



# Broker Guide

## Home Loans

Effective: 01 October 2025



**Australian  
Military Bank**

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## About us

As Australia's longest serving Defence financial institution, we have supported those who protect and serve our country for over 65 years. Whether your clients are currently serving, are a Veteran, or a valued part of the Australian Defence Force (ADF) community, we are the bank that is with them for the journey. Plus as a member-owned bank, you can trust we are here for our members first, with competitive products and personalised service.

We have chosen to partner with intermediaries to provide a convenient channel of choice for members of the defence community who choose to use a broker rather than deal directly with the Bank.

### Why Australian Military Bank?

- ▶ **Extensive range of competitive products** including Defence Home Ownership Assistance Scheme (DHOAS), Construction and Defence Housing Australia (DHA) Investment Home Loans, Personal and Car Loans, Insurance and Everyday Banking
- ▶ **Low deposits home loan support** (up to 98% LVR inclusive of LMI for owner occupied) including Housing Australia and Lender's Mortgage Insurance (LMI) and Family Pledge guarantee.
- ▶ **Tailored servicing calculation** including 100% of DHOAS subsidy, Defence Force Retirement & Death Benefit (DFRDB), Commonwealth Super and Department of Veteran Affairs (DVA) pensions is allowed
- ▶ Simple online application and fast turnaround times for assessment
- ▶ **Dedicated broker team** for new business support
- ▶ Plus, **commission paid on DHOAS home loans** (unique amongst the three providers) as well as consumer loans.

### Defence Home Ownership Assistance Scheme

Australian Military Bank is one of three approved home loan providers under the Defence Home Ownership Assistance Scheme (DHOAS). DHOAS assists current and former ADF members and their families to achieve home ownership and is part of the ADF's recruitment and retention program.



It is administered by the Department of Veterans' Affairs (DVA) on behalf of the Department of Defence.

### **We are the only one of the three approved providers to offer DHOAS home loans via intermediaries.**

Borrowers must apply for a DHOAS Subsidy Certificate via DVA. Their entitlements under DHOAS are based on their length and type of service with the ADF. They will need to take out a DHOAS Home Loan and meet DHOAS Scheme conditions, including occupancy requirements, to receive the monthly subsidy payments.

**Australian Military Bank (and our accredited brokers) are not able to provide advice, education or confirm a borrower's entitlement under DHOAS. You must refer the borrower/s to [www.dhoas.gov.au](http://www.dhoas.gov.au) or call 1300 434 627 for full eligibility criteria.**

There are specific obligations and restrictions governing DHOAS Home Loans which are outlined in your Broker Agreement with us. It is important that you are aware of these obligations and restrictions before you can deal in these type of products.



Please contact us if you have further questions.

**Other Home Buyers Assistance Programs Available**

- ▶ [Housing Australia](#) – Australian Government 5% Deposit Scheme
- ▶ [HPAS](#) (Home purchase assistance scheme)
- ▶ [HPSEA](#) (Home Purchase and Sale Expenses allowance)
- ▶ [FHOG](#) (First home owners grant which varies by State)
- ▶ Stamp duty exemption (for eligible applicants, varies by State, T&C's apply)
- ▶ Lender Mortgage Insurance (LMI),



# Home Loan Application Support

## Acceptable Borrowers

### Individuals

We lend to individuals who are:

- ▶ Members of the Bank
- ▶ Australian citizens or permanent residents
- ▶ Employed
- ▶ Self-employed – Must be defence bonded
- ▶ Able to demonstrate their capacity to repay the loan without substantial hardship
- ▶ Going to receive a benefit from the loan, or substantial benefit if they are a joint borrower.
- ▶ At least 18 years old of age unless they are a serving member of the ADF and not less than 17 years of age. They can qualify for a maximum loan amount of \$10,000 for the purpose of educational or tools of trade related (such as a car). Approval of these are at the discretion of assessor.

Applicants holding a permanent visa, and who are living and working in Australia are subject to normal lending criteria. This also applies to New Zealand citizens who permanently live and work in Australia (secured lending only).

### Joint Borrowers

A joint loan is where a loan is obtained between two or more co-borrowers. Each borrower is joint and severally liable to repay the balance of the loan.

COBCOP requires the Bank to make reasonable enquiry with co-borrowers that are not listed on the title of the security to ensure they are receiving substantial benefit from the loan. This is to be investigated and documented before the loan is submitted.

The Bank must be reasonably satisfied that the co-borrower:

- ▶ Understand the risks associated with taking out the loan; and
- ▶ Understand the difference between being a co-borrower and a loan guarantor; and
- ▶ Can provide a reasonable explanation of why they are taking out the loan; and
- ▶ Is not a victim of financial abuse.

### Repayment Capacity/Exit Strategy

To meet responsible lending obligations, the Bank must make reasonable enquiry to ensure the Borrower's ability to repay the loan during their reasonable working life or to meet their loan repayments after they reach retirement age without financial hardship.. Lenders must ensure that members can meet their loan repayments throughout the loan, so that the loan is "not unsuitable". This will apply to applications where the principal applicant is aged 50 years or older at the time of application and/or the loan term will exceed their retirement age of 67. Working life/retirement age is deemed to be age 67. Please note retirement is mandatory at age 60 for all full-time ADF employees.

Lenders should complete an assessment to confirm Borrower the repayment plan in the event of the member reaching retirement age (67 years or older) during the loan term. This may include an exit strategy such as downsizing, sale of shares or investment property, repayment from lump sum superannuation, superannuation payments or superannuation pension. This needs to be realistic and tested to the actual financial position at the time of approval, projected loan balance and projected superannuation as at age 67. Any clearance source from superannuation or



downsizing needs to allow sufficient residual superannuation to cover living expenses or sufficient capital to meet the cost of an alternative property. Commentary is to be provided together with calculations to support the proposed exit strategy.

Should the exit strategy not be demonstrated, then the loan term is to be reduced to ensure the loan will be repaid during their reasonable working life.



## Employment

Employment type	Criteria
<b>Permanent salary/wage (full time or part time) and contract employment.</b>	<ul style="list-style-type: none"> <li>▶ Minimum 6 months with current employer. Where borrower is within a 6 month probation period, application may be considered based on merits and strength of the borrower's overall position. Such cases will be a policy exception and at the discretion of the assessor.</li> <li>▶ Where applicant is on a fixed term contract and the term of the loan is outside the contract period, mitigating notes must be recorded on the suitability assessment by the broker.</li> <li>▶ ADF employees who are Trainees on short term employment is acceptable and should be treated as standard PAYG employment (for consumer loans only).</li> </ul>
<b>Casual and/or second job</b>	Minimum 6 months with current employer. This does not apply to temporary employment.
<b>Self employed</b>	<p>The Bank will only consider a self-employed borrower when,</p> <ul style="list-style-type: none"> <li>a) the company is affiliated with the ADF / DOD,</li> <li>b) where the self-employed borrower is a spouse to an ADF / DOD employee, who is also a party to the loan contract or/ and,</li> <li>c) when the self-employed borrower is ex-Defence.</li> <li>d) We require at least 2 years financial years trading in the current business.</li> </ul> <p><i>Note: Where a borrower only has 12 months trading in the current business and 2 years in previous employment within similar occupation / field, the application may be considered as an exception based on the borrower's self-employment circumstances and the overall strength of the proposal.</i></p> <p>All self-employed borrowers will be referred to relevant AMB assessor for approval.</p>



