

# Commercial Broker News



## Introduction

Jan 2013

We are anticipating an exciting year for ANZ Commercial Broker led by the success of our Secured Lending offering for our Small Business customers. Many of our introducers have shared with me how beneficial this policy is for them at recent industry conferences we have attended together.

This policy applies to trading businesses with borrowing needs up to a maximum of \$1M where the prime business activity is not for commercial property development or investment purposes. The trading business customer can borrow up to 80% against the extended value of the commercial property where:

- The commercial property is used for owner occupation; and
- The commercial property's investment loan is serviced from a trading business income (and/or PAYG) with no reliance on the rental income from the property.

The strong uptake has been very positive with many of you asking me whether ANZ would be prepared to extend this policy to customers with borrowings in excess of \$1M.

For larger and more complex trading businesses holding a variety of other assets in their balance sheet where revenue and business risk is not primarily property related, the bank will assess on the following:

- Provide lending facilities that can be serviced from cash flow;
- Security from a mix of securities over other balance sheet assets and not limited to property security within the group; and

- The strength of the directors and personal guarantees.

ANZ Relationship managers are assisting many trading business clients with lower levels of property security. If you have any larger trading business clients, contact your [Broker Manager](#) to discuss the opportunity.

Kind regards,

**Cosi De Angelis**

ANZ | Head of Commercial Broker

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## Commercial

### **We have launched our ANZ Commercial Broker website**

We are excited to launch our Commercial Broker website ([www.anz.com/commercialbroker](http://www.anz.com/commercialbroker)) to provide our busy brokers the resources they need more readily.

This one-stop destination has been designed to save our brokers time by providing online access to information about our products and services across commercial finance, asset finance and mortgages. The Commercial Broker website also features helpful tools, guides, forms, industry news and insights to assist our brokers with their business growth objectives.

We encourage you to log on at [www.anz.com/commercialbroker](http://www.anz.com/commercialbroker) and tell us how you found your experience by sending your feedback to us at [broker@anz.com](mailto:broker@anz.com).

### **ANZ provides assistance for customers affected by bushfires**

On Thursday 10 January 2013, ANZ announced an assistance package for customers affected by the bushfires across Australia. ANZ also will donate \$100,000 to the Australian Red Cross Tasmanian Bushfire appeal to support relief efforts in Tasmania.

[For more information, view the Media Release](#) 

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## Important Reminders - Asset Finance Brokers

## **Aged Financials**

For assessment purposes, accountant prepared financial statements are to be no older than 21 months from the balance date, with a minimum of twelve months trading. It is expected that aged financial statements (i.e. >18 months from balance date) are supported by more up to date management accounts (Profit & Loss and Balance Sheet). Acceptable cash flows and budgets accompanied with valid assumptions can also be of assistance in particular when a Client is substantially increasing their debt levels or expecting a significant increase in income from the asset being financed.

## **Update: BEF Chattel Policy**

### **Motor cycles**

1. Balloons are not permitted on motorcycle loans and no Accessory Finance is to be funded.
2. Any finance supplied for a motorcycle contract must be solely for the motorcycle.
3. No protective clothing or accessories can be added to the loan – they must be purchased separately by the customer.
4. The maximum age at the end of the loan term is eight years.

### **Caravans**

1. The maximum loan term of five years.
2. The maximum age at the end of the loan term can not be greater than 12 years.
3. Balloons are not permitted when financing the purchase of a caravan with a cash price or amount financed less than \$100,000. Balloons will only be considered for Caravans or Motor vans with a cash price of \$100,000 and over subject to confirmation with the chattel risk analyst that the balloon is acceptable.

### **Boats**

1. Marine goods can be financed to an age limit no older than 12 years at the end of the contract term however jet skis can only be refinanced to an age limit no older than 8 years at the end of the contract term.

2. Balloons are not permitted when financing the purchase of a boat with a cash price / amount financed less than \$100,000. Balloons will only be considered for boats with cash price of \$100,000 and over subject to confirmation of proposal with the chattel risk analyst. An amortisation schedule may be required to justify balloon for assessment purposes.

## **Update: Increase in the employment gap tolerance**

We are also pleased to announce that we have increased our tolerance to the time between current and previous employment for our customers. Customers can now have up to 6 weeks gap between jobs (*previously 4 weeks*) and still be considered to have continuous employment. For ease of reference the payslip (PAYG) policies have been included below.

