

03.35 Streamlined Refinance

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[1. About this policy](#)

[1.1 Why this policy?](#)

[2. Rules you must apply](#)

[2.1 Overview](#)

[2.2 Eligibility criteria](#)

[2.3 Streamlined Refinance - Serviceability](#)

[2.4 Streamlined Refinance - Credit bureau reporting and checks, and Commitment Verification](#)

[2.5 Streamlined Refinance - Validation of information provided by the borrower](#)

1. About this policy

1.1 Why this policy?

The Bank may consider allowable variances to standard Consumer Policy for applications assessed via OBP only, which are processed under this method and meet the requirements of this policy.

2. Rules you must apply

2.1 Overview

This policy outlines the allowable variances and requirements for accepting consumer mortgage applications under Streamlined Refinance.

Where not otherwise detailed below, all other prevailing standard non-mortgage insured policies and product offerings for fully documented loans apply.

This policy is to be read in conjunction with the policies and procedures contained in other sections of the Consumer Mortgage Credit Policy Manual.

Where an application does not meet all eligibility requirements and other conditions of this policy, it is not eligible to be processed under Streamlined Refinance, but may be processed under standard policy, where meets all standard policy requirements.

No exception authority exists outside of these eligibility criteria for a streamlined assessment application.

2.2 Eligibility Criteria

To be eligible for this policy the below requirements must be met:

Eligibility requirements	Conditions
Loan purpose	<p>Refinance an existing mortgage (internal* or external) only</p> <p>*Note: Allowable internal refinance transactions are limited to:</p> <ul style="list-style-type: none"> • Switching between products • Increasing loan term of existing loan(s) • Loan consolidation(s) / amalgamation(s) • A new facility with a maximum top-up amount of \$5,000 per customer/ customer group per 12 months
<p>The “new repayment” must be less than or equal to the “current repayment”</p> <p>Where:</p> <ul style="list-style-type: none"> • “new repayment” = new minimum monthly mortgage loan application repayment inclusive of any top-up / cash out amount • “current repayment” = minimum monthly contracted mortgage loan repayment on the loan being refinanced, i.e.: • contracted monthly P&I repayment amount for P&I loans, and • the most recent months interest charge amount for Interest Only (IO) loans. 	<p>The “new repayment”:</p> <ul style="list-style-type: none"> • must be Principal and Interest (P&I) • is calculated on the current revert interest rate* for fixed or introductory rate products • can include a term extension where the application meets Maximum Loan Term and Exit (repayment) Strategy policy • must be verified as being less than or equal to the “current repayment” via the latest account statement (or internal WBG brand system for internal refinances) that meets age of document requirements, refer Document Standards and: <ul style="list-style-type: none"> ◦ shows what the “current repayment” amount is, and ◦ evidences that it has been paid <p>*Note: the current revert interest rate is inclusive of any life of loan discounts / adjustments.</p>
Application is not Mortgage Insured	MI waivers under eligible special package are permitted.
The cash out / limit increase does not exceed \$5,000 per refinance transaction	<p>Where:</p> <ul style="list-style-type: none"> • concurrent external refinance applications are submitted, the maximum allowable cash out is

	<p>across all applications, i.e. not \$5,000 per application.</p> <ul style="list-style-type: none"> refinancing an internal mortgage, the maximum allowable cash out applies per customer / customer group in any 12-month period, i.e. only one cash out of \$5,000 is available in any 12 month period.
<p>The new loan application must match with the:</p> <ul style="list-style-type: none"> borrowers of the loan(s) being refinanced, and the current owners on the certificate of title of the security collateral(s) 	<p>Application cannot have any:</p> <ul style="list-style-type: none"> addition or removal of a party from the loan and/or security collateral, or Guarantor of any kind, refer Exclusions
<p>Exclusions</p>	<p>Application does not include:</p> <ul style="list-style-type: none"> unsecured debt consolidation or secured debt reduction (internal or external) refinance of a secured business debt, private loan, portfolio loan or other secured line of credit Guarantor(s) of any kind borrower(s) that has: <ul style="list-style-type: none"> declared that they are aware of any foreseeable material or adverse changes to their financial situation. A Comprehensive Credit Report (CCR) bureau score below 900 not met all credit history and CCR conditions detailed in Credit bureau reporting and checks, and commitment verification a 'Debt To Income (DTI) Ratio' that is greater than six (6).

