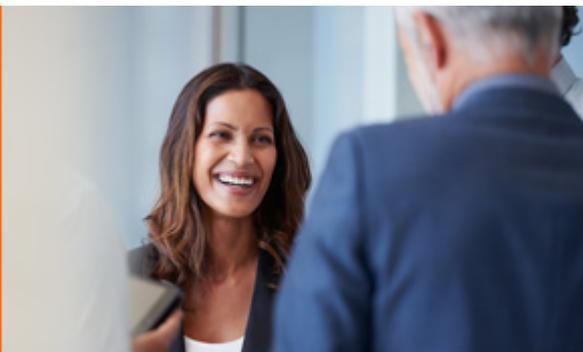


Residential Update.



Banking Code Of Practice

As you are aware the new 2019 Banking Code of Practice (**BCOP**), comes into effect for applications to be assessed from 1 July 2019. The BCOP is part of a reform agenda to improve banking services. It introduces a range of measures to make banking products and services easier to understand and more customer-focused. It represents a stronger commitment to ethical behaviour, responsible lending, greater protection and increased transparency.

We value our customers and believe that the BCOP is a big step towards providing better banking for all Australians. We wanted to let you know that ING has adopted the BCOP and has committed to complying with its terms.

The BCOP imposes new and improved obligations and requirements on ING and its representatives, which includes you. Those changes will become effective 1 July 2019. As our representative we expect all of your dealings with customers, both individual (borrowers and guarantors) will be BCOP compliant. You can find a copy of the BCOP on our web page from 1 July 2019. If you are, or become aware of any breach of the requirements of, and obligations imposed by, the BCOP, you must inform ING immediately. Some of the changes are set out below.

1. Vulnerable Customers

We are committed to taking extra care for customers that are vulnerable. We will treat those customers with sensitivity, respect and compassion. When you become aware that a customer is vulnerable or is in a vulnerable situation, you will be required to inform ING. Alternatively, you can inform the customer to contact ING on 133 464 as we have procedures and trained staff in place to assist them.

Examples of vulnerable customers and vulnerable situations include, but are not limited to:

- a customer experiencing financial abuse;
- a customer experiencing:
 - age related impairment;
 - cognitive impairment;
 - elder abuse;
 - mental illness;
 - serious illness
- a customer facing family or domestic violence; or
- any other personal or financial, circumstance causing significant detriment.

2. LMI Fact Sheet Where LMI Applies

For loans requiring Lenders Mortgage Insurance (LMI), ING will provide borrowers with a fact sheet regarding LMI. The fact sheet will contain information outlining the key policy features.

3. Changes to Home Loan Terms and Conditions

ING home loan customers will receive a Notice of Change for each product they have in the next statement run for the statement period ending 30 June 2019. The updated Terms and Conditions will be effective from 1 July 2019.

We will be in touch to provide greater information in relation to the changes to our products and services and to otherwise inform you of our training and education programs so that we can work together ensuring BCOP compliance. Please familiarise yourself with the BCOP which will be available at ing.com.au on 1 July 2019.

New Underwriting Guidelines

Our *Residential Mortgage Underwriting Guidelines* have been updated and will be made available at introducer.ing.com.au on 1 July 2019. Key takeaways are outlined below.

1. Guarantor Income

For individual borrowers, ING will only include a borrower's income for servicing purposes. Where the proposed borrower is an individual, ING will not assess income from a third party guarantor for servicing purposes. An example to highlight this change includes an individual borrower who is also a director of a private company that relies on retained profits for servicing purposes. The asset and financial position of a guarantor can of course be taken into account in assessing the overall security position, however the serviceability aspect of a loan approval can only be based on the individual borrower's income. Another example includes a de-facto couple where both are on the title and only one party is a borrower (in this example, we will only assess the income of the party that is a borrower on the loan).

2. Explanation of Beneficial Ownership for Co-Borrowers

When there is an application involving co-borrowers, you will need to establish substantial benefit with respect of the co-borrower. For purchases, ING requires you to establish substantial benefit where a co-borrower proposes to own less than 20% of a security property. In all cases we will require an explanation of what the substantial benefit is for the co-borrower who wishes to proceed with the application.

A "substantial benefit" includes where:

- (a) the co-borrower acquires a reasonably proportionate legal or equitable interest in assets purchased with the loan funds; or
- (b) a reasonable portion of the loan funds are used to repay any co-borrower debts, or other obligations owed by the co-borrower.

Some examples of substantial benefit are:

- (a) a purchase or a refinance of property where the co-borrower's name is on the title;
- (b) renovations to a property owned by both borrowers;
- (c) repayment of debt in both borrowers' names (e.g. all borrowers will repay debts held in their own names);
- (d) repayment of an equal share of debts owned by individual borrowers;
- (e) the co-borrower will run their business from the property being refinanced / purchased.

You must ensure that substantial benefit is clearly established and that you:

- (a) have taken reasonable steps to ensure that the co-borrower understands the risks associated with entering into the loan, and understands the difference between being a co-borrower and a guarantor;

(b) have taken into account the reasons why the co-borrower wishes to proceed with the application; and

(c) are satisfied that the co-borrower is not experiencing any financial abuse.

You will need to confirm the above in writing in the notes section via Applyonline or the Application Form.

3. Notice of Change and Updated Terms and Conditions

Customers will receive a Notice of Change for each product they have in the next statement run for the statement period ending 30 June 2019. The updated Terms and Conditions will be available at ing.com.au from 1 July 2019.

Need more information?

- Contact your ING representative or
- Contact ING Sales Support Unit on 1300 656 226 (Monday - Friday: 8:30 am - 6:00 pm AEST).

To learn more



Visit introducer.ing.com.au



Call 1300 656 226



Important Information: Information is correct on the date of publication and is subject to change. All applications for credit are subject to ING's credit approval criteria. Fees and charges apply. Any advice in this email does not take into account you or your customers' objectives, financial situation or needs and you should consider whether it is appropriate for you or your customers. Before making any decision in relation to our products, you and your customers should read the relevant Terms and Conditions booklet and Fees & Limits Schedule available at ing.com.au. If you or your customers have a complaint please call 133 464 at any time, as we have procedures in place to help resolve any issues you, or your customer may have. Credit provided by ING, a business name of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL and Australian Credit Licence 229823. You received this email as you provided ING with your email address. However, if you do not wish to receive further email communications from ING please send an email to [ING - reply@eccoms.ing.com.au](mailto:reply@eccoms.ing.com.au) with "Unsubscribe" in the subject line or call 1300 656 226.

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