




## Credit Policy | Serviceability

	What	Serviceability comes down to one question: <b>Does the customer have enough income after commitments and expenses to afford the loan?</b> To answer this we need to assess three areas: <b>income</b> (gross and net), <b>expenses</b> and <b>conduct</b> .	
	Why	<b>INCOME:</b>	Please refer to <a href="#">Income Eligibility</a>
		<b>COMMITMENTS AND EXPENSES:</b>	Helps us understand the customers full financial situation, including <b>existing debts and obligations</b> plus the cost of borrowing.
		<b>CONDUCT:</b>	We look to ensure the customer has a ' <b>track record</b> ' of <b>meeting their financial obligations</b> .
	How	<p>COMMITMENTS AND EXPENSES CALCULATION</p> <p>Proposed loan amount at appropriate assessment rate over term less interest only period plus monthly fee</p> <p><b>For the assessment rate for proposed loans, refer to <a href="#">Interest rates and Fees - Assessment Rates</a>:</b></p> <p>PLUS</p> <p>The higher of either declared basic living expenses or HEM (Household Expenditure Measure)</p> <p>Plus</p> <p>Declared additional living expenses not included in the HEM comparison</p> <p>PLUS</p> <p>Existing or continuing repayment commitments</p> <p>For Calculation of existing commitments, refer to <a href="#">Calculating Product Commitments</a></p> <p><b>Note:</b> Repayment includes debt commitments on a fully amortised basis plus ongoing rental payments. If a customer is close to retirement, refer to the Retirement Rule. The assessment rates above apply for existing Low Doc Loans.</p>	
Resources For eligible income refer to <a href="#">Income Eligibility</a> Is a Guarantor involved? See <a href="#">Guarantor Support</a> Close to retirement? <a href="#">Retirement Rule</a> <a href="#">Alternate Servicing</a>			