## Income

Acceptable Income	Scaling	Acceptable Evidence
<p><b>PAYG Salary and wages</b></p>	<p>100%</p>	<p>Most recent payslip and bank statements. ADF payslip valid within 30 calendar days of application Non ADF payslips valid within 23 calendar days of application in Applyonline</p> <ul style="list-style-type: none"> <li>▶ Minimum 6 months with current employer. Where borrower is within a probation period (e.g. within 6 months), application may be considered based on merits and strength of the borrower’s overall position. Relevant AMB assessor may approve shorter periods including probation.</li> <li>▶ Where applicant is on a fixed term contract and the term of the loan is greater than the contract period, mitigating notes must be record on the suitability assessment by the broker.</li> <li>▶ ADF Employees who are Trainees on short term employment, i.e. including &lt;6 month employment period, is acceptable and under standard PAYG employment (consumer loans only).</li> <li>▶ If Whole of Pay (WOP) or Main Financial Institution (MFI) following conditions apply:               <ul style="list-style-type: none"> <li>- Application with Privacy consent needs to be completed first. Employment, income and expenses declared</li> <li>- WOP would be &gt;80% of salary credited to an AMB Bank Account.</li> <li>- If WOP is credited and then immediately debited elsewhere, they do not qualify.</li> <li>- MFI = transactional business with AMB</li> </ul> </li> <li>▶ Other evidence acceptable subject to AMB approval:               <ul style="list-style-type: none"> <li>- Income tax returns &amp; ATO notice of assessment</li> <li>- Group certificates</li> <li>- Letter of employment.</li> </ul> </li> </ul>



Acceptable Income	Scaling	Acceptable Evidence																										
<b>Permanent Allowance (including ADF allowances)</b>	100% <ul style="list-style-type: none"> <li>▶ Service and uniform allowances which are understood to be in place for the term of the loan.</li> <li>▶ Other ADF allowances: which are to be in place for the term of the loan.</li> <li>▶ Acceptable ADF allowances confirmed to be paid for at least 12 months are:</li> </ul> <table border="1"> <thead> <tr> <th>Allowance Type</th> <th>% of allowance allowed</th> </tr> </thead> <tbody> <tr> <td>Submarine capability assurance payment</td> <td>100%</td> </tr> <tr> <td>Special Forces operator sustainment</td> <td>100%</td> </tr> <tr> <td>Paratrooper Levels 1,2,3,4,5</td> <td>100%</td> </tr> <tr> <td>Recruit Instructor allowance</td> <td>Evidence that training establishment is in posting location – 100%</td> </tr> <tr> <td>Training sustainment allowance</td> <td>Evidence that training establishment is in posting location – 100%</td> </tr> <tr> <td>Flying disability allowance</td> <td>100%</td> </tr> <tr> <td>Maritime Crew Allowance – B C D E F</td> <td>100%</td> </tr> <tr> <td>Paratrooper allowance</td> <td>100%</td> </tr> <tr> <td>Airfield Defence guards</td> <td>Annual proficiency bonus – 100%</td> </tr> <tr> <td>Language allowance</td> <td>100%</td> </tr> <tr> <td>Medical residency additional salary</td> <td>100%</td> </tr> <tr> <td>Special Forces Support Allowance</td> <td>100%</td> </tr> </tbody> </table>	Allowance Type	% of allowance allowed	Submarine capability assurance payment	100%	Special Forces operator sustainment	100%	Paratrooper Levels 1,2,3,4,5	100%	Recruit Instructor allowance	Evidence that training establishment is in posting location – 100%	Training sustainment allowance	Evidence that training establishment is in posting location – 100%	Flying disability allowance	100%	Maritime Crew Allowance – B C D E F	100%	Paratrooper allowance	100%	Airfield Defence guards	Annual proficiency bonus – 100%	Language allowance	100%	Medical residency additional salary	100%	Special Forces Support Allowance	100%	<ul style="list-style-type: none"> <li>▶ Most recent payslip</li> <li>▶ Shift allowances: on confirmation in writing that these allowances are ongoing from the employer</li> </ul> <p>Confirmation in writing that these allowances are ongoing and permanent from the employer.</p> <p>Allowances that are proven to be ongoing with satisfactory mitigations acceptable at the discretion of the AMB assessor. Mitigating notes must be record on the suitability assessment by the broker.</p>
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<b>ADF Reserve Income</b>	100%	<ul style="list-style-type: none"> <li>▶ Most Recent Payslip Allocation days to be utilised for calculation.</li> </ul>																										
<b>Fringe Benefits (paid</b>	100%	<ul style="list-style-type: none"> <li>▶ Most Recent Payslip</li> <li>▶ Statement of where Fringe Benefit is credited Pre and post tax deductions</li> </ul>																										



Acceptable Income	Scaling	Acceptable Evidence
towards expense accounts and rent / mortgage)		must be taken into account within expenses and income is to be added back as an allowable addback.
Regular Overtime	100%	Written confirmation from employer that overtime is ongoing and is a condition of employment. If written confirmation is not available, evidence of overtime over the last 6 months will be required.
DFRDB / COMSUPER / DVA Pensions	100%	Letter of entitlement or whole of net pay.
Investment Properties rentals	90%	<ul style="list-style-type: none"> <li>▶ If existing investment property, then most recent rental income statements or borrower's tax return are required.</li> <li>▶ If new investment property purchase, a valuation report or fully executed tenancy agreement or rental appraisal from real estate agent.</li> <li>▶ If multiple sources the lowest is used for servicing. National Rental Affordability Scheme (NRAS) Rental income discounted to 65% for LMI submissions.</li> </ul>
Investment Tax Benefit (negative gearing)	100%	<p>Where investment property is an existing security held by the borrower and used for serviceability of the proposed loan a copy of the borrowers' most recent tax return is required (providing one has been filed with the Australian Tax Office).</p> <p>The actual figures can be used to calculate the negative gearing based on the information available and the actual figure can be used to reduce the tax applied to the gross income.</p>
Casual, 2nd Job	100%	For casual income, use YTD calculation for annualised income calculation.
Bonuses / Commission	80% bonus / commission received	Payslips, income tax returns, group certificates.
Self Employed	Varies	The most recent two years individual and company tax returns, or



Acceptable Income	Scaling	Acceptable Evidence
		<p>independently produced financial statements (including balance sheet and profit and loss statement).</p> <p>Details of trading entity of applicant. Where it is verifiable the income you take 100%, obtain the most tax return to verify. If there is a large variation between the two years, additional work (i.e. seasonal work, more contracts, increase in demand etc) is required to verify current income (verifying receipts). (ask why to assess and verify)</p> <p>Allowable add-backs:</p> <ul style="list-style-type: none"> <li>▶ Depreciation (20%) as evidenced in tax return</li> <li>▶ Interest add-backs if the loan is refinancing an existing facility.</li> <li>▶ Director superannuation in excess of the Self Employed Super Guarantee Levy requirements.</li> </ul> <p>Interim financial statements are not to be relied upon.</p>
<b>Trust Distributions from Fixed trust or SMSF</b>	100%	<ul style="list-style-type: none"> <li>▶ Trust Deed (evidence of beneficiaries)</li> <li>▶ Most Recent 2 years individual tax return (Evidence of consistent income)</li> <li>▶ Most Recent 2 years trust tax return (Evidence of consistent income)</li> </ul> <p>Trust income is entered as self employed income in the servicing calculator.</p> <p>Where a trust distribution cannot be ascertained to be ongoing, the income is unacceptable.</p>
<b>DHOAS Subsidy Entitlements</b>	100% of eligible DHOAS subsidy entitlements	<p>For servicing purposes only.</p> <ul style="list-style-type: none"> <li>▶ DHOAS Subsidy Certificate</li> <li>▶ DHOAS Subsidy amount calculator extract*</li> </ul> <p><i>*(Applicable when the loan amount is less than the subsidised loan limit on the DHOAS Subsidy Certificate for</i></p>



