

ING Serviceability Calculator User Guide



Applicant Details and Calculator Generation

GENERAL APPLICATION DETAILS	
Application type	New business
Application product	Residential Mortgages
Number of applicants	2

Ensure the "Enable Content" button is clicked if it appears.
 Select number of applicants (up to 6 permitted)

Please note the calculator may not work on certain Apple MAC computers.

Future Postcode - HEM may change depending on the postcode.

APPLICANT DETAILS						
Applicant number	Name	Relationship status	Couple on application	Number of dependants	Future Residential postcode	Future Residential status
1	Test 1	Couple on application	Applicant 2	2	2000	Mortgaged
2			Applicant 1			
Select relationship between borrowers					Generate Calculator	

Enter details for applicant 1, followed by applicant 2 and so on.

APPLICANT DETAILS						
Applicant number	Name	Relationship status	Couple on application	Number of dependants	Future Residential postcode	Future Residential status
1	Test 1	Couple on application	Applicant 2	2	2000	Mortgaged
2	Test 2	Couple on application	Applicant 1	2	2000	Mortgaged
					Generate Calculator	

For linked "Couple on application" ensure that Number of Dependents, Future Residential Postcode and Future Residential Status match between the applicants. Mismatch in data will result in incorrect living expense benchmarks being applied.

You can now generate the calculator for full data capture.

Applicant Income

ANNUAL INCOME	Applicant 1	Applicant 2
Taxable Individual Income		
Base Income (PAYG)	\$100,000	
Add other income types	No	No

Income view is simplified to capture Base Income (PAYG) information.

For other income types (Variable - Bonus, Overtime, Commission, Contract, Casual, Superannuation) select "Yes".

ANNUAL INCOME	Applicant 1	Applicant 2
Taxable Individual Income		
Base Income (PAYG)	\$100,000	\$85,000
Add other income types	Yes	Yes
Variable Income	\$10,000	\$3,000
Variable Income Industry	Variable - Other	Healthcare
Second Job		
Car Allowance		
Contract		
Casual		
Temporary		
Superannuation		
Investment		
Other income for servicing		
Other income acceptable for HEM but unacceptable for servicing		\$5,000
Total Taxable Individual Income	\$110,000	\$93,000

For Variable Income (Bonus, Overtime, Commission) the **Industry** must also be selected to ensure the correct income shading is used.

All other sections will shade per ING policy.

Place **all** allowances utilised for servicing into the **Car Allowance** field. All allowances are assessed at 80% for servicing.

Investment Properties	No	Yes
Investment property 1		
Property Details		
Property Type		Apartment
Post Code		2151
Property Value		\$1,000,000
Rental Income		
Rental Income		\$600
Frequency		Weekly
Rental Amount (Yield Capped)	\$0	\$31,200
Rental Expenses		
Rental Expense		\$50
Frequency		Weekly
Verified expenses		No
Assessed Rental Expenses	\$0	\$7,800
	(+) Add Investment Properties	Reset Investment Properties
Existing rental income	\$0	\$31,200
Existing rental expenses	\$0	\$7,800

For Jointly owned investment properties, the value, rent and expense amounts should be halved.

NEW - The change to rental income and expense treatment requires that additional property information is required to assess serviceability.

NOTE: Split jointly owned properties 50/50

Yield capped rental income. Once input, the calculator automatically shades 80% of the input figure.

Rental expenses to be used in Assessment

Assessable expenses will be added automatically to total expenses.

Business & Company Income		
Business (Sole Trader/Partnership) and/or Company Income?	None	None
Other Business & Company Income	No	No

Business & Company Income				
Business (Sole Trader/Partnership) and/or Company Income?	Both		None	
Business (Sole Trader/Partnership) Income	Current FY	Previous FY	Current FY	Previous FY
NPBT				
Interest				
Depreciation				
Other addbacks				
Taxable business income	\$0		\$0	
Non-Taxable business income	\$0		\$0	
Company Income	Current FY	Previous FY	Current FY	Previous FY
NPBT				
Interest				
Depreciation				
Other addbacks				
Negative gearing deductible	\$0	\$0	\$0	\$0
Gross company income	\$0		\$0	
Taxable company income	\$0		\$0	
Non-Taxable company income	\$0		\$0	
Net company income after tax	\$0		\$0	
Other Business & Company Income	Yes		No	
Company commercial property rental income				
Total Other Company Income	\$0		\$0	

Small Business/Company (Self-employed) Incomes
 Please refer to your ING representative for current policy.

