

# ANZ Broker Distribution Your guide to ANZ Policy

02.10

## Income & supporting documentation

### PAYG

#### Acceptable evidence of income for PAYG employees (includes second job)

Please supply any one (1) of the following options:

- One payslip confirming at least 3 months YTD figures (no more than 5 weeks old; must be consistent with annual income; not hand-written)
- If YTD not available. Minimum of 2 payslips with employer's name clearly identified and indicating ongoing employment for at least 3 months (not handwritten). Latest within 5 weeks of application date.
- Wages credited to a transaction account for the last 3 months, verified by supplying the ANZ account number or copies of other financial institution bank statements (with at least one being an original statement with Internet statements acceptable for others).

**Alternate income sources:** If you are unable to provide the above items as PAYG verification you can submit any two (2) of the following:

- 1 payslip without YTD from within the last 5 weeks;
- Tax agent prepared tax return (not handwritten);
- Notice of Assessment;
- PAYG summary (not handwritten); and/or
- Employment contract.

**Regular overtime/commissions:** Three months of payslips or tax returns to demonstrate consistency; must be ongoing for minimum three months.

**Casual income:** Verification requirements as per table above; must demonstrate consistency; must be ongoing with the same employer for minimum one year.

### Self-employed

Evidence is required in the form of copies of personal and all associated company/trust/partnership tax returns for most recent 1 year, accompanied by ATO assessment notices.

If the applicant operates as a company, must provide Company/Business name search to confirm ownership/directorship.

### Rental income (for residential properties)

ANZ will use a maximum of 75% of gross rental income in serviceability assessment.

Evidence of tenancy/income is required by way of one of the following:

- Real Estate Agency letter used in conjunction with the Rental Income Calculator
- Tax Return (as long as the property is still held and can be identified in the tax return)
- Lease Agreement
- Rental statements issued by the managing real estate agent (revealing stable payments over past 6 months)
- Valuation (including a rental estimate)

### Investment income

ANZ will use assets (shares, bonds & futures), self funded pensions/allocated annuities, interest and dividend income, if there is evidence that income has been earned on a stable and regular basis over the past year.

When calculating investment income it needs to be discounted to 75% of actual **or** the average of the last 2 years (whichever is lower).

Acceptable verification documents for investment income are:

- For actuals - dividends statement over the last 12 months (with the most recent being from the prior month; and
- For the average - 2 years financials (with the latest year being no older than 16 months).

### Government benefits and pensions

ANZ will use 100% of Family Payment, Parenting Allowance and Sole Parent Pension in the serviceability assessment, including Disability Support Pension & Disability Wage Supplement.

Evidence is required by way of a statement from Centrelink, issued within the last four weeks, confirming payment is ongoing and not subject to medical review.

Note: ANZ will not accept Child Support/Maintenance, Workcover, Austudy and Newstart Allowances.

### Negative gearing

To include negative gearing benefit for new or existing property investment loans:

1. Input the customer's details into the ANZ Negative Gearing Calculator and print output.
2. Include the negative gearing benefit (as calculated by the ANZ Negative Gearing Calculator) as an add-back in the 'Other Income' section on the customer's Statement of Financial Position.
3. Submit completed application to ANZ, including the ANZ Negative Gearing Calculator print out.

## LVR guidelines

The table below lists ANZ's Loan-to-Value Ratio (LVR) guidelines \* \*\*.

ANZ LVR Guidelines	Without LMI	With LMI
<b>Standard Residential Property</b>		
Standard Residential homes, units and townhouses (includes homes under construction, rural residential housing up to 10 Hectares and ACT Leasehold) <sup>^</sup>	80%	90%
Vacant Land <sup>#</sup> – Fully Serviced (only where < 2 Hectares)	80%	90%
<b>Non-Standard Residential Property</b>		
Rural Residential Housing or Rural Residential Vacant Land <sup>#</sup> (> 10 Hectares) (non income producing and zoned Residential or Rural/Residential)	70%	N/A
Property Development – Residential Standard Properties	70%	*
Vacant Land <sup>#</sup> – Fully serviced (where > 2 Hectares)	70%	*
Vacant Land <sup>#</sup> – Not Fully Serviced (must be < 10 Hectares)	70%	N/A
Small Residential Properties and Apartments (< 40m <sup>2</sup> )	60%	*
Studio/Warehouse Units and Apartments	60%	*
Bedsitter/Bachelor Apartments	60%	N/A
Multi Dwelling on one title (maximum 2 dwellings for construction)	70%	*
Company Title Units	70%	*
Hotel / Motel Re-Development (Residential Strata Title)**	70%	N/A
Luxury Residential (≥ \$2m)	75%	*
University Apartments / Student Accommodation (>50m <sup>2</sup> )	70%	N/A
Off the Plan Purchase (to be completed < 6 months) > 50m <sup>2</sup>	80%	90%
Off the Plan Purchase (to be completed > 6 months)	70%	N/A
<b>Loan Purpose</b>		
Lo Doc	60%	N/A
Owner Builder (% of land value only for property being owner built)	80%	N/A
Bridging	80%	*
Refinance	80%	90%
Consolidation of Debts – Owner Occupied	80%	90%
Consolidation of Debts – Investment	80%	90%
All other Acceptable Purposes	80%	90%