Acceptable Income	Scaling	Acceptable Evidence
		<i>member's subsidy tier – refer to <a href="http://www.dhoas.gov.au">www.dhoas.gov.au</a></i>
<b>Family Tax Benefit A &amp; B</b>	100% where it can be reasonably confirmed that the applicant will be in receipt of the benefit for a minimum of the next 5 years.	A current Centrelink / Department of Veteran's Affairs benefit statement no older than 30 days, or the most recently issued.
<b>Age / Disability</b>	100%	Maximum loan to be approved by the Bank is \$5,000 when only reliant on this income and serviceability is evident.
<b>Carer's Allowance</b>	100% where it can be reasonably confirmed that the applicant will be in receipt of the benefit for a minimum of the next 5 years.	A current Centrelink / Department of Veteran's Affairs benefit statement no older than 30 days.
<b>Employer or Government Maternity Leave</b>	100%	<ul style="list-style-type: none"> <li>▶ Letter from Employer</li> <li>▶ Parental Pay Entitlement Letter</li> <li>▶ Current payslip showing maternity pay income</li> </ul>
<b>Car Allowance</b>	100%	Allowance on payslip or employment contract
<b>Child Support Payments</b>	100% where it can be reasonably confirmed that the applicant will be in receipt of the benefit for a minimum of the next 5 years.	<p>Generally, the Bank will require a registered agreement with Child Support Agency with 6 months bank statements evidencing consistent payments.</p> <p>Where this is not available, other suitable evidence may include:</p> <ul style="list-style-type: none"> <li>▶ Court order documents with evidence of 6 months consistent payments</li> <li>▶ Other documents that can verify that the payments have been consistently received for at least 6 months and will continue for at least the next 5 years.</li> </ul>



## Unacceptable Income

Unacceptable income types are as follows:

- ▶ Any allowance not within income table and not received for a minimum of 12 months;
- ▶ Foreign income (including any matching expenses; if there is a residual risk will be referred to relevant AMB Loan Delegate);
- ▶ Income deriving from discretionary Trust
- ▶ Housekeeping;
- ▶ Income from boarders;
- ▶ Any income stipulated as acceptable but not verified;
- ▶ Unemployment benefits and other primary income welfare benefits;
- ▶ Workers compensation / Workcover payments; and
- ▶ Any other government payment in receipt, assessed as unacceptable income.

## Expenses

The Bank requires reasonable steps to validate expense stated in loan application. Expenses to be included (but not limited to) are:

Fixed expenses	Definitions and verification
<b>Rental repayment</b>	<p>Use the current rental:</p> <ul style="list-style-type: none"> <li>▶ As per any rental agreement that may be in place; or</li> <li>▶ Evidence from current bank statements for direct debit payments</li> </ul>
<b>Personal loans</b>	<p>Use current contracted repayment amount:</p> <ul style="list-style-type: none"> <li>▶ In line with loan agreement; or</li> <li>▶ Evidence from current bank statements for repayments; or</li> <li>▶ Comprehensive credit report for current credit facilities</li> </ul>
<b>Variable interest rate mortgage loans</b>	<p>Calculate repayments based on a 3% increase over the current variable rate. The Bank's approved loan Servicing Calculator will calculate this figure.</p> <p>Use current contracted repayment amount:</p> <ul style="list-style-type: none"> <li>▶ In line with loan agreement; or</li> <li>▶ Evidence from current bank statements for repayments; or</li> <li>▶ Comprehensive credit report for current credit facilities</li> </ul>
<b>Fixed interest mortgage loans</b>	<ul style="list-style-type: none"> <li>▶ If the loan will be in place for the period of the proposed loan, use the current agreed repayment.</li> <li>▶ If reverting to a variable rate within the loan term, a 3% buffer over the reverting variable rate would be applicable. The Bank's approved loan Servicing Calculator will calculate this figure.</li> </ul> <p>Use current contracted repayment amount:</p> <ul style="list-style-type: none"> <li>▶ In line with loan agreement; or</li> <li>▶ Evidence from current bank statements for repayments; and / or</li> <li>▶ request for member home loan provider and add 3% charged by the third party home loan provider which either can be found on member loan document or on third party home loan provider website.</li> </ul>



Fixed expenses	Definitions and verification
<b>Credit Cards – other financial institutions</b>	Calculate a monthly repayment amount based on: <ul style="list-style-type: none"> <li>▶ the total credit limits</li> <li>▶ over a 36-month term</li> <li>▶ as per credit card contract agreement / terms and conditions and agreed credit card rate.</li> </ul> <p>The Bank's approved loan Servicing Calculator will calculate this figure.</p>
<b>Credit Cards – AMB existing facility</b>	Calculate a monthly repayment amount based on: <ul style="list-style-type: none"> <li>▶ the total credit limits</li> <li>▶ over a 36-month term</li> <li>▶ as per credit card contract agreement / terms and conditions and agreed credit card rate.</li> </ul> <p>The Bank's approved loan Servicing Calculator will calculate this figure.</p>
<b>Buy now, pay later (instalments over time)</b>	Examples include Zip pay, Zip money and After Pay. Treat same as credit card facility above.
<b>Secured overdraft</b>	Calculate a repayment amount of 1% of the overdraft limit. <p>The Bank's approved loan Servicing Calculator will calculate this figure.</p>
<b>Unsecured overdraft</b>	Calculate a repayment amount of 3% of the overdraft limit. <p>The Bank's approved loan Servicing Calculator will calculate this figure.</p>
<b>Other loans and advances</b>	Use current agreed repayment amount: <ul style="list-style-type: none"> <li>▶ in line with loan agreement; or</li> <li>▶ evidence from current bank statements for direct debit payments; or</li> <li>▶ comprehensive credit report for current credit facilities.</li> </ul>
<b>HECS/HELP</b>	Calculate within current repayment threshold and rates <ul style="list-style-type: none"> <li>▶ As declared by member or evidenced from payslips</li> <li>▶ Limit as per Higher Education Loan Program (HELP) statement – obtained via myGov</li> <li>▶</li> <li>▶ In the event that a HECS-HELP loan will be repaid within 12 months from the approval date, the HECS-HELP repayments may be excluded from servicing. Evidence is to be provided from the Borrower's myGov account. Repayments to be excluded are not to exceed \$20,000 per HECS-HELP debt. This treatment of Servicing is to be raised as a policy exception and commentary provided.</li> </ul>
<b>Fixed subscription costs</b>	Examples include Foxtel, Netflix, Disney+, mobile phones.



Fixed expenses	Definitions and verification
	Evidence from current bank statements for direct debit payments.
<b>Insurances and private health care</b>	Evidence from current bank statements for direct debit payments.
<b>Private schooling</b>	Evidence from current bank statements for direct debit payments.
<b>Household expense</b>	Examples include rates, electricity, water, groceries. <ul style="list-style-type: none"> <li>▶ Evidence from current bank statements for direct debit payments</li> <li>▶ Council rates notice</li> <li>▶ Body Corporate fees (strata)</li> </ul>
<b>Other fixed payments</b>	Examples include child support.

