

Credit Update – 17 August 2021

Effective **17 August 2021**, the Bank will amend its lending policy and as a result a revised serviceability calculator will be available for use. This will be available on the [TMBL Broker Portal](#) under **Tools and calculators**.

What do the changes involve?

- Credit Assessment policy for Home Loans will be updated to reflect the following:
 - **Income**
Commissions/Bonuses – will increase from 50% to 80% of the average of the last 2 years. Must be proven over two years as evidenced by taxation records, employment contract or payslips.
 - **Investment Lending LVR**
Maximum LVR's for Investment Loans *without* LMI will be increased to be the same as Owner Occupied Loans *without* LMI.
 - **Maximum LVR with FHLDS**
Will be updated to reflect the latest FHLDS offerings. Max 95% for all applicable HL products under First Home Loan Deposit Scheme (FHLDS) and New Home Guarantee (NHG). Max 98% for all applicable HL products under Family Home Guarantee (FHG).
 - **Construction Loans**
All building contracts must now be fixed price building contracts. Any building contract that is not a fixed price building contract will not be accepted.
- The Bank's Floor Rate will increase to 5.35%. When assessing serviceability for home loans, the Bank's Assessment Rate will be the higher of:
 - The Product Interest Rate + an interest rate buffer of 2.50%; or
 - The Bank's Floor Rate.

Deals already submitted to the Bank

- Applications that have been conditionally approved prior to **17 August, 2021** but not funded as of that date do not need to be reassessed under the new lending policy
- Applications where conditional approval has expired (i.e. 90-day approval period), will need to be assessed using the applicable lending policy at that time
- All new applications submitted on **17 August, 2021** and onwards will be assessed under the new lending policy.



Broker latest news

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What's being updated?

- NextGen's ApplyOnline system
- Our Home Loan Lending Reference Guide (<https://broker.tmbank.com.au>) located under **Products**.
- Our serviceability calculator (<https://broker.tmbank.com.au>) located under **Tools and Calculators**.

Further Information

For all our latest news, please visit the TMBL Broker portal (<https://broker.tmbank.com.au>) or contact your Broker Development Manager on **1300 TMBank** or email broker@tmb.com.au.



Mark Middleton
Head of Third Party Distribution



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