

## Commercial Update

4 August 2016

### UPDATED COMMERCIAL CALCULATOR

Due to recent credit policy changes, we have made some adjustments to our Commercial Servicing Calculator, which will impact the treatment of the following income types:

- Rental income treatment will be reduced to 65% (from 70%) for all houses and units
- Reduction of the assessed negative gearing benefits by 50%.

Rental income from commercial property will continue to be treated at 70% when the owner pays outgoings and 100% if the tenant pays outgoings.

The Calculator will automatically apply the above amendments, so please continue to enter the full income amounts into the Calculator.

The new Calculator is now available to download from the Calculator page in the secure section of our ING DIRECT Introducer website.

### JULY DEAL OF THE MONTH

The July commercial deal of the month was from Grant Spencer of NLG (National Lending Group) for a complex business structure with multiple entities covering the trading business and group property assets. To help ING DIRECT understand the business structure and income streams, Grant provided a well-laid-out company tree to map entities involved, as well as directorship, shareholders and beneficiaries. This ensured there was clear visibility across the group.

We worked with Grant to make sure the right questions were asked, at the right time, in a clear format, to ensure we delivered the best solutions to create great customer advocacy.

Both the customer and the referrer are now strong advocates for Grant, and in turn ING DIRECT, as a result of working through this complex structure.

To find out how you can work with us on complex commercial deals for your customer, contact your ING DIRECT representative.

### INDICATIVE PRIORITY COMMERCIAL MORTGAGE INTEREST RATES

Rates are indicative only and subject to change without notice. Indicative interest rates are also available on the [Introducer website](#). Commercial fixed rates may change daily. The fixed rate that will apply will be the fixed rate applicable on the settlement date unless you rate lock. Information about rate lock can be found on the [Introducer website](#).

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### Commercial interest rates effective from 4 August 2016

COMMERCIAL VARIABLE RATE LOANS	Interest Rate (p.a.)	Comparison Rate (p.a.)
New Commercial Borrowings <\$500k	5.09%	5.16%
New Commercial Borrowings \$500k to < \$750k	4.99%	5.06%
New Commercial Borrowings \$750k to < \$1 million	4.89%	4.96%
New Commercial Borrowings \$1 million < \$2 million	4.69%	4.76%
New Commercial Borrowings \$2 million+	4.59%	4.66%
COMMERCIAL FIXED RATE LOANS	Interest Rate (p.a.)	Comparison Rate (p.a.)
Commercial 1 Year Fixed Rate	4.74%	5.13%
Commercial 2 Year Fixed Rate	4.72%	5.09%
Commercial 3 Year Fixed Rate	4.68%	5.05%
Commercial 4 Year Fixed Rate	4.94%	5.11%
Commercial 5 Year Fixed Rate	5.02%	5.13%

**For the curious:** Information is current as at the above date and is subject to change. ING DIRECT will consider applications above \$5.0 million on a case-by-case basis. The interest rate on these applications will be determined through your Business Development Manager. The above interest rates apply to Priority Commercial Mortgages for new business. Rates are reviewed and may change at any time without prior notice. The interest rate will be set on the settlement date for all loans, including fixed rate loans. All interest rates quoted above are indicative only. 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. All applications for credit are subject to ING DIRECT's credit approval criteria. **WARNING:** If you have a Fixed Rate Loan you may be charged break costs if, before the expiry of the fixed interest period: (a) you make an additional payment of \$20,000 or more, or make additional payments totalling \$20,000 or more in any one-year period (with the first one-year period starting on the first day of the fixed interest period); or (b) you pay out that fixed rate loan or an amount becomes due and payable; or (c) we agree to change your loan type or fixed interest period that applies to your loan. Break costs could be substantial if interest rates fall during the fixed interest period. You should take break costs into consideration when deciding whether you want to fix your interest rate. Any advice in this email 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 our loan products you should read the relevant Terms and Conditions booklet and Fees and Limits Schedule. ING DIRECT reserves the right to amend the published rates and the terms and conditions applying to its products and services at any time without prior notice. Further information regarding interest rates, fees, terms & conditions is available from your Business Development Manager. 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](mailto:marketing@marketing.ingdirect.com.au) with "Unsubscribe" in the subject line or call 1300 656 226. Products are issued by ING DIRECT, a division of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823 and Australian Credit Licence 229823.