Expenses are to include

- ▶ For joint applicants record 100% of the fixed commitments where the applicants are jointly and severally liable
- ▶ Do not include any loan or rent repayment that will cease when the loan being assessed is approved
- ▶ A buffer on the interest rate applying to existing &/or new mortgage loans.

In determining a member's living expenses for serviceability, the Bank will apply the higher of:

- ▶ The members declared living expenses, are those that are captured on the loan application form, or
- ▶ The applicable figure from the Household Expenditure Measure (HEM), and
- ▶ Lender or system assessed actual expenses.

Living Expenses	Sources
<b>Applicant declared expenses</b>	As captured on the loan application form.  <i>Note: Any payments made in connection with NDIS plan should not be included in the serviceability assessment either as income or an expenses.</i>
<b>Investment property expenses</b>	<ul style="list-style-type: none"> <li>▶ Council rates</li> <li>▶ Insurances</li> <li>▶ Strata Fees</li> <li>▶ Individual Tax Return</li> </ul>
<b>Lender assessed expenses</b>	As verified on most recent statement and transaction listing (if required).  The statement must be no older than 21 days upon pre-approval of the loan.

#### Shared expenses

For individual applications where the member is in a defacto / spousal relationship where household expenses are shared, all fixed expenses must be included regardless of the ability to show sharing of costs as these costs would need to be paid by the individual should the partner not be able to meet the payments for any reason.



There may be exceptional circumstances where it is deemed necessary to apportion shared expenses. Such circumstances will be considered on a case-by-case basis by relevant assessor as a policy exception. Shared expenses can only be apportioned for consumer loans as policy exception.

**Note:** Where the Member declared expenses differ from the expenses shown in the Broker application, the Member is to provide an explanation in writing detailing why the expenses differ.



## Acceptable Loan Purposes & LVRs

Security	Maximum LVR	Requirements	Miscellaneous
<b>Residential Dwelling – Owner Occupied (includes strata units)</b>	98% inclusive of LMI		<ul style="list-style-type: none"> <li>▶ Minimum unit size 30sqm of living area, excluding balconies and car space.</li> </ul>
<b>Residential Dwelling – Investment Loans (includes strata units)*</b>	95% inclusive of LMI		<ul style="list-style-type: none"> <li>▶ Minimum unit size 30sqm of living area, excluding balconies and car space.</li> <li>▶ For loans greater than 90% LVR, repayment type can only be P&amp;I</li> </ul>
<b>Rural Residential Dwelling</b>	<ul style="list-style-type: none"> <li>▶ Owner Occupied – 98% inclusive of LMI</li> <li>▶ Investment – 95% inclusive of LMI</li> </ul>		<ul style="list-style-type: none"> <li>▶ Up to 50 hectares acceptable.</li> <li>▶ Not income producing.</li> <li>▶ Town services must be connected.</li> <li>▶ Non-residential improvements should be noted in the valuation, but the value must be assessed excluding non-residential improvements. i.e. barns, orchards, stables etc</li> </ul>
<b>Vacant Land</b>	<ul style="list-style-type: none"> <li>▶ Owner Occupied – 98% inclusive of LMI</li> <li>▶ Investment – 95% inclusive of LMI</li> </ul>		<ul style="list-style-type: none"> <li>▶ Maximum land size 2.2 hectares fully serviced.</li> <li>▶ Electricity must be connected (or available for connection) to property.</li> <li>▶ The unimproved vacant land can be zoned residential, rural residential or rural.</li> <li>▶ The value of vacant land only will be relied upon (i.e. no sheds or auxiliary improvements).</li> <li>▶ Unacceptable – purchase of multiple blocks of vacant land in a subdivision</li> </ul>
<b>Home Improvement / renovations / construction***</b>	<ul style="list-style-type: none"> <li>▶ Owner Occupied – 98% inclusive of LMI</li> <li>▶ Investment – 95% inclusive of LMI</li> </ul>	<p>For owner occupied or investment purpose only</p> <ul style="list-style-type: none"> <li>▶ Constructing new residential property</li> <li>▶ Substantial structural works renovating an existing residential property</li> </ul>	<ul style="list-style-type: none"> <li>▶ Genuine home improvements include construction loans.</li> <li>▶ Where primary purpose is a renovation; however is not a structural renovation, the loan can be processed as a top-up / cash out. Where renovation exceeds \$100,000 the Bank will control disbursements.</li> <li>▶ IO during construction period maximum 24mths</li> <li>▶ Max 2 residential dwellings on one block of land that is not a commercial developer and must be fixed price contract.</li> </ul>



Security	Maximum LVR	Requirements	Miscellaneous
		<ul style="list-style-type: none"> <li>▶ Construction by a licensed builder only</li> <li>▶ Is not to be used for commercial purposes</li> </ul>	<ul style="list-style-type: none"> <li>▶ Electricity must be connected (or available for connection) to property.</li> </ul>
<b>Refinance</b>	<ul style="list-style-type: none"> <li>▶ Owner Occupied – 98% inclusive of LMI</li> <li>▶ Investment – 95% inclusive of LMI</li> </ul>	<ul style="list-style-type: none"> <li>▶ If combined with equity release, controlled funds or debt consolidations – 90% inclusive of LMI</li> </ul>	<ul style="list-style-type: none"> <li>▶ LVR is to be calculated using the valuation amount.</li> <li>▶ Lenders are responsible to ensure that the borrower is not in a worse position following Refinance.</li> <li>▶ Verify satisfactory repayment history by completing a review of loan conduct over the previous six months via either loan statements, or CCR and repayment history information.</li> </ul> <p>Evidence of the review to be documented by Lender.</p>
<b>Equity Release (cash out)</b>	90% - subject to LMI requirements	<ul style="list-style-type: none"> <li>▶ Obtain written advice from the applicant on the purpose of funds (or written advice from lender within suitability assessment, outlining conversation with applicant)</li> <li>▶ All cash out requests with an LVR &gt;80% must comply with all requirements as per LMI policy</li> </ul>	<ul style="list-style-type: none"> <li>▶ Any cash out greater than \$100,000 is to be approved by AMB.</li> </ul>
<b>Debt Consolidation</b>	90%	<ul style="list-style-type: none"> <li>▶ Where the loan is to refinance debts from other organisations, current statements listing the</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Bank must control funding to ensure the debts are paid out.</li> <li>▶ Vacant land is unacceptable.</li> </ul>



Security	Maximum LVR	Requirements	Miscellaneous
		<p>balance, performance, and limit must be obtained.</p> <ul style="list-style-type: none"> <li>▶ An official payout figure must also be obtained, and payments made direct to those organisations. BPAY, EFT, NPP or Swift may be used to complete the transfer of funds.</li> </ul>	
<b>Off the Plan Purchase</b>	<ul style="list-style-type: none"> <li>▶ Owner Occupied – 98% inclusive of LMI</li> <li>▶ Investment – 95% inclusive of LMI</li> </ul>	As per Residential Dwelling limits	<ul style="list-style-type: none"> <li>▶ 90% LVR of as if complete valuation - Contract signed &gt;12 months ago.</li> <li>▶ 95% LVR of purchase price or valuation (whichever is lower) Contract signed &lt;12 months.</li> <li>▶ The loan amount must not exceed 100% of the purchase / contract price</li> </ul>
<b>Interest Only loans ***</b>	95% (Interest-only loans converting to P&I within 10 years)		<ul style="list-style-type: none"> <li>▶ Maximum interest only period of 5 years.</li> <li>▶ Purpose of loan excludes owner occupied. Interest-only facilities will have their repayments calculated over the total loan term less the initial Interest-only period. i.e. original loan term 30 years with original Interest-only term five years, repayments will be calculated at P&amp;I over 25 years.</li> </ul>
<b>High Density apartment/unit/townhouse</b>	98% inclusive of LMI		<ul style="list-style-type: none"> <li>▶ Apartment is part of a development comprising more than 10 apartments / units.</li> <li>▶ Valuations are to include comparable sales outside the development, and details of any resales within the development.</li> <li>▶ LVR and concentration restrictions may apply to individual developments.</li> </ul>



