eligible borrower types and restrictions</a>’ conditions</li></ul>	
<p><b>Feature</b></p>	<p><b>Maximum LVR (with no LMI)<sup>1</sup></b></p>	<p><b>Maximum Loan amount (with no LMI)<sup>1</sup></b></p>	
<p>Interest Only (IO) and Interest Only in Advance (IOA) <b>not</b> converting to Principal , Interest and Fees (PIF)repayments</p>	<p>Standard <a href="#">Loan to Value Ratio (LVR)</a> policy applies- LMI exemption is not available under this package offering</p>		
<p>Non-residential collateral security, except where permitted under:</p> <ul style="list-style-type: none"><li>• ‘<a href="#">Practice premises offered as security collateral</a>’</li></ul>			
<p><b>If the above restrictions do not apply:</b></p>			
<p>Eligible medical professionals</p>	<p>Group A</p>	<p>Group B</p>	<p>Group A and B</p>
<p>Principal, Interest and Fees (PIF) repayment</p>	<p>95%</p>	<p>90%</p>	<p>\$5 mil</p>

Interest Only (IO) and Interest Only in Advance (IOA) converting to Principal , Interest and Fees (PIF) repayments	95%	90%	\$5 mil
<sup>1</sup> Subject to a maximum of \$7.5mil secured WBC/SGB/BoM/BSA exposure from loans with LVR greater than 80% without LMI			

## 2.5 Practice premises offered as security collateral

Application Type	Allowable variance
If LMI <b>is not</b> required under this policy	<ul style="list-style-type: none"> <li>Practice premises that are a converted residential house, where documentation can be provided that confirms the collateral security is zoned for use as either business premises or residential occupation and can be easily converted back to residential accommodation, may be treated as residential housing and an LVR of 90% is to apply up to a value of less than or equal to \$5 million.</li> <li>Care should be taken in these cases to ensure that the collateral security is valued as a residential property.</li> </ul>
If LMI <b>is</b> required under this policy	<ul style="list-style-type: none"> <li>Standard policy applies - no allowable variance is available under this package.</li> </ul>

## 2.6 Transfer of company debt to personal names in the consumer portfolio

'Company' debts are defined as those used for purchase or construction of residential and/or business premises.

Application Type	Allowable variance
If LMI <b>is not</b> required under this policy	<ul style="list-style-type: none"> <li>Requests to transfer a facility to personal name/s will be accommodated where it can be established that a personal debt was obtained in a company name with the outstanding debt appearing on the company's latest balance sheet, and the collateral security is held in the personal name/s.</li> <li>Refinance of working capital, equipment finance and all other business-related lending purposes are specifically excluded</li> <li>Brokers will need to verify the original transaction and provide appropriate submission notes in ApplyOnline</li> </ul>

If LMI <b>is</b> required under this policy	<ul style="list-style-type: none"> <li>Standard policy applies - no allowable variance is available under this package.</li> </ul>
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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	21 November 2021	Updated to replace the incorrect use of 'exception' or 'exception to standard policy' with 'allowable variance' or 'allowable variance to standard policy'. Change is a clarification only, to clarify that where an application is approved under the criteria specified in this policy, an exception code is not required. No associated change to policy or risk appetite .
4	3 April 2022	<p>Added the following professions to the eligible medical professions with a minimum income threshold.</p> <ul style="list-style-type: none"> <li>◦ Audiologist</li> <li>◦ Occupational therapist</li> <li>◦ Osteopath</li> <li>◦ Podiatrist</li> <li>◦ Psychologist</li> <li>◦ Radiographer</li> <li>◦ Sonographer</li> <li>◦ Speech Pathologist</li> </ul>
5	21 August 2022	Policy Standards and Procedure rewrite
6	2 October 2022	<p><b>Change 1</b> Update to content in 2.2.3 Eligible borrower types and restrictions</p> <p><b>Old wording</b></p> <ul style="list-style-type: none"> <li>Applicants must be: <ul style="list-style-type: none"> <li>◦ Australian citizens, or</li> <li>◦ approved permanent visa holders (refer <i>Migrant lending</i> ), or</li> <li>◦ Temporary 482 TSS Medium-Term (MLTSSL) (previously known as 457 visa) visa holders</li> <li>◦ Residency, citizenship and VISA status must be verified at the time of submission of the loan application</li> </ul> </li> </ul>

