




Credit Policy | Retirement Rule

 What	The retirement rule relates to a borrower's capacity to service the loan after retirement .						
 Why	<p>We don't place restrictions on lending to customers whose preferred loan term exceeds their stated retirement age, or who are already retired. We just need to ensure:</p> <ul style="list-style-type: none"> ▶ Repayment requirements are met based on current and projected retirement income. ▶ An appropriate conversation is held with the customer/s to determine how they will repay the loan when they retire. ▶ The customer's plan to clear the debt or exit strategy from the loan post-retirement is captured. Examples include: <ul style="list-style-type: none"> ▶ Sale of an asset (E.g. Investment Property) ▶ Customer plans to have an accelerated repayment plan and intends to have the loan paid off before retirement. 						
 How	<p>The retirement rule is determined by the:</p> <ul style="list-style-type: none"> ▶ Age of the applicant/s at time of application; and ▶ Loan to value ratio (LVR). <table border="1" data-bbox="295 907 1476 1041"> <thead> <tr> <th>If at the time of application, any applicant is ...</th><th>Then the retirement rule applies ...</th></tr> </thead> <tbody> <tr> <td>67 or older</td><td>In all cases.</td></tr> <tr> <td>Between 61 and 66</td><td>Where base LVR is greater than 60% for Owner-Occupied home loans.</td></tr> </tbody> </table>	If at the time of application, any applicant is ...	Then the retirement rule applies ...	67 or older	In all cases.	Between 61 and 66	Where base LVR is greater than 60% for Owner-Occupied home loans.
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Resources Eligible Income	<p>When this rule applies, the applicant must demonstrate their ability to service the home loan after retirement, clear the debt or provide a relevant exit strategy.</p> <p>For interest only switch applications, the retirement rule will trigger where:</p> <ul style="list-style-type: none"> ▶ Any applicant is 67 or older; or ▶ If at the time of the interest only expiry period, any applicant is aged 60 or over and it is an owner occupied home loan. <p>Income included in calculations must be recurrent, for example:</p> <ul style="list-style-type: none"> ▶ Rental income ▶ Income from superannuation funds ▶ Shares and managed funds <p>If retirement income doesn't support the customer's ability to service a loan, then repayment through bulk reduction (e.g., sale of other assets, receipt of superannuation proceeds) may be considered. You may also consider reducing the loan term. Please include any details in the comments section of the application.</p>						