Security	Maximum LVR	Requirements	Miscellaneous																																																																																																									
			<ul style="list-style-type: none"> <li>▶ A minimum floor size of 30sqm in living area, excluding balconies and car space.</li> </ul>																																																																																																									
<b>Single Industry Postcodes</b>	90% inclusive of LMI		<ul style="list-style-type: none"> <li>▶ Heli's single postcode list:</li> </ul> <table border="1"> <thead> <tr> <th colspan="7">Single Industry postcodes</th> </tr> <tr> <th>NSW</th> <th>VIC</th> <th>QLD</th> <th>SA</th> <th>WA</th> <th>NT</th> <th>TAS</th> </tr> </thead> <tbody> <tr> <td>2835</td> <td>N/A</td> <td>4413</td> <td>5722</td> <td>6225</td> <td>N/A</td> <td>7467</td> </tr> <tr> <td>2880</td> <td></td> <td>4415</td> <td>5725</td> <td>6429-6430</td> <td></td> <td>7469</td> </tr> <tr> <td></td> <td></td> <td>4455</td> <td></td> <td>6432</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4615</td> <td></td> <td>6440</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4690</td> <td></td> <td>6442</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4755-4719</td> <td></td> <td>6713-6714</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4720-4723</td> <td></td> <td>6718</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4737</td> <td></td> <td>6720-6722</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4741-4746</td> <td></td> <td>6728</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4804</td> <td></td> <td>6751</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4805</td> <td></td> <td>6753</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4825</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>4874</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Single Industry postcodes							NSW	VIC	QLD	SA	WA	NT	TAS	2835	N/A	4413	5722	6225	N/A	7467	2880		4415	5725	6429-6430		7469			4455		6432					4615		6440					4690		6442					4755-4719		6713-6714					4720-4723		6718					4737		6720-6722					4741-4746		6728					4804		6751					4805		6753					4825							4874				
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<b>Scheme Backed Loans</b>	98% inclusive of LMI		<ul style="list-style-type: none"> <li>▶ Includes both DHOAS and Housing Australia backed loans.</li> <li>▶ Purpose of loan excludes investment, as per Scheme rules.</li> </ul>																																																																																																									

\* Minimum new mortgage amount is \$50,000.

\*\*\* Interest only loans restricted to Land, Construction and Investment Loans only.

- ▶ Max LVR for Owner Occupied is 98% inclusive of LMI
- ▶ Max LVR for debt consolidation and equity release is 90% LVR plus LMI
- ▶ Max LVR for Investment is 95% inclusive of LMI
- ▶ LVR includes capitalised LMI premium and/or stamp duty costs
- ▶ LVR indicates the Bank's appetite for risk for a particular product and related real estate security. LVR does not apply to non-mortgage products such as personal and car loans.
- ▶ The LVR is the loan amount as a percentage of the purchase price or the security valuation amount, whichever is the lesser.
- ▶ The Bank may also choose to limit the LVR based on the:
  - Loan purpose or individual merit of the proposal specific loan product security offered
  - Postcode of the security
- ▶ The Bank will adopt the same restricted postcode listings as our Lenders Mortgage Insurance (LMI) partner and/or property price caps as listed with Housing Australia
  - LVR includes capitalised LMI premium and/or stamp duty costs.

### Unacceptable Loan Purpose

The Bank is to make loans available to creditworthy members for any worthwhile purpose. The Bank is not to provide loans for:

- ▶ Payment of bad debts (i.e. any loan which is overdue);
- ▶ Debt consolidators where the member had applied for consolidation within the preceding 12 months;
- ▶ Financing members lifestyle beyond their verifiable financial means;
- ▶ Paying court orders, actions or judgements (except to meet Family Court separation or divorce rulings);
- ▶ Payment of tax liabilities;
- ▶ Payment of outstanding rates, utilities, household bills;
- ▶ Business or commercial lending for purchasing or setting up new business, although Green Loans may be considered;
- ▶ Third party or borrowers of convenience, where the borrower is not getting any identifiable benefit from the loan or the income or security is provided by a party not listed as a borrower or debtor (excluding family pledge or guarantors);
- ▶ Construction that is outside of a fixed price building contract (e.g. a cost plus contract);
- ▶ Vendor finance, to purchase equipment for business purposes;



- ▶ Any purpose that is illegal or poses a reputation risk to the Bank;
- ▶ Cryptocurrency; and
- ▶ Any other purpose the Bank considers unacceptable.

## Acceptable Security

Security Type	Definition (where required)
<b>Vacant Land*</b>	<ul style="list-style-type: none"> <li>▶ Freehold.</li> <li>▶ Residential zoned.</li> <li>▶ Rural/ residential zoned less than 5.4 acres (2.2 ha)</li> <li>▶ Land zoned other than non-residential / rural less than 5.4 acres (2.2ha) but identifiable as non-commercial and non-primary production.</li> </ul>
<b>Residential Property*</b>	<ul style="list-style-type: none"> <li>▶ Freehold.</li> <li>▶ Owner occupied, residential zoned or rural / residential zoned or some other zoning, but identifiable as non-Commercial or non-primary production, less than 123 acres (50 ha).</li> <li>▶ Investment purposes, residential zoned or rural / residential zoned less than 123 acres (50 ha).</li> <li>▶ Minimum unit size 30sqm of living area, excluding balconies and car space.</li> <li>▶ All utility services must be connected within property.</li> <li>▶ Defence Housing (including leasehold &gt;=10years).</li> </ul>
<b>High Density Apartments/ Units</b>	<ul style="list-style-type: none"> <li>▶ Part of a development comprising more than 10 apartments/ units.</li> <li>▶ Valuation to include comparable sales outside of the development, and details of any resale's within the development.</li> <li>▶ LVR and concentration restrictions may apply to individual developments.</li> <li>▶ Minimum unit size 30sqm of living area, excluding balconies and car space.</li> </ul>
<b>Construction Loans*</b>	<ul style="list-style-type: none"> <li>▶ Construction of a single or duplex residential dwelling.</li> <li>▶ Maximum number of dwellings for construction is two providing the members are:               <ul style="list-style-type: none"> <li>a) not a commercial entity (developer), and</li> <li>b) not constructing for the purpose of immediate resale (unless exception approved).</li> </ul> </li> <li>▶ Must be fixed price building contract.</li> <li>▶ Valuations or quotes for additional work are to be provided to the value for an as if complete valuation.</li> </ul>
<b>Strata Title</b>	<ul style="list-style-type: none"> <li>▶ Minimum unit size 30sqm of living area, excluding balconies and car space.</li> </ul>
<b>Mortgageable Property (items in this section)</b>	<ul style="list-style-type: none"> <li>▶ Must be registered and have a VIN / Chassis number and engine number:               <ul style="list-style-type: none"> <li>- Motor Vehicles (including trucks up to 4.5 tonnes)</li> <li>- Boats / Boat and trailers / Jet Ski</li> </ul> </li> </ul>

Security Type	Definition (where required)
	<ul style="list-style-type: none"> <li>- Motorcycles</li> <li>- Caravans / Motorhomes.</li> </ul>
<b>Cash</b>	<ul style="list-style-type: none"> <li>▶ Lodged as a Term Deposit with the Bank.</li> <li>▶ Subject to the execution of a Right of Set Off of Security Deposit.</li> </ul>

\* Any property offered as security must be readily marketable.