By default the Business and Company income section is hidden from view to reduce visual complexity.

Select this option if needing to include business income or company income or both.

For sole traders, choose Business only.

This is where HELP/HECS repayments are entered.

Input any HELP payment per payslips.

Other Deductions	Yes	No
HELP Student Loan Repayment (Y/N)	Y	
HELP Student Loan Repayment Amount (p.a.)		
Total Other Deductions	\$19,500	\$0
Total gross income for HEM	\$195,000	\$124,200
Total gross income for DTI/LTI	\$195,000	\$124,200
Total gross income for servicing	\$195,000	\$124,200
Post tax income for servicing	\$130,253	\$88,265

HECS is calculated based on the total individual **taxable** income (tax free income is not included).

Applies to new lending

Proposed Liabilities

Residential Mortgages

Facility count	Name of lender	Loan Limit	Payment Type	Loan Term (months)	Interest Only Term (months)	Loan Purpose	Borrower Type	Customer Interest Rate p.a.	ING Assessment Rate	Actual Monthly Repayment	Assessed Monthly Repayment
1	ING	\$600,000	Principal & Interest	300	0	Owner Occupier	Personal	2.63%	6.10%	\$2,373	\$3,903

(+) Add Mortgages Reset Mortgages

Please input the total months, not years for fields **Loan Term (Months)** and **Remaining Loan Term (Months)**

Existing loans with ING and other mortgage loans

Existing Liabilities

Mortgages

Mortgages		Yes											
Facility count	Name of lender	Facility Type	Loan Limit	Payment Type	Remaining Loan Term (months)	Remaining IO Term (months)	Loan Purpose	Borrower Type	Declared Monthly Repayment	Customer Interest Rate p.a.	ING Assessment Rate	Actual Monthly Repayment	Assessed Monthly Repayment
1	Other	Residential Mortgage	\$300,000	Principal & Interest	250	0	Owner Occupier	Personal	\$400	2.61%	6.10%	\$1,557	\$2,122

(+) Add Mortgages Reset Mortgages

Remaining term in months is needed.

The calculator will use the Assessed Monthly Repayment for servicing purposes.

Liability Information

For all personal loans, we will assess the higher of the declared monthly repayment or the balance over 7 years at 10% p.a..

For Novated car leases, these should be input in this section as a personal loan. This section will also include unsecured overdrafts.

Personal Loans & Other Loans										
Yes										
Facility count	Name of lender	Facility Type	Loan Limit	Ownership %	Declared Monthly Repayment	Customer Interest Rate p.a.	Remaining Loan Term (months)	ING Assessment Rate	Actual Monthly Repayment	Assessed Monthly Repayment
1	ING	Personal Loans	\$10,000	100%	\$200	8.99%	84	8.99%	\$161	\$200
2	Other	Other Unsecured Loan	\$40,000	100%	\$500	5.00%	84	3.00%	\$565	\$1,200

Credit Cards						
Yes						
Facility count	Name of lender	Limit	Ownership %	ING Assessment Rate	Actual Monthly Repayment	Assessed Monthly Repayment
1	Other	\$10,000	100%	3.80%	\$380	\$380

(+) Credit Card Facilities Reset Credit Cards

ING Assessment Rate x Limit

If a Novated Lease is entered under existing liabilities, pre-tax income can be added.

You can choose to enter mandatory or non-mandatory expenses under Grouped or as Individual Expenses.

"Grouped" expenses will display only 3 categories to enter:

1. Mandatory HEM
2. Non-Mandatory HEM
3. Other Expenses

Under the grouped tab, you are able to change it to **Individual** to see further details.

