

Keep Me Updated

18 December 2015

CHANGES TO RESIDENTIAL CREDIT GUIDELINES

We will be making some changes to our credit guidelines soon. These will come into effect for applications received from 11 January 2016.

For new loan applications and variation applications received from 11 January 2016, the following changes will apply:

Income verification (section 8)

Income verification	
Allowances	Acceptance of allowances for PAYG income earners will be 80% and must not exceed 25% of the applicant's salary income.
Add-backs	Up to 100% of depreciation will be used, however where related to the replacement cost of an "essential asset that assists in the generation of business income", the depreciation percentage that can be used will be determined on a case-by-case basis.

Important note: If the above income type is applicable, you are required to enter the adjusted amount into the servicing calculator, as the calculator will use the total amount.

Commitments – living rent free (section 9.2.2)

Living rent free allowances will increase as follows:

Living rent free	
Sole applicants	\$910 per month
Two applicants	\$1,040 per month
Two applicants and dependent children	\$1,690 per month

Maximum LVR by security (section 16)

Where ING DIRECT already holds an investment property as security and the existing customer is purchasing a new owner-occupied property, the equity in the investment property can be used to assist with the purchase.

Similarly, where a new application is submitted to refinance an investment loan with the purchase of an owner-occupied property, the equity in an investment property can be used as collateral security.

Existing construction loan customers only – the maximum LVR for construction loans will be reduced to 90%.

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Switches (section 18.3)

The maximum interest only period for the life of all owner-occupied loans will be 5 years.

Please note, any loan applications received prior to 11 January 2016 will be subject to current ING DIRECT Residential Mortgage Underwriting Guidelines.

As a result of these changes, the updated ING DIRECT Residential Mortgage Underwriting Guidelines will be available by logging in at introducer.ingdirect.com.au from Thursday, 24 December 2015.

LIKE MORE INFORMATION?

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

For the curious: 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. With an Orange Advantage home loan, an annual fee of \$199 applies (first year annual fee of \$199 is currently waived for formally approved loans); and 100% interest offset when linked to our Orange Everyday transaction account and you make a deposit into this account. *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. 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.