### Unacceptable Security

The Bank is to make loans available to creditworthy members for any worthwhile purpose. The Bank is not to provide loans for:

Security Type	Definition (where required)
<b>Other vacant land</b>	<ul style="list-style-type: none"> <li>▶ Rural / Residential zoned greater than 5.4 acres (2.2 ha), or</li> <li>▶ Rural / Residential zoned greater and generating income.</li> </ul>
<b>Liens</b>	Crop Liens.
<b>Stratum or company titles</b>	<ul style="list-style-type: none"> <li>▶ Variation on a company title where individuals own the dwelling they purchased.</li> <li>▶ The individual has the right to purchase shares to own elements known as common property.</li> <li>▶ Common property includes shared stairs, walkways, and gardens. Owners agree to the terms set down by the company.</li> </ul> <p><i>Note: Shareholders in a company title buildings do not own the dwelling. Shareholders who have purchased shares in the company are entitled to exclusive occupation of a flat in a building on that land.</i></p>
<b>Any premises where a licence is required to operate the business conducted within the premises</b>	Examples include nursing homes, child care centres, hotels, restaurants, bars, or any other like premises.
<b>Leaseholds</b>	<ul style="list-style-type: none"> <li>▶ Crown land except for ACT.</li> <li>▶ Leaseholds with minerals or natural resources which are identified as commercial.</li> </ul>
<b>Registered Mortgage Debentures</b>	Over company assets.
<b>Commercial Properties</b>	Shops / offices and or zoned commercial.
<b>Income producing properties</b>	Other than residential investment or rural properties.
<b>Partially completed properties</b>	Other than the Bank construction loans we have funded from outset.

Security Type	Definition (where required)
<b>Owner Builder constructed</b>	Unless one applicant has prior building experience, is licensed builder and the maximum LVR is 80% when an additional buffer of 15% is applied to the loan balance.
<b>Known flood height level is higher than the floor level</b>	As highlighted on a short form valuation.

## Additional Security Information

### Debt to Income Ratio (DTIR)

- ▶ The debt-to-income ratio (DTI) compares how much a borrower owes to how much they earn. DTI takes into consideration the required new loan amount (limit) and existing debts (current balance) the borrower has relative to the borrowers income.
- ▶ DTI is incorporated into the Bank's auto decisioning methodology and delegated underwriting approval limits.
- ▶ DTI is calculated using the Servicing Calculator.

### Genuine savings and gifted funds

- ▶ Borrowers are expected to contribute to the property purchase when applying for a mortgage loan. The purpose of confirming the borrower's contribution is to understand where the funds are coming from and in particular, that the borrower's contribution (cash/equity) is available and sufficient to complete the transaction.
- ▶ The borrower's contribution must be from their own sources. Funds borrowed or sourced illegally are not considered acceptable sources of borrower's contribution.
- ▶ Deposit funds must be held in the borrower's name at the time of application and deposited into the borrower's bank account prior to the settlement of the loan.
- ▶ The source of funds can include any combination of funds from the following:
  - Funds held or accumulated in bank accounts (including term deposit)
  - Equity in, or funds from, sale of residential property
  - Funds sourced from superannuation account
- ▶ Shares
  - Accelerated loan repayments – where savings have been sacrificed by making accelerated loan repayments, the amount of the excess repayments, can be accepted
  - Gifts received from an Immediate Family Member (Evidence that the amount pledged has been received by the borrower must be held on file. Gifts received from a non-Immediate Family Member are not acceptable.)
  - Employer paid bonus
  - Tax refund
  - Inheritance
  - Sale of assets for example motor vehicles
  - First Home Saver Account or First Home Super Saver Scheme (initiative by the Australian Government)
- ▶ First Home Owner Grant (FHOG), or any other government initiative to help first time home owners (refer to Housing Australia website on eligibility.
  - Funds held in company/business accounts.
- ▶ The following are required for gifts:
  - Non repayable
  - From an Immediate Family Member
  - Be held in an account in the name of at least 1 borrower at the time of formal approval



- Accompanied by a statutory declaration from the party providing the gift and it must clearly note that the gift does not have to be paid back. Ensure declaration held on borrower's file.
- Inheritance gift acceptable
- Received from non-immediate family member not acceptable
- Used to make accelerated loan repayments are not included as part of non-genuine savings
- ▶ The following sources of funds do not contribute towards the deposit funds requirement:
  - Borrowed funds
  - Any funds that cannot be verified as being held in the borrower's name at the time of application, or deposited to the borrower's bank account, prior to settlement.
- ▶ Scheme-backed loans, administered through the Housing Australia, may have genuine savings requirements which need to be met. You can find the genuine savings requirements for the different schemes contained within the Scheme Rules or within the Information Guides and Fact Sheets. These documents are available on AMB broker portal.
- ▶ When genuine savings are required, it needs to be held in the borrower's name for 3 months or more, and can include any combination of the following sources:
  - Funds held or accumulated in savings account
  - Term deposit
  - Shares
  - First Home Super Saver Scheme.
  - Rental Ledger (with mitigating notes by broker within suitability assessment is required)

#### Equity release / cash out

- ▶ A cash out loan is one where loan funds are being paid directly to the borrower, who assumes responsibility for disbursing loan funds for personal use from the equity held in their property (which is used as collateral by the Bank). This includes loan funds which are deposited to an offset account held with the Bank.
- ▶ Where the funds are being either fully or in part released directly to the borrower as a "cash out" purpose, the aggregate exposure to the borrower is to be treated as a cash out facility for the purposes of applying this clause.
- ▶ Where the purpose is to refinance external debts elsewhere and also provide a cash out, the application must also meet the requirements for refinance of an existing home loan. Any cash out greater than \$100,000 is to be approved by a AMB.
- ▶ The following LVR limits and dollar restrictions apply:
  - Up to 70% LVR - maximum of 20% of the security value;
  - >70.01% to 80% LVR - maximum of 20% of the security value and referred to AMB assessor for approval;
  - >80.01% to 90% LVR - Subject to LMI requirements; and
  - >90% LVR - no cash out component allowed.
- ▶ Requirements:
  - Obtaining written advice from the member on the purpose of funds (& written advice from broker within the suitability assessment, outlining the conversation with the member); and
  - All cash out requests with an LVR >80% must comply with all requirements as per the LMI Policy.

#### Pre and post-tax deductions

- ▶ For pre and post-tax deductions to PAYG income (e.g. car leases) treatment of this will be as follows:
  - Pre-tax deductions must be deducted from gross income. This will then be the gross income amount used for servicing;
  - Post-tax deductions must be noted as an ongoing expense;



- In the case of liabilities such as a car leases a statement of the liability must be obtained to validate pre and post-tax deductions.

