

# Commercial Update.



## Interest Rates

For information on our current interest rates, [see our Introducer website](#).

## New Year tips on how to package commercial loans and avoid delays

Below are some handy tips to avoid assessment delays:

### Trust Deeds

When submitting an application that involves a trust, always provide us with a copy of the Trust Deed. Our Credit team use the Trust Deed to confirm:

- The type of trust (Discretionary or Unit Trust).
- The Trust and Trustee's full and proper name
- The beneficiaries/unit holders and whether we have the correct guarantees

### Why do you need to provide ING with Trust Deeds?

Holding a copy of the Trust Deed is critical to the credit assessment process as it will assist us when deciding which guarantees we require to support the application. In most instances we require the guarantee of all beneficiaries and unit holders.

In addition, unlike company borrowers, we're unable to undertake independent searches, therefore we require the Trust Deed to confirm the legal name of the entity and who the beneficiaries or unit holders are.

Note, ING solicitors will also require a certified copy of the Trust Deed for review.

### Guarantors and Group Structures

When submitting an application which involves a guarantee, it's vital that we understand the structure of the group to determine what guarantees are required. A guarantee is required:

- To secure the flow of profits in the group for serviceability; and/or
- To support the security offered for the loan

To help avoid delays and assist with structuring the application, below are some tips to keep

in mind when submitting a loan application with a guarantor:

- Identify the nominated guarantors and provide supporting identification documents.
- If the borrowing company/trust has been established specifically to purchase an asset you may need other income from the group to support serviceability. This could include a trading business or PAYG income from an individual.
- If we need other income, we will need guarantees from the entities that generate this income.
- If the associated trading entities are companies or trusts we will need the guarantees of the directors/shareholders or beneficiaries/unit holders depending on the type of entity.
- All persons/companies/trusts providing security who are not borrowers must be guarantors.
- Income details and Assets & Liabilities should be provided for all guarantors
- Where a trust is involved, it will be assumed that all trustees and beneficiaries are guarantors of the loan. Where you are requesting an exception to this, you should clearly outline this in your submission. These applications will be assessed on a case-by-case basis.

### **Individual or Entity Foreign Tax Residency, self-certification form**

As you are aware, Individual or Foreign Entity Foreign Tax Residency Self-Certification forms must be completed for each applicant or each entity and their controlling persons and submitted together with the loan application. This is a mandatory requirement. Here are some tips to help you ensure the form has been completed correctly:

- The signature field must be signed and dated
- Where the borrower is an entity as trustee for a trust the 'Legal name of the entity' field (page 1 of the Entity Foreign Tax Residency, self-certification form) should reflect this. For example ABC Pty Ltd ATF ABC Family Trust

### **Income Verification - 2017 Tax Returns**

As we have now entered 2018, where an applicant is Self-Employed, a Corporation or a Trust, all applications submitted are to be supported by 2017 and 2016 Income Tax Returns and Financial Statements.

If 2017 tax returns are not available, draft 2017 financials supported by recent Business Activity Statements will be considered on a case-by-case basis.

### **Need assistance with submissions, workshopping deals or a written response to a scenario?**

Have you received support from our Commercial Credit Specialist team or utilised our Commercial Discussion paper?

By completing a Commercial Discussion Paper you can speed up the application process as our team will respond to you within 48 hours, offering you the support you need to avoid any unnecessary delays and ensure you have a smooth credit experience.

[Contact us](#)

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Important Information: All applications for credit are subject to ING's credit approval criteria. 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. Further information regarding interest rates, fees and terms & conditions is available from your Business Development Manager. ING is a business name of ING Bank (Australia) Limited, ABN 24 000 893 292 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 [marketing@marketing.ing.com.au](mailto:marketing@marketing.ing.com.au) with "Unsubscribe" in the subject line or call 1300 656 226.

ING  
60 Margaret Street, Sydney, NSW, AU