EXPENSES	Expense Fields: Grouped	
	Applicant 2 & Applicant 1	
Mandatory Living Expenses	Frequency	Declared Amount
Total Mandatory Living Expenses	Monthly	\$2,000
Non-Mandatory Living Expenses	Frequency	Declared Amount
Total Non-Mandatory Living Expenses	Monthly	\$1,000
Total Declared Living Expenses	\$36,000	
ING Living Expense Benchmark	\$51,599	
Total Living Expenses for servicing	\$51,599	
	Applicant 2 & Applicant 1	
Total Other Expenses	Monthly	\$300
Total Other Expenses for servicing	\$11,400	
Applicant/couple expenses for servicing	\$62,999	

EXPENSES	Expense Fields: Individual	
	Applicant 2 & Applicant 1	
Mandatory Living Expenses	Frequency	Declared Amount
Transport	Monthly	\$150
Groceries	Monthly	\$600
Recreation & Entertainment	Monthly	\$200
General Insurance (Including Home & Contents on Primary O/Occ Residence)	Monthly	\$150
Telephone, Internet, Pay TV & Media Streaming Subscriptions	Monthly	\$100
Medical & Health (excluding Health Insurance)	Monthly	\$300
Clothing & Personal Care	Monthly	\$200
Total Mandatory Living Expenses	\$20,400	
Non-Mandatory Living Expenses	Frequency	Declared Amount
Public or Government Primary & Secondary Education	Monthly	\$100
Higher Education & Vocational Training (excluding HECS/HELP)	Monthly	\$0
Childcare	Monthly	\$300
Primary Residence Costs (excluding Insurance)	Monthly	\$100
Other Regular and Recurring Expenses	Monthly	\$100
Total Non-Mandatory Living Expenses	\$7,200	

Other Expenses	Applicant 2 & Applicant 1	
	Frequency	Declared Amount
Child & Spouse Maintenance		
Private & Non-Government Education		
Personal Insurance (Life, Health, Sickness and Personal Accident)		
Other Insurances		
O/Occ-Strata, Body Corporate, Land Tax		
Secondary Residence & Holiday Home Costs (including Insurance)		
Rent		
Board		
Total Other Expenses	\$0	
Total Other Expenses for servicing	\$7,800	

"Individual" expenses presents all categories in detail.

Note: Expenses for linked applicants are captured at the household level to compare against HEM.

Mandatory Living Expense fields must have a value entered.

Investment Property Expenses are captured in the dedicated section for this information. This value feeds into to the **Total Other Expenses**.

These expense categories are over and above the Living Expense Benchmark

Calculator Outputs

Note: While servicing may be met via achieving a positive "green" surplus servicing result, DTI and LTI ratios cannot be exceeded.

Our assessment rate should be entered in this section.

Maximum borrowing amount demonstrates P&I amount serviceable over the term and interest rate entered in this section.

SERVICING	
Maximum Borrowing Power (P&I)	
Loan term (months)	
Interest rate (p.a.)	
Maximum Borrowing Amount	\$0
Based on a loan term of months, an interest rate of .00% p.a with P&I repayments, the maximum loan amount for this application is \$0. -GUIDE ONLY	
Net Surplus	
Post tax income for servicing	\$145,681
Total annual commitments	\$38,310
Total expenses for servicing	\$59,400
Surplus/(Shortfall)	\$47,971
	PASS
Debt to income (DTI)	
Total debt exposure	\$325,000
Total gross income for DTI	\$181,200
Debt to income ratio	1.8
For Owner Occupied Interest Only loans, the DTI ratio must be less than 6. For Investment loans, the DTI ratio must be less than 6.	
Loan to income (LTI)	
Total proposed debt exposure	\$0
Total gross income for LTI	\$181,200
Loan to income ratio	0.0
For Owner Occupied Interest Only loans, the LTI ratio must be less than 6. For all other loans, the LTI ratio must be less than 8.	
Loan to value ratio (LVR)	
Total Proposed Loan Exposure	\$0
Total Security Value	
Loan to value ratio	0.0%
Comments	
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