

Introduction to MOVE Bank

# Broker Lending Guidelines

The information provided in this document is a guide only and is not a complete summary of MOVE Bank's lending policy and is subject to change at any time.

For more information, please visit [movebank.com.au/broker-hub](https://movebank.com.au/broker-hub)





# Who are we?

- We're a mutual bank with long history of providing members with great value, easy-to-use banking products
- Established in 1968, we've been operating for over 50 years
- MOVE Bank is customer-owned, meaning 100% of profits are reinvested to benefit members
- Award-winning bank receiving multiple awards from leading comparison sites: Canstar, Mozo and RateCity





# Broker Channel

Brokers are a key component of MOVE Bank's strategy.

Loans available through our broker channel include:

- Home and investment loans (regulated loans only)
- Secured by properties zoned – residential and/or rural-residential
- Full banking facilities including offset on majority of loans
- Free redraw
- Discounted loan packages





# Broker Obligations

## Duty of Disclosure

**You will also need to advise us if you are not engaging with the borrower face to face as this will be taken into consideration when assessing the application.**

Before a loan is submitted, information that must be disclosed to us includes:

- Poor conduct on borrowers' loans
- Borrowers application previously referred to or declined by another lender/LMI provider
- Outstanding statutory obligations (eg. Unpaid council rates or body corporate levies, taxes)
- Adverse credit report or credit history of borrower
- Liabilities not disclosed by the borrower in the application
- If the borrower is not a citizen or permanent resident of Australia
- Advantageous purchases
- Borrower is employed by family members
- Any other non-compliance with the terms of the Broker Credit policy



# Broker Obligations

## Related party transactions

Full disclosure of any personal or employment relationship between any parties to the transaction, including but not limited to:

- Borrower
- Broker/introducer
- Vendor
- Legal representatives
- Vendors agent
- Valuers





# Loan Eligibility

<b>Acceptable</b>	<ul style="list-style-type: none"><li>• Live and work in Australia</li><li>• Permanent resident of Australia</li><li>• Loans which are regulated under NCC (consumer lending)</li><li>• Consolidation of up to 6 debts</li></ul>
<b>Non-preferred</b>	<ul style="list-style-type: none"><li>• Adverse credit history or borrowers with arrears</li></ul>
<b>Unacceptable</b>	<ul style="list-style-type: none"><li>• Bankrupts including Part IX arrangements</li><li>• Purposes such as bridging, low doc, tax debts and speculative</li><li>• Loans to legal entities such as companies and trust</li><li>• Temporary residents of Australia</li></ul>





# Equity Release

- Equity release loans are available for the following acceptable purposes:
  - releasing equity to buy another property
  - home renovations
  - investment in shares
  - purchase of motor vehicle
  - debt consolidation
- Where the equity release exceeds \$100,000 the following conditions must be satisfied:
  - Supporting evidence obtained to confirm equity release is for an acceptable purpose
  - MOVE Bank controls the release of funds for the declared purpose
- Unacceptable purposes for cash out include:
  - funds deposited to savings for purpose of servicing of the proposed loan





# Employment and Income

## Acceptable

- Self employed – minimum 2 years in business
- Casual employment - minimum of 6 months in role
- Second job – minimum of 12 months in role
- Contract employment – minimum 12 months in role
- Must have a minimum of 2 years industry experience if currently on probation
- No minimum employment term for permanent employees

## Unacceptable

- Boarder income
- Cash income
- Projected/management account income
- Overseas income
- Seasonal income (ie. A non-permanent job)





# Income inclusion rates

Type of Income	Inclusion rate
PAYG – 2 of the 3 most recent computer generated pay slips	100% (net)
Overtime/penalties – reflected on payslip & supported by PAYG summary or NOA	80% (net)
Commissions – reflected on payslip & supported by PAYG summary or NOA	80% (net)
Bonuses – supported by PAYG summary, bonus letter or NOA (last 2 years)*	50 - 80% (net)*
Allowances – reflected on payslip & supported by PAYG summary or NOA**	80 -100% (net)**
Second Job – 2 most recent computer generated payslips and income statement	100% (net)
Rental Income – supported by most recent rent statement/lease & bank statements	80% (gross)
Maintenance – supported by CSA / Private Agreement and bank statements	100% (gross)
Superannuation Income – supported by super benefit advice & bank statements	100% (net)
Government Payments – payable for 5 years	100% (gross)
Investment – Last 2 years tax returns, bank statements and NOAs	80% (net)
Self Employed Income – Financials, current 2 years tax returns (personal) & NOAs	100% (net)

\*Bonus: 50% with 1 year of history supplied; 80% with 2 years' history supplied.

