

Keep Me Updated

29 July 2015

CHANGES TO CREDIT GUIDELINES

ING DIRECT will be making some changes to our credit guidelines in order to curb investment lending which continues to grow at elevated levels in the mortgage market. The changes will be effective for new loan applications and variations received from 31 July 2015.

Please note, as a result of these changes, our Residential Underwriting Guidelines, Product Specifications and ING DIRECT Servicing Calculator have been updated and will be available from **Friday 31 July 2015** at introducer.ingdirect.com.au.

For new loan applications and variations received from Friday 31 July 2015, the following changes will apply:

Loan to Value Ratio (LVR) and Repayment type changes

Application Type	Maximum LVR (including any LMI premium)	Repayment Type
Owner Occupied - New loan		
Purchase	95%	Principal & Interest
Construction/Purchase	95%	Interest Only available for Construction period only
Refinance	80%	Principal & Interest; or Interest Only
Investment - New loan		
Purchase	80%	Principal & Interest; or Interest Only
Refinance (limit only)	80%	Principal & Interest; or Interest Only
Existing Business / Variation		
Owner Occupied increase for: Home Improvements only	90%	Principal & Interest
Owner Occupied increase for: Personal Use	80%	Principal & Interest; or Interest Only
Investment Property loan increase	Not permitted	Not applicable

Important points to note:

- Interest Only repayments are restricted to an LVR of 80% with the exception of Construction loans with an owner occupied purpose.

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- Cash out will include debt consolidation and any equity release for any purpose other than Home Improvements.
- For investment loans with the purpose of refinance, maximum cash out of \$5,000 will be permitted for break costs only.
- To be eligible for current LVR parameters, credit guidelines and interest rates loan applications must be received by ING DIRECT no later than 30 July 2015. This applies to existing pipeline applications, including pre-approvals. Where any approval expires and requires re-assessment, the underwriting guidelines current at that time will apply.
- Please note the above LVR parameters when ordering upfront valuations.

Acceptable Income

The following variable incomes have been reduced for the purpose of serviceability. Please note, instances where we accept the below incomes remain unchanged.

Variable Income	
Rental Income	Up to 70% of gross
Shift/Overtime/Commission/Bonus	Up to 80% of gross

Please continue to enter 100% of the variable income amount in our servicing calculator, as it will automatically calculate the appropriate percentage.

Changes to interest rates for investment loans

LVR based interest rates will no longer be applicable for loans with an investment purpose. As a result, for investment loan applications received from 31 July 2015, interest rate discounts will no longer apply to Mortgage Simplifier, Orange Advantage and Fixed Rate Loans. Please refer to the interest rate tables following for details.

Please note any variable interest rate changes are only applicable to new and existing loan applications received from **Friday 31 July 2015**.

Orange Advantage / Fixed rate loan combination

Previously, all new or existing Orange Advantage customers were eligible for a 0.10% p.a. rate reduction to the quoted fixed interest rate. Effective from 31 July 2015, this has been restricted to customers with an owner occupied loan purpose. This applies to both New Business & Variation applications.

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ORANGE ADVANTAGE INTEREST RATE PROMOTION FOR \$750,000 REDUCED TO \$500,000

Effective from 31 July 2015, ING DIRECT will reduce the loan amount threshold for our Orange Advantage interest rate promotion to **\$500,000**. Where an application meets the following criteria, Orange Advantage will be available at a variable rate of 4.13% p.a. (comparison rate 4.33% p.a.):

- New residential lending of \$500,000 or more with new to ING DIRECT security property
- LVR equal to or less than 80%
- Owner Occupied loan purpose
- Principal & Interest repayments

To be eligible for the promotional interest rate, applications must be **formally approved by 31 October 2015**.

Please note, if the owner occupied component is switched to Interest Only following settlement, the abovementioned promotional interest rate will not apply.

NEW VALUATION PROPOSITION FOR ORANGE ADVANTAGE CUSTOMERS

We are pleased to advise that effective from **Friday, 31 July 2015**, ING DIRECT will waive the first valuation fee where a customer applies for or holds an Orange Advantage loan (regardless of the cost) for both new loan applications & variation requests.

Please note, for new loan applications only, where Orange Advantage does not form part of the application, ING DIRECT will continue to cover up to \$225 of the valuation fee (GST inclusive) for the first valuation/property only.

LIKE MORE INFORMATION?

For more information, visit introducer.ingdirect.com.au or speak to your ING DIRECT representative.

