

# Commercial Update.



## Interest Rates

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

## ING Commercial Credit Policy Reminders

Working in a constantly changing environment it can be difficult to remember all of the lender's policy changes. Here's a recap of some of our key commercial credit policy changes:

### Standalone servicing

A full servicing position may not be required when the loan for a commercial property can be serviced solely by the income from that property. Below are points to consider when identifying if an application meets this policy:

- Available for Company and Trust borrowers only
- **Not** available to individual borrowers
- **Not** available for owner occupied commercial property
- Policy can only be applied for investment properties with third party tenants
- Financial statements and tax returns for parties will still be required to ensure the security offered is not the primary source of income for the directors/shareholders or beneficiaries
- 20 year loan terms are not available when using this policy
- Interest only terms less than 5 years will be considered and influenced by the lease term or weighted average lease expiry for properties with multiple tenants

It's important to highlight that if these guidelines cannot be met the application can still be considered using our full servicing calculator that incorporates all group and personal income, debts and expenses.

### LVR changes for Industrial property

At the beginning of this month we introduced new security type classifications, we also made changes to the acceptable initial LVRs.

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Property type	Definition	LVR
<b>General industrial property and warehouse/Logistical</b>	The properties allow for multiple uses and do not cause any potential limitations to re-letting efforts (internal alterations are possible with minor effort).	Up to 70%
<b>Industrial specialised</b>	These property types are usually tailor-made, purpose built structures. For example: a refrigerated warehouse.	Up to 60%

Please note, the LVR for other security types, such as retail shops, and offices remain unchanged.

### Security properties

Key points to keep in mind when proposing a security property for a commercial loan:

**All residential security properties** - a single residential property **cannot** be used as security for both a residential loan and a commercial loan. As such we won't consider refinancing a home loan using the equity in that property as security for a commercial loan.

**Residential owner occupied security** - is only acceptable as collateral security to another non-owner occupied residential or commercial property.

**Residential investment security** - is acceptable as standalone and collateral security as long as the loan purpose is commercial or business related.

### Mechanical Workshops and Smash Repairers

All panel beaters and mechanical workshops remain **unacceptable** as tenants.

## Want to find out more or talk about a commercial loan?

Get in touch with your ING Representative, they can help you with your submissions, workshopping deals or scenarios.

[Contact us](#)

To learn more



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Call 1300 656 226



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