Amendment number	Amendment issue date	Description of changes								
		<p><b>New wording</b></p> <ul style="list-style-type: none"><li>Applicants must be:<ul style="list-style-type: none"><li>Australian citizens, <b>or</b></li><li>approved permanent visa holders (refer Lending to Non-Australian Citizens policy), <b>or</b></li><li>Temporary 482 TSS Medium-Term (MLTSSL) (previously known as 457 visa) visa holders</li><li>Residency, citizenship and VISA status must be verified at the time of submission of the loan application (refer to the following policies, Lending to Non-Australian Citizens &gt; Visa matrix &gt; Acceptable Visas and Eligibility &gt; Eligible Borrowers).</li></ul></li></ul> <p><b>Change 2</b> Added registered nurse and midwife to the list '<b>Medical professional with a minimum income threshold <a href="#">of \$90,000 per annum</a></b>'</p>								
7	20 November 2022	<p><b>Change 1</b> <b>Updated section 'Income verification'</b></p> <p><b>Old wording</b> In the case of established self-employed qualifying Medical professionals</p> <ul style="list-style-type: none"><li>The income can be assessed by using the last completed personal tax return and Australian Taxation Office Notice of Assessment</li></ul> <p><b>New wording</b> In the case of established <b>self-employed qualifying Medical professionals</b></p> <ul style="list-style-type: none"><li>The income can be assessed by using the last completed personal tax return; <b>and</b><ul style="list-style-type: none"><li>Australian Taxation Office Notice of Assessment; <b>or</b></li><li><b>If ATO NOA has not issued: latest Australian Tax Return lodgement extract from MyGov Portal</b></li></ul></li></ul>								
8-9	21 May 2023	<p><b>Change 1</b> <b>Update to Income Verification.</b></p> <p><b>Old Wording</b></p> <table><tr><th>Employment Type</th><th>Policy rules</th><th>Additional requirements for Medical professionals with a minimum income threshold</th><th></th></tr><tr><td>Self employed</td><td>In the case of established <b>self-employed qualifying</b></td><td>The following additional criteria apply</td><td></td></tr></table>	Employment Type	Policy rules	Additional requirements for Medical professionals with a minimum income threshold		Self employed	In the case of established <b>self-employed qualifying</b>	The following additional criteria apply	
Employment Type	Policy rules	Additional requirements for Medical professionals with a minimum income threshold								
Self employed	In the case of established <b>self-employed qualifying</b>	The following additional criteria apply								



Amendment number	Amendment issue date	Description of changes			
			<p><b>Medical professionals:</b></p> <ul style="list-style-type: none"> <li>The income can be assessed by using the last completed personal income tax return; <b>and</b> <ul style="list-style-type: none"> <li>Australian Taxation Office Notice of Assessment; <b>or</b></li> <li><b>If ATO NOA has not issued:</b> latest Australian Tax Return lodgement extract from MyGov Portal           <ul style="list-style-type: none"> <li>When assessed using the last completed personal income tax return the income stated on the return is adequate</li> <li>Income Tax returns may be used until May 31<sup>st</sup> each year, rather than limited to the normal policy requirement of May 15<sup>th</sup>. Single year tax returns must meet standard documentation policy and be provided for all related entities (company, trust and / or partnership).</li> </ul> </li> </ul> </li> <li><b>Where an application is being assessed under this policy</b></li> </ul>	<p>for applicants where the minimum income threshold is \$90,000 (gross) per annum:</p> <ul style="list-style-type: none"> <li>The income used to meet the income threshold requirement must be income from the applicants' qualification.</li> <li>Fast Track Self-employed assessment method <b>is not available</b></li> <li>If the application contains multiple qualifying professionals, the combined income of the qualifying professionals must meet the minimum \$90,000 gross taxable income.</li> </ul>	

Amendment number	Amendment issue date	Description of changes			
			<p><b>with multiple applicants:</b></p> <ul style="list-style-type: none"> <li>◦ If one of the applicants is <b>self-employed but not an eligible medical professional</b>, they must comply with Self-employed applicants &gt; Rules you must apply.</li> </ul> <p>In the case of established <b>self-employed qualifying Medical professionals</b> without an income threshold</p> <ul style="list-style-type: none"> <li>• The income can also be assessed by using the Fast Track self-employed assessment method</li> </ul> <p><b>Note:</b> when assessed under the Fast Track self-employed assessment method the full Fast Track criteria applies. If the latest income tax return has been provided to confirm qualifications, then Fast Track assessment method is <b>not</b> available.</p>		
		PAYG	<ul style="list-style-type: none"> <li>• For PAYG medicos, standard income and employment verification is required to be undertaken as per normal policy requirements - no allowable variance</li> </ul>		