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OWNER OCCUPIED Interest rates effective from 31 July 2015

ORANGE ADVANTAGE (100% INTEREST OFFSET)	Interest Rate (p.a.)	Comparison Rate (p.a.)
Aggregate Borrowings \$500k+ AND:		
LVR ≤ 80%	4.23%	4.43%
Aggregate Borrowings \$150k+ AND:		
LVR ≤ 80%	4.29%	4.49%
LVR > 80% ≤ 90% (incl. LMI)	4.44%	4.64%
LVR > 90%	4.84%	5.03%
Aggregate Borrowings less than \$150k	4.84%	5.03%
MORTGAGE SIMPLIFIER	Interest Rate (p.a.)	Comparison Rate (p.a.)
Aggregate Borrowings \$500k+ AND:		
LVR ≤ 80%	4.23%	4.24%
Aggregate Borrowings \$150k+ AND:		
LVR ≤ 80%	4.29%	4.30%
LVR > 80% ≤ 90% (incl. LMI)	4.44%	4.45%
LVR > 90%	4.72%	4.73%
Aggregate Borrowings less than \$150k	4.72%	4.73%
FIXED RATE LOANS*	Interest Rate (p.a.)	Comparison Rate (p.a.)
Where an owner occupied Fixed Rate Loan is combined with an Orange Advantage (100% Interest Offset) home loan, a fixed interest rate discount of 0.10% p.a. will apply to the below fixed interest rates.		
1 Year Fixed Rate	4.39%	4.69%
2 Year Fixed Rate	4.39%	4.66%
3 Year Fixed Rate	4.45%	4.65%
4 Year Fixed Rate	4.49%	4.65%
5 Year Fixed Rate	4.58%	4.67%
CONSTRUCTION LOAN	Interest Rate (p.a.)	Comparison Rate (p.a.)
Construction Loan	4.72%	4.73%
LINES OF CREDIT	Interest Rate (p.a.)	Comparison Rate (p.a.)
Action Equity Loan	5.32%	5.32%
Smart Home Loan <\$150k	5.32%	5.44%
Smart Home Loan \$150k+	4.82%	4.94%

Information is current as at the above date and is subject to change. The comparison rates are based on a loan amount of \$150,000 over a loan term of 25 years. WARNING: The comparison rates are true only for the examples given and may not include all fees and charges. Different terms, fees or other loan amounts might result in different comparison rates. Aggregate borrowings refer to total residential ING DIRECT borrowings. Interest rate discounts for an LVR of 90% or less are available only for new owner occupied borrowings and new to ING DIRECT security property, this offer may be withdrawn at any time. LVR based interest rates do not apply to Fixed Rate or Construction loans. *The interest rate that will be applicable to your new owner occupied Fixed Rate Loan during the fixed interest period when combined with an Orange Advantage home loan is the ING DIRECT Fixed Rate applicable for the fixed interest period as at the settlement date of this loan less a fixed interest rate discount of 0.10% p.a. WARNING: If you select a fixed rate loan, break costs may be payable if at any time before the fixed term expires, you pay out your loan or you make additional payments, or you ask us to change your loan type or fixed interest period. Break costs may be substantial. All other terms in relation to the interest rate for your Fixed Rate Loan remain the same. Lending Criteria, Fees, Terms and Conditions apply. All applications for credit are subject to ING DIRECT credit approval criteria. Any advice in this email is general and does not take into account your, or your clients' objectives, financial situation or needs, and you should consider whether it is appropriate for you, or your clients. Before making any decision in relation to any of our products you, and your clients, should read the relevant PDS and Terms and Conditions booklet, available at our website or by calling 133 464. If you, or your clients, have a complaint, please call 133 464 at any time, as we have procedures in place to help resolve any issues you, or your client may have. The Home Loan Bonus may be changed or withdrawn at any time at ING DIRECT's sole discretion. Products are issued by ING DIRECT, a division of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL and Australian Credit Licence 229823. You received this email as you provided ING DIRECT with your email address. However, if you do not wish to receive further email communications from ING DIRECT please send an email to marketing@marketing.ingdirect.com.au with "Unsubscribe" in the subject line or call 1300 656 226.

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INVESTMENT Interest rates effective from 31 July 2015

ORANGE ADVANTAGE (100% INTEREST OFFSET)	Interest Rate (p.a.)	Comparison Rate (p.a.)
All borrowings	4.84%	5.03%
MORTGAGE SIMPLIFIER	Interest Rate (p.a.)	Comparison Rate (p.a.)
All borrowings	4.72%	4.73%
FIXED RATE LOANS*	Interest Rate (p.a.)	Comparison Rate (p.a.)
1 Year Fixed Rate	4.59%	4.71%
2 Year Fixed Rate	4.59%	4.70%
3 Year Fixed Rate	4.65%	4.71%
4 Year Fixed Rate	4.69%	4.71%
5 Year Fixed Rate	4.78%	4.75%
CONSTRUCTION LOAN	Interest Rate (p.a.)	Comparison Rate (p.a.)
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Action Equity Loan	5.32%	5.32%
Smart Home Loan <\$150k	5.32%	5.44%
Smart Home Loan \$150k+	4.82%	4.94%

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