2.3 Streamlined Refinance - Serviceability

Standard serviceability and income verification policy applies, refer [Serviceability Assessment](#) and [Verifying Income](#).

However, where all Streamlined Refinance eligibility criteria and conditions are met, but serviceability is not met under standard serviceability assessment, a modified Serviceability Assessment Rate (SAR) may be applied as an exception to serviceability policy as below, via referral to Credit:

- A minimum interest rate buffer of 1.00% (in lieu of 3.00%) will be applied in the Benchmark Repayment Amount, where SAR considers the Final Rate or Adjusted Current Rate, plus interest rate buffer in the serviceability calculation, for the new and any existing consumer mortgage liability(s)*.
- The standard Floor Rate will continue to apply in the Benchmark Repayment Amount Calculation, refer [Serviceability Assessment](#) > Serviceability Assessment Rate (SAR) – Mortgage.

Where Credit use this exception approach and approve an application based on a minimum 1% buffer SAR assessment, this must be captured as a servicing Override with Streamlined Refinance as the secondary reason code.

*Secured mortgage types eligible to be assessed using the modified 1% approach, where serviceability is not met under standard serviceability policy:

- New consumer / residential lending:
 - Mortgages – Owner occupied and investment
- Existing consumer / residential liabilities:
 - Mortgages – Owner occupied and investment
 - Portfolio loans and other secured lines of credit
 - Reverse mortgage (IO)

2.4 Streamlined Refinance - Credit bureau reporting and checks, and commitment verification

Where any commitment does not meet the requirements detailed in the below table, the application cannot proceed under Streamlined Refinance.

Policy	Conditions
New commitments	<p>Where a commitment* has:</p> <ul style="list-style-type: none"> • recently been or will be opened (i.e. a declared pending commitment), and/or • less than 4 months clear credit history via CCR <p>The application cannot proceed under Streamlined Refinance policy.</p> <p>*Note: excludes non-CCR commitment types listed below</p>
<p>Non-CCR commitments limited to only:</p> <ul style="list-style-type: none"> • Centrelink debt • Study training and support loans – STSL • Tax bill • Business loan (secured or unsecured), includes: <ul style="list-style-type: none"> ◦ Commercial bill products ◦ Business loans secured by commercial properties ◦ Overdrafts • Buy Now Pay Later – BNPL • Hire Purchase • Lease • Margin loan • Auto loan • Private loan 	<p>Non-refinance only</p> <p>Refer Commitments > Confirm the details of the commitment for the verification requirements for the relevant commitment type</p> <p>Where any of these commitment types are on CCR, refer CCR commitment conditions below.</p> <p>If not shown on CCR, these commitment types only, are excluded from both CCR and manual repayment history and financial hardship arrangement checks.</p>

<p>CCR commitments, i.e.</p> <ul style="list-style-type: none"> • Consumer / residential mortgage • Credit cards • Personal loans • Personal overdrafts • Personal Line of Credit <p>The above commitment types must be reported on CCR for the required minimum timeframe and evidence satisfactory repayment history</p> <p>Refer Commitments > Financial Hardship arrangement check and evidence satisfactory repayment history</p> <p>Note: where a non-CCR commitment type (listed above) is not shown on CCR these requirements do not apply.</p>	<p>All commitments on CCR must show clear repayment history in the last 12 months, i.e. the OBP loan assessment system will check that:</p> <ul style="list-style-type: none"> • At least one '0' is reported in the last 3 months for any home loan commitment, and • No arrears are reported in the last 12 months for any open or closed commitment, and • The mortgage(s) being refinanced has been opened for at least 12 months with the same lender, and • All non-refinancing commitments have been opened for at least 4 months <p>Financial Hardship arrangement check</p> <ul style="list-style-type: none"> • Where CCR evidences a hardship arrangement on any commitment within the last 12 months, the application is not eligible to be processed under Streamlined Refinance <p>Refer Commitments > Confirm the details of the commitment for the verification requirements for the relevant commitment type</p>
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2.5 Streamlined Refinance -Validation of information provided by the borrower

Streamlined Refinance is supported where policy [Eligibility criteria](#) and the below conditions are met.