Notes:

\* Considered by LMI on a case-by-case basis up to a maximum of 90% LVR. \*\* Considered by Credit Assessment on case-by-case basis. <sup>^</sup> ANZ will only extend properties ≥ \$2m to a maximum of 75% LVR. The loan amount is capped to \$1.5M for properties below \$2M. # Vacant Land must have a residence constructed within 12 months. Vacant land is not acceptable for LMI Equity Manager products.

## ANZ Online Valuation Process

You manage the valuation ordering process, and can order customers' valuation where required under ANZ policy. This gives you the ability to more effectively time the valuation process.

1. Simply use the Online Valuation Policy Tool on [www.anz-originator.com.au](http://www.anz-originator.com.au) to determine the correct type of valuation required, and which valuer to use.
2. Complete the online valuation request form and submit.
3. Please supply the valuer with supporting documents (where required).
4. Receive the completed valuation via email prompt and view the valuation online.
5. Print and submit the valuation to the ANZ Broker Unit with your supporting documents (where required).

Note: In many cases a Contract of Sale will suffice and a valuation is not required. Please refer to the ANZ Online Valuation Tool for more information about the ANZ Online Valuations Policy. If you are uncertain which valuation is required, please contact your ANZ Business Development Manager.

## ANZ Lo Doc 60

The ANZ Lo Doc Policy reduces income verification requirements and improves the application process for customers. The table below outlines key features for the ANZ Lo Doc 60:

Feature	ANZ Lo Doc 60 LVR up to 60%
Income type	PAYG and self-employed customers only (Government benefits not available)
Products available	Available for all ANZ Mortgage products
Packages available	ANZ Breakfree Package and ANZ Professional Mortgage Benefits
Interest rates	Discounts may be available as per normal ANZ policy
LMI payable	LMI is not applicable
Fees & charges	Discounts may be available as per normal ANZ policy
Total lending	\$2.5 million maximum
Maximum individual loan size	\$2.5 million
Security locations	As per existing ANZ acceptable locations
Security type	Standard Residential property <ul style="list-style-type: none"> <li>• Properties &gt;=\$2m – &lt;=\$3m subject to maximum LVR of 60% (75% for full doc).</li> <li>• Properties &gt;\$3m – Valuation must be reviewed and LVR to be imposed by Property Risk.</li> </ul>
Employment confirmation	Self-employed – ANZ confirms ABN/ACN PAYG – Contact with the employer is not necessary unless there are concerns regarding employment status
Income confirmation	Self-employed – no further confirmation PAYG – no further confirmation
Valuation requirement	Normal valuation requirements to be followed as per ANZ Valuation Policy

## Where to go for more information

### Broker Enquiries

The Broker Enquiries Line can assist you with a range of queries and scenarios, including loan status updates, assessment policy, mortgage documents and electronic submissions:

VIC, QLD, TAS, NSW, ACT, SA, NT      Phone 1800 812 785      Fax 1800 501 231  
WA      Phone 1300 367 389      Fax 1300 369 891

### Your ANZ Business Development Manager

If you would like to discuss how to develop your business with ANZ, please contact your ANZ BDM, whose contact details are available on [www.anz-originator.com.au](http://www.anz-originator.com.au) > Our People.

### ANZ Operations Manual

The ANZ Operations Manual contains detailed information about ANZ's products, lending criteria, loan application process and more; and is available on [www.anz-originator.com.au](http://www.anz-originator.com.au) > Operations Manual.

### ANZ Toolkit

The ANZ Toolkit brings together all the tools and calculators you need to assist you to structure ANZ applications, and is available on [www.anz-originator.com.au](http://www.anz-originator.com.au) > Tools & Calculators.

Many of ANZ's home and residential investment loans were awarded CANNEX *mortgage star* ratings in 2009. Ask your Business Development Manager for further details. Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522. ANZ's colour blue is a trademark of ANZ.