#### Purchase Price - Contract of Sale

- ▶ A Contract of Sale (COS) or Offer & Acceptance (O&A) in Western Australia's case, is an agreement that sets out the terms and conditions agreed upon between the seller and the purchaser to facilitate the sale and purchase of a property.
- ▶ A signed / fully executed document is required to validate the ownership and purchase price of the property, including any special conditions, prior to settlement and must be held and recorded in the Bank's system.
- ▶ Ensure that the COS/O&A:
  - Is fully executed (both vendor and purchaser must sign the contract however both signatures do not have to be within the same copy of the contract);
  - Is dated and includes all terms and conditions of the contract;
  - Contains the correct legal names;
  - Details of the COS/O&A must be recorded in the system, including names, address and purchase price; and
  - If the property is known by more than one address (e.g. lot number on COS now has a street number), this has to be reflected in the submission notes.
- ▶ Special conditions:
  - Some contracts may contain special conditions agreed upon between the vendor and the purchaser, which are specific to that agreement. The special conditions should be reviewed to ensure no conditions exist that may impact the value or transfer of ownership of the security, or the registration of AMB's interest following the release of the loan funds.

#### Family Pledge

- ▶ A guarantor is an individual who provides a guarantee over a family member's mortgage by using their own property as security. This is also known as a family pledge.
- ▶ The specific loan guarantee amount is outlined within the Bank's offer and loan contract and also the guarantee and indemnity contract.
- ▶ Requirements:
  - Security guarantor must be immediate family - A spouse, de facto partner, child, parent, grandparent, aunt, uncle, cousin, grandchild or sibling of an applicant, applicant's spouse or defacto partner. Including step-relations (e.g. step-parents and step-children) and adoptive relations.
  - Owner occupied or investment purpose only.
  - Construction loans where construction is by a licensed builder.
  - Not for commercial purposes.
  - Loan repayments to be principle & interest. Interest only is acceptable during the construction period of property for a maximum of 2yrs.
  - The Guarantor(s) is a security guarantor, not a financial guarantor. Therefore, no serviceability assessment should be performed on the guarantor(s) A credit check will be required to check creditworthiness of the guarantor. An asset and liability assessment (including superannuation) are required in order to ascertain the likelihood of financial hardship.
  - The guarantor's security must be either an owner occupied or investment property (or vacant land). All valuation requirements are applicable.
  - The Broker must meet with the guarantor(s). The Broker will make an assessment of the risk that the guarantor(s) to ensure the guarantor(s) understand the legal nature of the transaction, that is, what happens to their property if the financier calls upon the guarantee.



- The amount guaranteed must be no more than what is required to reduce the LVR on the new purchase to 80% LVR and therefore avoiding Lenders Mortgage Insurance fees. The pledged amount must be no more than 50% of the guarantor's security.
- One family guarantee per loan i.e. multiple guarantees on one loan are unacceptable
- The Bank will accept 1st mortgage by the borrowers over the property being purchased. And 1st registered mortgage from guarantors.
- ▶ Guarantors must obtain their own independent legal advice and provide the Bank with written confirmation, this confirmation of advice is to be documented in writing on the solicitor's letterhead. The bank will not supply this form.
- ▶ Unacceptable loan purposes includes:
  - Purchase vacant residential land (which is not a construction);
  - Home improvements;
  - Debt consolidation;
  - Refinances;
  - Equity release;
  - Owner builder.



## Variable Interest Rates

A variable interest rate is one that can vary at any point during the loan term. Typically, variable interest rates will vary in response to RBA cash rate movements or other economic factors.

What if the variable rates change between formal approval and settlement?

Type	Impacted	Status	Outcome
Interest Rate Increase	Existing Loans & New Loans together (ie. RBA Rate Change)	Pipeline / Pre-Approved	Increase <b>does</b> apply
		Formally Approved (or in queue prior to rate change effective date)	Increase <b>does</b> apply
	New loans only	Pipeline / Pre-Approved	Increase <b>does</b> apply
		Formally Approved (or in queue prior to rate change effective date)	Increase <b>does not</b> apply
Interest Rate Decrease	Existing Loans & New Loans together (ie. RBA Rate Change)	Pipeline / Pre-Approved	Decrease <b>does</b> apply
		Formally Approved (or in queue prior to rate change effective date)	Decrease <b>does</b> apply
	New loans only	Pipeline / Pre-Approved	Decrease <b>does</b> apply
		Formally Approved (or in queue prior to rate change effective date)	Decrease <b>does</b> apply

*Note: Where a rate change is applicable post formal approval, our Settlements & Variations Team will make the adjustments and issue a variation letter to the member with their new rate and repayment.*

## Product Changes

Product switches will not be considered for 12 months post settlement. In particular, any request to change a Rate Saver Home Loan to a Value Home Loan. Should the applicant require an offset account the loan should be originated as a Value Home Loan.



## Fixed Interest Rates

A fixed interest rate is one that will not vary during the specified period, providing stability and predictability for borrowers.

What are some of the conditions with fixed rate home loans?

- ▶ Redraw is not available on fixed rate home loan. Any additional repayments made during the fixed term, can only be redrawn at the end of the fixed term.
- ▶ Additional repayments are capped at \$10,000 per year for the specified term. i.e. a 3 Year Fixed Rate Home Loan may make \$10,000 in additional repayments each year, which would total \$30,000 by the end of the final term.
- ▶ Break costs may be payable if, during the fixed rate period, the entire loan subject to a fixed rate, is repaid in full or a portion of the loan paid before the scheduled repayments where exceeding \$10,000 p/a.
- ▶ Offset accounts cannot be linked to fixed rate home loans.
- ▶ Fixed rates are not available on construction loans, until construction is complete and the product is switched.
- ▶ During an interest only period, the fixed term must be less than or equal to the interest only period. i.e. a 5 year interest only term can be selected for a 3 year fixed rate but not vice versa.

What if the fixed rates change between formal approval and settlement?

Type	Impacted	Status	Outcome
Interest Rate Increase	New loans only	Pipeline / Pre-Approved	Increase <b>does not</b> apply
		Formally Approved (or in queue prior to rate change effective date)	Increase <b>does not</b> apply
Interest Rate Decrease	New loans only	Pipeline / Pre-Approved	Decrease <b>does</b> apply
		Formally Approved (or in queue prior to rate change effective date)	Decrease <b>does</b> apply

*Note: Where a rate change is applicable post formal approval, our Settlements & Variations Team will make the adjustments and issue a variation letter to the member with their new rate and repayment.*

## Repayment Frequency

Loan repayments (also referred to as demands), commence one month after settlement of the loan and are then to be made monthly on the same day of the month thereafter.

For loans first drawn down on the 29th, 30th or 31st of a month, then the monthly payment date will be the last day of the month.

For P&I repayments, members still have the ability to make instalments at their desired frequency (weekly, fortnightly) so long as they are received in advance of the demand date.

For IO repayments these will be paid monthly in line with the interest demands.