Policy	Conditions
<p>Validation of information provided by the borrower</p>	<p>Applications eligible under Streamlined Refinance do not require collection of 3 months statements or standard account scrutiny to validate expenses or check for undisclosed liabilities (excluding CCR mismatches).</p> <p>Where any other conflicting information, red flags or signs of vulnerability are identified, these must be actioned, refer Loan Application and Approval > Validation of information provided by customer > Reviewing customer provided information > Conflicts to look for > Other</p>

Policy	Conditions
	The borrower declared living expenses will be accepted as declared, but must be manually captured and adhere to requirements detailed in Living Expenses policy.

Change History

Amendment number	Amendment issue date	Description of changes
1	21 May 2023	First OBP issue online for Brokers
2	2 July 2023	<p>Change 1 Reformatted section 2.2 Eligibility Criteria into table format and minor wording update.</p> <p>Change 2 The following content moved from section 2.2 Eligibility Criteria to section 2.1 Overview Where an application does not meet all eligibility requirements and conditions of this policy, it is not eligible to be processed under Streamlined Refinance, but may be processed under standard policy, where meets all standard policy requirements.</p> <p>No exception authority exists outside of these eligibility criteria for a streamlined assessment application.</p> <p>Change 3 Updated section 2.4 Streamlined Refinance - Credit bureau reporting and checks, and commitment verification:</p> <ul style="list-style-type: none"> To include Auto Loans in Non-CCR commitments Re-word CCR commitments to clarify repayment history requirements and add the following note: <p>Note: any commitment on CCR reflected as being 'closed' within the last 12 months, must show clear repayment history for each month that the commitment was open in the last 12-month period (R & P values are acceptable)</p>
3	20 August 2023	<p>Change 1 Updated section 2.2 Eligibility Criteria to include the</p>

Amendment number	Amendment issue date	Description of changes		
		<p>following note in relation to the current revert interest rate:</p> <ul style="list-style-type: none">• *Note: the current revert interest rate is inclusive of any life of loan discounts / adjustments <p>Change 2</p> <p>Updated section 2.4 Streamlined Refinance – Credit bureau reporting and checks, and commitment verification to reflect that all non-refinancing commitments must be open for 4 months and to replace the current manual check of CCR PDF with the new automated account conduct rules:</p> <p>Old wording</p> <table><tr><td><p>CCR commitments, i.e.</p><p>Consumer / residential mortgage Credit cards Personal loans Personal overdrafts Personal Line of Credit</p><p>Must be reported on CCR for the required minimum timeframe and evidence satisfactory repayment history</p><p>Refer Commitments > Financial Hardship arrangement check and evidence satisfactory repayment history</p><p>Note: where a non-CCR commitment type (listed above) is not shown on CCR</p></td><td><p>A manual review of the CCR PDF is required to confirm all commitments on CCR have clear repayment history in the last 12 months, i.e.:</p><p>No CCR repayment history values other than '0', 'R' or 'P' are acceptable for any liability in the last 12 months (both refinance and non-refinance)</p><p>AND</p><ul style="list-style-type: none">• The mortgage(s) being refinanced:• has been opened for at least 12 months, and• shows 12 months consecutive repayment history with at least 10 '0' values, and• no other values shown apart from 'R' or 'P'.• All non-refinancing commitments:• have been opened for at least 3 months, and• show at least 3 '0', and• no other values shown apart from 'R' or 'P'</td></tr></table>	<p>CCR commitments, i.e.</p> <p>Consumer / residential mortgage Credit cards Personal loans Personal overdrafts Personal Line of Credit</p> <p>Must be reported on CCR for the required minimum timeframe and evidence satisfactory repayment history</p> <p>Refer Commitments > Financial Hardship arrangement check and evidence satisfactory repayment history</p> <p>Note: where a non-CCR commitment type (listed above) is not shown on CCR</p>	<p>A manual review of the CCR PDF is required to confirm all commitments on CCR have clear repayment history in the last 12 months, i.e.:</p> <p>No CCR repayment history values other than '0', 'R' or 'P' are acceptable for any liability in the last 12 months (both refinance and non-refinance)</p> <p>AND</p> <ul style="list-style-type: none">• The mortgage(s) being refinanced:• has been opened for at least 12 months, and• shows 12 months consecutive repayment history with at least 10 '0' values, and• no other values shown apart from 'R' or 'P'.• All non-refinancing commitments:• have been opened for at least 3 months, and• show at least 3 '0', and• no other values shown apart from 'R' or 'P'
<p>CCR commitments, i.e.</p> <p>Consumer / residential mortgage Credit cards Personal loans Personal overdrafts Personal Line of Credit</p> <p>Must be reported on CCR for the required minimum timeframe and evidence satisfactory repayment history</p> <p>Refer Commitments > Financial Hardship arrangement check and evidence satisfactory repayment history</p> <p>Note: where a non-CCR commitment type (listed above) is not shown on CCR</p>	<p>A manual review of the CCR PDF is required to confirm all commitments on CCR have clear repayment history in the last 12 months, i.e.:</p> <p>No CCR repayment history values other than '0', 'R' or 'P' are acceptable for any liability in the last 12 months (both refinance and non-refinance)</p> <p>AND</p> <ul style="list-style-type: none">• The mortgage(s) being refinanced:• has been opened for at least 12 months, and• shows 12 months consecutive repayment history with at least 10 '0' values, and• no other values shown apart from 'R' or 'P'.• All non-refinancing commitments:• have been opened for at least 3 months, and• show at least 3 '0', and• no other values shown apart from 'R' or 'P'			

