



28 June 2010

## Credit policy changes to Servicing and Acceptable Security

From Saturday 10 July 2010, we are introducing Servicing changes and changes to Acceptable Security for Home/Investment Home Loans and Lines of Credit including Top Ups (i.e. additional funds).

### Servicing changes

The Servicing changes which may help increase your customer's borrowing capacity, include the treatment of:

- overtime income – we will accept 100% of overtime income for servicing purposes. Bonus income remains at 50% for servicing purposes.

When inputting overtime income into the calculators you must include any overtime income as part of the base income within the 'Gross (annual) Salary/Wages (including Overtime)' field as the separate 'Overtime income' field has been removed.

Note: You do not need to use overtime income for servicing purposes, if servicing can be satisfactorily demonstrated from base income.

- Number of principle residences and non-income producing properties owned by applicants  
You will no longer see the 'number of principle residences plus number of non-income producing properties owned by applicants' fields in the [Bridging and Non Bridging calculators](#).
- Medicare Levy, taxation brackets and monthly living expenses. We will update serviceability calculators due to changes in the Medicare Levy, taxation brackets and monthly living expenses.

### Changes to Acceptable Security

As from 10 July 2010, we will no longer accept

- Student Accommodation Units and
- SEPP Seniors Living Dwellings as security

for new Home/Investment Home Loans and Lines of Credit applications including Top Ups (i.e. additional funds).

As part of our commitment to responsible and prudent lending practices, the Bank has decided that the current environment does not justify the retention of these securities and has decided to cease accepting these securities as either prime or supplementary security. Customers may still purchase the above property types but they will need to provide an alternate [acceptable security](#) (for the purpose of the loan.)

For information on Commonwealth Bank home loan products and credit policies go to <http://www.commbroker.com.au/>

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**Prior to Saturday 10 July 2010**

The Bank will honour all applications credit scored 'conditionally eligible' prior to Saturday 10 July 2010 if there are no changes to the application or the changes fall within the Bank's 'acceptable changes' policy.

**New Non- Bridging and Bridging Calculator**

From Saturday 10 July, our serviceability calculator's (Non- Bridging and Bridging Calculators) will be updated to incorporate the above mentioned policy changes. Your Head Groups will be receiving these calculators shortly.

All home loan applications lodged on and after Saturday 10 July 2010, must use calculator version dated 10 July 2010.

The updated serviceability calculators will be available on [CommBroker](#) from Saturday 10 July 2010.