As part of our standard consumer lending policy, we require evidence for full time employees that they have been employed for a minimum of 3 months with their employer. To comply with this requirement please provide documents from any one of the following:

- Two payslips covering three months of employment (Dated within five weeks of application, Employer's name must match application, Employer's ABN and applicant's name is clear); OR
- Transaction history from the customer's bank account indicating 3 months of continuous salary credit/deposits (dated within five weeks of application submission, Employer's and Applicant's name is clear); OR
- Any two of the following income documents (Payslip, Tax Agent prepared tax return, ATO Notice of Assessment, PAYG Summary). Where an employee has been working less than 3 months in their current role, they are required to provide confirmation of previous employment that does not reflect a gap greater than 6 weeks to confirm continuous employment.

Please ensure that when submitting the above documents that tax file numbers are removed before submitting. We have seen an increase in documents being submitted

with tax file numbers which is causing unnecessary delays at settlement. Also please note that no hand written proof of income documents will be accepted.

### **Update: Motor Vehicles 3.5 Tonne vs 4.5 Tonne**

To improve broker experience, any vehicle above 3.5 Tonnes will be classified as Other Wheels (previously up to 4.5 Tonnes).

### **Reminder: System Declines**

All system declines must first be discussed with your Broker Account Manager who will then decide if the transaction is worthy of a full assessment and approve the referral to allow the broker to progress the application.

### **Reminder: System Enhancement of Capacity Calculation**

#### **Other income**

We are pleased to announce the increase of other income share from 75% to 80%. Effective immediately, 80% of other income will be included into the total income calculation. Previously only 75% of other income was considered.

#### **Mortgage repayments minimum threshold**

Previously we advised that spousal income should not be included when they are not a co-borrower on the contract and to input only the borrower's share of expenses. Effective immediately, when the system calculates the borrower's ability to service, a minimum threshold of the greater amount of the customer declared home mortgage payment or the minimum threshold calculated by the Abacus system will be applied to the uncommitted income calculation. The minimum threshold will be calculated based on a 50% share of the Home Mortgage liability advised by the customer over a 30 year term.

In certain circumstances this will result in the borrower not having ability to service the loan. You will see these applications as referred with the reason "Commitments not able to be met." Without any further information being supplied we will not be able to approve these applications.

These measures have been taken in order to comply with responsible lending requirements. If you would like further information, please contact your relationship manager.

### Reminder: Acceptable Financiers for EUF

The following institutions are deemed acceptable with regards to a credit reference for EUF:

Adelaide Bank	Agco Finance	Alphera	ANZ Bank	Bank of Queensland
Bank of SA	Bankwest	Bendigo Bank	BMW / Alphera	Case (CNH – Capital)
Cat Finance	Captial Finance	Commonwealth Bank/CBFC	Daimler Chrysler	Delagen
Fleet Partners	GE/Genesis	HSBC Bank	John Deere	Macquarie
Members Equity (ME)	National Australia Bank	Paccar	Rabo Bank	St George Bank
Suncorp Metway	Toyota Financial Services	Westpac		

### Reminder: Enquiry line contacts – quick reference guide

So that we can best handle your call, please find below a quick reference guide of phone numbers for all enquiries:

Enquiry Line	Phone Number
Global Application Support Desk	1800 069 908
Settlements	1300 302 886 (option 1 and then 2)
Assessments	1300 302 886 (option 1 and then 1)

<b>Payout Enquiries</b>	<b>13 23 73 (Option 2)</b>
<b>Customer Service</b>	<b>13 23 73 (Option 1)</b>

The Global Application Support Desk provides first level “initial contact” telephone support for all users during normal business hours:

- Monday to Friday: 8am – 8pm (AEST)
- Saturday: 8am – 5pm (AEST)
- Sunday: 9am – 4pm (AEST)

Our Support Analysts are able to provide you with assistance covering:

- Questions relating to EsandaNet, Abacus and Abacus Options.
- Resetting of passwords: EsandaNet and Abacus.
- The current status of the network and Abacus.
- Resetting or restarting Abacus functions.
- Issues with printing /viewing documents via EsandaNet.
- Initial diagnosis of hardware problems.
- Initial diagnosis of communications problems.

**If you have any queries or would like more information please contact your Broker Manager or National Broker Sales support on 1300 385 269 or email [broker@anz.com](mailto:broker@anz.com)**

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This newsletter has been sent to you as you have previously provided your email address to ANZ for the purposes of receiving communications related to your role as an authorised ANZ broker.