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		<p>these requirements do not apply.</p>	<ul style="list-style-type: none"> For any non-refinancing commitment that has been open for more than 3 months, a period of up to 12 months must be reviewed, with the only acceptable values in that period being 'O', 'R' and 'P' <p>All CCR commitment types must be visible on CCR with the above minimum time periods and clear conduct validated</p> <p>Note: any commitment on CCR reflected as being 'closed' within the last 12 months, must show clear repayment history for each month that the commitment was open in the last 12-month period (R & P values are acceptable)</p>
		<p>New wording</p>	
		<p>CCR commitments, i.e.</p> <p>Consumer / residential mortgage Credit cards Personal loans Personal overdrafts Personal Line of Credit</p> <p>Must be reported on CCR for the required minimum timeframe and evidence</p>	<p>All commitments on CCR must show clear repayment history in the last 12 months, i.e. OBP will check that:</p> <ul style="list-style-type: none"> At least one 'O' is reported in the last 3 months for any home loan commitment, and No arrears are reported in the last 12 months for any open or closed commitment, and

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		<p>satisfactory repayment history</p> <p>Refer Commitments > Financial Hardship arrangement check and evidence satisfactory repayment history</p> <p>Note: where a non-CCR commitment type (listed above) is not shown on CCR these requirements do not apply.</p>	<ul style="list-style-type: none"> • The mortgage(s) being refinanced has been opened for at least 12 months with the same lender, and • All non-refinancing commitments have been opened for at least 4 months
4	19 November 2023	<p>Change 1 Updated section 2.3 Streamlined Refinance – Serviceability as follows: Old wording:</p> <ul style="list-style-type: none"> • A minimum interest rate buffer of 1.00% (in lieu of 3.00%) will be applied in the Benchmark Repayment Amount, where SAR considers the final rate plus interest rate buffer in the serviceability calculation, for the new and / or any existing consumer mortgage liability(s)*. <p>New wording:</p> <ul style="list-style-type: none"> • A minimum interest rate buffer of 1.00% (in lieu of 3.00%) will be applied in the Benchmark Repayment Amount, where SAR considers the Final Rate or Adjusted Current Rate, plus interest rate buffer in the serviceability calculation, for the new and any existing consumer mortgage liability(s)*. <p>Change 2 Updated section 1.1 Why this policy, to make clear that this policy is only available to applications assessed via OBP.</p> <p>Old wording The Bank may consider allowable variances to standard Consumer Policy for applications which are processed under this method and meet the requirements of this policy.</p> <p>New wording</p>	

Amendment number	Amendment issue date	Description of changes
		<div>The Bank may consider allowable variances to standard Consumer Policy for applications assessed via OBP only, which are processed under this method and meet the requirements of this policy.</div> <div>Change 3</div> <div>Updated section 2.2 Eligibility criteria > Exclusions to reflect that the Comprehensive Credit Report (CCR) bureau score must not be below 900.</div>
5/6	18 February 2024	Change 1 Updated section 2.2 Eligibility to reduce cash out / limit increase from \$50k to \$5k.
7	15 April 2024	Change 1 Updated section 2.2 Eligibility Criteria > Exclusions to include the following: <ul style="list-style-type: none">a 'Debt To Income (DTI) Ratio' that is greater than six (6).

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