



## Commercial Update

### Commercial Credit Policy Changes

We're pleased to announce that we have made some changes to our Commercial Credit Policy. Please note, some changes apply to existing customers only. Going forward, commercial loan applications received will be assessed using the updated credit policy.

The key changes are outlined below:

Policy	Policy information
<p><b>Maximum loan size/limit increased to \$5 million for some EXISTING commercial loan customers</b></p>	<p>Existing commercial loan customers (who have had a commercial relationship with ING for a minimum of 12 months) can now be considered for a total loan limit of \$5 million (increased from \$3 million). Here are some of the key credit criteria that must be met:</p> <ol style="list-style-type: none"> <li>1. Maximum loan term 5 years (on the incremental debt only)</li> <li>2. Up to 70% LVR</li> <li>3. Annual review is required</li> </ol>

<p><b>Reduction in Assessment Rate and in Debt Service Cover Ratio</b></p>	<p>ING's commercial floor assessment rate will reduce to <b>6.50% p.a. (previously 7.50% p.a.)</b></p> <p>The assessment rate to be used for servicing purposes will be our new floor assessment rate of <b>6.50% p.a. with a minimum of 1.0x Debt Service Coverage (previously 1.2x)</b> and also assessed at the actual Commercial variable interest rate <b>with a minimum of 1.3x Debt Service Coverage.</b></p>
<p><b>Interest Only no longer assessed using Interest Coverage Ratio</b></p>	<p>Interest Only will now be assessed on a Debt Service Coverage basis using Principal and Interest repayments.</p> <p>Furthermore, servicing will be based on the Principal and Interest repayments remaining on expiry of the Interest Only period.</p>
<p><b>Acceptance of Owner Occupied Residential Security Property</b></p>	<p>Residential properties used for business purposes can be accepted if they're also the principal place of residence. Borrowers will be required to seek Independent legal and financial advice to meet the conditions of the loan.</p> <p>The proposed security property must be unencumbered.</p>

### Changes to ING Commercial Serviceability Calculator

Our Commercial serviceability calculator has been updated (version 3.31) to reflect the above changes and will also be updated with the following:

- Updated Living Expenses benchmark
- Updated residential assessment rate

The new calculator must be used for commercial loan applications effective immediately. The new calculator will be available shortly on the secured section of our broker portal.

### Income Verification - 2021 Income Tax Returns

Going forward, where an applicant is Self-Employed, a Corporation or a Trust, new applications must be supported by 3 years financial results.

The most recent year's financial results must be no older than 19 months. This must include:

- Most recent 2 years tax returns (minimum requirement); and
- Either last 4 quarter BAS Statements or Management Accounts for the remaining period, up to the latest GST reporting quarter.

Note – If most recent tax returns are not available, draft 2021 financials supporting last 4 quarter BAS Statements or Management Accounts for the remaining period, up to the latest GST reporting quarter will be considered on a case-by-case basis.

2021 Personal Income Tax Returns are also required for any individual applicants or guarantors. Where 2021 tax returns are not available, draft 2021 tax returns/financials will

be considered on a case-by-case basis.

A reminder that we also require:

1. ATO Business (Tax) Portal - Last 12 months for the main trading entity and Income Tax Account Statement for main trading entity.
2. Transactional statements - Last 6 months for the main trading entity.

### Property Insurance – Certificate of Currency Requirements

A reminder, ING will require evidence of a current certificate of insurance on all security properties for all commercial loan applications, loan renewals and variations (where financial assessment is required). ING must be noted as the mortgagee for each security property.

### Reminder - Commercial applications can be submitted via ApplyOnline

When submitting a new commercial loan application, remember to use the ApplyOnline platform. All ING Commercial accredited brokers are able to access the commercial module using their existing ApplyOnline platform user details.

If you have any questions or need support please refer to the ApplyOnline video tutorials available on ApplyOnline under 'Learn'.



Online help & support  
Visit [broker.ing.com.au](http://broker.ing.com.au)



Here 1300 656 226, 8.30  
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