Amendment number	Amendment issue date	Description of changes			
			is available under this package offering		
		<b>New Wording</b>			
		<b>Employment Type</b>	<b>Policy rules</b>	<b>Additional requirements for Medical professionals with a minimum income threshold</b>	
		Self employed	<p>In the case of established <b>self-employed qualifying Medical professionals:</b></p> <ul style="list-style-type: none"> <li>Self-employed applicants Policy <b>applies however:</b> <ul style="list-style-type: none"> <li>Self employed income can be assessed from a single year of tax returns, two years of tax returns are not required</li> <li>Income Tax returns may be used until May 31<sup>st</sup> each year, rather than limited to the normal policy requirement of May 15<sup>th</sup>.</li> </ul> </li> <li><b>Where an application is being assessed under this policy with multiple applicants:</b></li> </ul>	<p>The following additional criteria apply for applicants where the minimum income threshold is \$90,000 (gross) per annum:</p> <ul style="list-style-type: none"> <li>The income used to meet the income threshold requirement must be income from the applicants' qualification as listed on the latest personal tax return.</li> <li>Fast Track Self-employed assessment method <b>is not available</b></li> <li>If the application contains multiple</li> </ul>	

Amendment number	Amendment issue date	Description of changes			
			<ul style="list-style-type: none"><li>If one of the applicants is <b>self-employed but not an eligible medical professional</b>, they must comply with <b>all</b> Self-employed applicants Policy</li></ul>	qualifying professionals, the combined income of the qualifying professionals must meet the minimum \$90,000 gross taxable income.	
		PAYG	<ul style="list-style-type: none"><li>For PAYG medicos, standard income and employment verification is required to be undertaken as per normal policy requirements - no allowable variance is available under this package offering</li></ul>		
10	2 July 2023	<b>Change 1</b> <b>Updated section ‘Eligible applicant types and restriction’ to allow ‘approved temporary visa holders that are acceptable to the Bank and the Mortgage Insurer (refer <u>Lending to Non-Australian Citizens</u> policy)’</b> <b>Change 2</b> <b>Replaced mathematical symbols ‘≤, =, &gt;, &lt;, ≥’ with equivalent words</b>			
11-12	8 October 2023	<b>Change 1</b> <b>Change to medical professionals with no Income Threshold: Removed and added to medical professionals with a minimum income threshold of \$90,00 per annum:</b> <ul style="list-style-type: none"><li>Optometrists</li><li>Pharmacists</li><li>Veterinary Practitioners</li></ul> <b>Change 2</b> <b>Listed :</b> <ul style="list-style-type: none"><li><b>Medical professionals with no Income Threshold as Group A</b></li><li><b>Medical professionals with a minimum income threshold of \$90,00 per annum as Group B</b></li></ul> <b>Change 3</b> <b>Update to Special conditions – LVR :</b>			

Amendment number	Amendment issue date	Description of changes
		<ul style="list-style-type: none"> <li>• <b>Group A Max LVR with LMI Waiver 95%</b></li> <li>• <b>Group B Max LVR with LMI Waiver 90%</b></li> </ul>
13	19 November 2023	<p><b>Change 1</b>  <b>Special conditions - LVR :</b> the following has been added:  A lower LVR specified under SDR or standard LVR policy will override this policy and must be applied when any of the below occur:</p> <ul style="list-style-type: none"> <li>• The Security Development Register specifies a lower: <ul style="list-style-type: none"> <li>◦ LVR with LMI, or</li> <li>◦ LVR with no LMI – in the event that the LMI is not available under the SDR</li> </ul> </li> <li>• A feature or scenario from standard LVR policy is not explicitly covered in the table below, and the standard LVR policy specifies a lower: <ul style="list-style-type: none"> <li>◦ Base LVR with LMI, or</li> <li>◦ Base LVR with no LMI – in the event that the LMI is not available or is detailed as available on a 'case by case' basis</li> </ul> </li> </ul> <p><b>Change 2</b>  Special conditions - LVR : Updated to confirm Accepted Purposes for use of this policy</p>
14	7 April 2024	<p><b>Change 1</b>  <b>Special conditions - LVR : the following has been added for clarification:</b>  Owner Occupied or Investment with a predominant loan purpose of:  For both Medico A and Medico B</p> <p><b>Change 2</b>  <b>Wording change (clarification only change) under 'Income verification &gt; Additional requirements for Medical professionals with a minimum income threshold'</b></p> <p><b>Old wording</b>  The income used to meet the income threshold requirement must be income from the applicants' qualification as listed on the latest personal tax return.</p> <p><b>New wording</b>  The income used to meet the income threshold requirement must be income from the applicants' qualification (as listed on the latest personal tax return for Self employed customers)</p>
15	19 May 2024	<p><b>Change 1</b>  Add Interest Only in Advance (IOA) in additional to Interest Only through chapter for clarification only</p>
16	26 June 2024	Link corrections - no policy changes

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## Attachments

[03.21 Medical List of specialties Registration.pdf](#)

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