# Application Checklist

Purchase	Construction / Renovation	Housing Australia
<ul style="list-style-type: none"> <li>▶ Certified photo ID* - legible colour copies (both sides if applicable)</li> <li>▶ Last 2 consecutive Payslips</li> <li>▶ Last 2 years Personal and Business Tax Returns**, Financial Statements** and Tax Assessments** (applicable for self-employed, company or trust applicants)</li> <li>▶ Last 3 months Rental Statement or Tenancy Agreement (applicable for investment property income)</li> <li>▶ Last 1 years Tax Return** with rental expenses and other deductions (applicable for investment property income)</li> <li>▶ Evidence of income and living expenses:               <ol style="list-style-type: none"> <li>1. Last 3 months Bank Statements / Transactions*** showing salary / income credits</li> <li>2. Last 3 months Bank Statements / Transactions*** showing everyday transactions / bills</li> <li>3. Last 3 months Bank Statements / Transactions*** and/or other evidence of deposit and funds to complete</li> </ol> </li> <li>▶ Last 6 months Home Loan Statements</li> <li>▶ Last 3 months Personal Loan Statements (applicable for refinance / consolidation)</li> <li>▶ Last 3 months Credit Card Statements*** (applicable for refinance / consolidation)</li> <li>▶ Rates Notice for all existing properties</li> </ul>	<ul style="list-style-type: none"> <li>▶ Certified photo ID* - legible colour copies (both sides if applicable)</li> <li>▶ Last 2 consecutive Payslips</li> <li>▶ Last 2 years Personal and Business Tax Returns**, Financial Statements** and Tax Assessments** (applicable for self-employed, company or trust applicants)</li> <li>▶ Last 3 months Rental Statement or Tenancy Agreement (applicable for investment property income)</li> <li>▶ Last 1 years Tax Return** with rental expenses and other deductions (applicable for investment property income)</li> <li>▶ Evidence of income and living expenses:               <ol style="list-style-type: none"> <li>1. Last 3 months Bank Statements / Transactions*** showing salary / income credits</li> <li>2. Last 3 months Bank Statements / Transactions*** showing everyday transactions / bills</li> <li>3. Last 3 months Bank Statements / Transactions*** and/or other evidence of deposit and funds to complete</li> </ol> </li> <li>▶ Last 6 months Home Loan Statements</li> <li>▶ Last 3 months Personal Loan Statements (applicable for refinance / consolidation)</li> <li>▶ Last 3 months Credit Card Statements*** (applicable for refinance / consolidation)</li> <li>▶ Rates Notice for all existing properties</li> </ul>	<p>All documents listed in the left hand columns still apply however please see below for Housing Australia specific requests.</p> <p><u>Required at Reservation</u></p> <ul style="list-style-type: none"> <li>▶ Drivers Licence* or Proof of Age Card*</li> <li>▶ Medicare Card* or PM Keys (ADF only)*</li> <li>▶ Australian Passport*, Australian Birth Certificate* or Australian Citizenship Certificate*</li> <li>▶ Last 1 years Notice of Assessment**</li> </ul> <p><u>Required at Pre-Approval</u></p> <ul style="list-style-type: none"> <li>▶ Housing Australia Home Buyers Declaration Form</li> <li>▶ Evidence of joint Utility Bills, joint Rental Agreement or Marriage Certificate (couples only)</li> <li>▶ Medicare Card* with dependents listed, National ADF Family Health Program Card, dependents Birth Certificate, Centrelink Statement, Adoption Order or Family Consent Order (FHG only)</li> <li>▶ Last 12 month period covering Utility Notice, Rental Agreement or Notice of Assessment** (RFHBG only)</li> <li>▶ Posting Orders or Commanding Officer Letter/ Email for ADF 12 month exemption (RFHBG only)</li> </ul>



Purchase	Construction / Renovation	Housing Australia
<ul style="list-style-type: none"> <li>▶ Car Lease Statements (applicable for novated leases)</li> <li>▶ Contract of Sale including all appendices or annexures (must be legible, signed &amp; dated)</li> <li>▶ Evidence of deposits paid</li> <li>▶ DHOAS Subsidy Certificate and covering letter</li> </ul>	<ul style="list-style-type: none"> <li>▶ Car Lease Statements (applicable for novated leases)</li> <li>▶ Contract of Sale including all appendices or annexures (must be legible, signed &amp; dated)</li> <li>▶ Evidence of deposits paid</li> <li>▶ DHOAS Subsidy Certificate and covering letter</li> <li>▶ Copy of builders fixed priced contract and progress payment schedule</li> <li>▶ Copy of variations</li> <li>▶ Copy of council approval plans and specifications</li> <li>▶ Copy of builders warranty insurance/home owners warranty insurance</li> <li>▶ Evidence of deposits paid</li> </ul>	

\*All documents must be correctly certified as per the Bank's Know Your Customer (KYC) requirements.





\*\* All documents must have TFN removed

\*\*\* All documents must have credit / debit card numbers removed.



## Contact Us

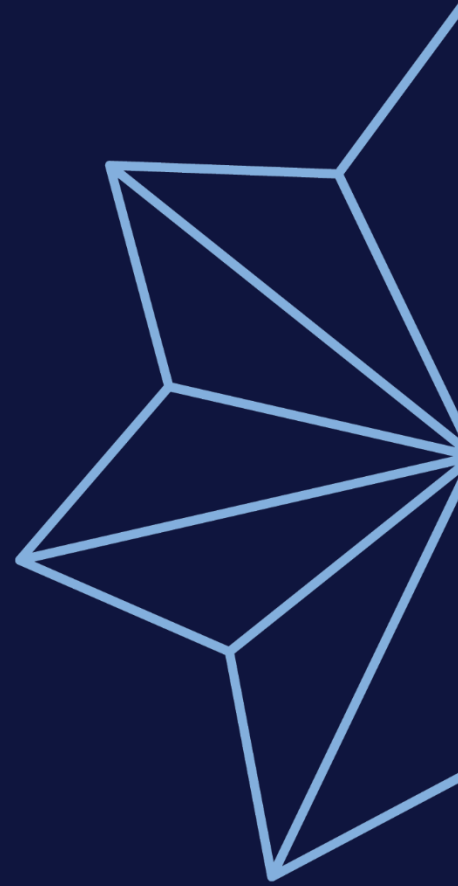
Contact Details	Application Submissions
<p><b>Home Loans Scenarios</b>  <a href="mailto:brokers@australianmilitarybank.com.au">brokers@australianmilitarybank.com.au</a>            (02) 9240 4146</p> <p><b>Accreditation</b>  <a href="mailto:accreditation@australianmilitarybank.com.au">accreditation@australianmilitarybank.com.au</a></p> <p><b>Broker Portal</b>  <a href="http://go.australianmilitarybank.com.au/brokerportal">go.australianmilitarybank.com.au/brokerportal</a></p>	<p><b>Home Loans Submissions</b> via your aggregator. Home Loans can be submitted via your aggregator software.</p> <p><b>Personal &amp; Car Loans</b> can be submitted via <a href="http://australianmilitarybank.com.au/brokerpl">australianmilitarybank.com.au/brokerpl</a></p>

Your Broker Team	
	<p><b>Melissa</b>  <b>Head of Broker Channel</b>            ▶ 0499 994 026  <a href="mailto:mgarwood@australianmilitarybank.com.au">mgarwood@australianmilitarybank.com.au</a></p>
	<p><b>Richard</b>  <b>Broker Support Manager</b>            ▶ AFG / Outsource / SFG / VOW / Mortgage Choice / Loan Market Group            ▶ New scenarios &amp; rate negotiations            ▶ 0403 729 976            ▶ <a href="mailto:rbaldry@australianmilitarybank.com.au">rbaldry@australianmilitarybank.com.au</a></p>
	<p><b>Shiann</b>  <b>Broker Support Manager</b>            ▶ Astute / Connective / Finsure / Loankit / Beagle            ▶ New scenarios &amp; rate negotiations            ▶ 0447 801 433            ▶ <a href="mailto:shiannm@australianmilitarybank.com.au">shiannm@australianmilitarybank.com.au</a></p>
	<p><b>Tiana</b>  <b>Broker Member Fulfilment Manager</b>            ▶ Manages processing team, assists brokers with applications in submission            ▶ 0499 984 807            ▶ <a href="mailto:tsibbald@australianmilitarybank.com.au">tsibbald@australianmilitarybank.com.au</a></p>





**Australian  
Military Bank**



## Contact us

- ▶ 1300 13 23 28
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- ▶ [service@australianmilitarybank.com.au](mailto:service@australianmilitarybank.com.au)
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