\*\*Allowance: 100% if permanent condition of employment; 80% for all other allowances





# Serviceability and Assessment

- Affordability based on net servicing ratio and maximum debt to income ratio

Loan amount	Maximum NSR
Up to \$2 million	100%
\$2 to \$3 million	98%
Over \$3 million	95%

- All mortgage loans (including with other lenders) are to be assessed at a buffer of 3% pa. A minimum floor rate of 7.00% applies.
- MOVE Bank will use the greater of the declared living expenses, MOVE assessed expenses or HEM based on total income, location and family situation
- Borrowers approaching retirement age will be required to provide a satisfactory exit strategy
- All other non mortgage debts will be calculated using either the contractual repayment or a percentage of the approved limit (3.8% credit cards and 5% overdrafts)





# Product Features - Home and Investment Loans

Refer to the [Product Matrix](#) for full product features

		Straightforward Plus Home Loan	Completed Package Variable Home Loan with Offset	Completed Package Fixed Rate with Offset
Product	Purpose	Purchase or refinance of residential or residential investment property		
	Special conditions	N/A		
	Specific exclusions	Commercial	Construction and commercial	
Loan Amount	Minimum	\$150,000	\$50,000 OO, \$100,000 INV	\$50,000 OO, \$100,000 INV
	Maximum	\$3,000,000	\$3,000,000	\$3,000,000
	Top-up available	✓	✓	✗
		Minimum \$20,000	Minimum loan balance requirements	
Term	Maximum	360 months		
Acceptable Security	Security	Registered 1st mortgage over residential or residential investment property		
	LVR (refer Policy)	Up to 80%		
	LVR with LMI	Up to 95% OO, Up to 90% INV		
Interest Rate and Repayment Options	Interest type	Variable	Variable	Fixed – 1, 2, 3 or 5 year. Reverts to <i>Variable with Offset - Complete Package</i> at the applicable tier, based on the loan amount at the end of the fixed rate term
	Discount available	✗	✓	✓
	Repayment type	Principal & Interest and Interest Only (Interest Only available for investment loans only for a maximum of 5 years Note: Interest Only available for OO construction loans for a maximum of 12 months)		
	Extra Repayments allowed	✓	✓	✓
				Yes, capped at \$10,000 per fixed rate term.
	Repayment frequency	Weekly, Fortnightly, Monthly		
Product Features	Redraw available (No min)	✓	✓	✓
	Offset available (100% Offset)	✓	✓	✓
	Rate lock option available	✗	✗	✓

Alternate interest rates apply based on total borrowing, LVR %, loan purpose and repayment type. Please visit [www.movebank.com.au/broker-hub](http://www.movebank.com.au/broker-hub) for full interest rates available.



# Setting up the loan

## Our fees

### Straightforward Plus

- Establishment - \$600 (includes one standard valuation up to \$205)
- Valuation – at cost (applies to additional valuations)
- Top Up - \$150
- Additional security - \$150
- Discharge - \$350

### Complete Package

- Establishment - \$0
- Valuation – at cost (applies to additional valuations)
- Package - \$395 annual fee
- Rate Lock - \$375 (fixed loans)
- Top Up - \$150
- Additional security - \$150
- Discharge - \$350





# Acceptable Securities

Property Type	Requirements
House, villa, townhouse, unit, duplex, studio and serviced apartments or vacant land (Zoned residential)	<ul style="list-style-type: none"><li>• Readily saleable with no adverse features</li><li>• Land size must be less than 2.2 hectares</li><li>• For good quality properties located in a desirable and high demand capital city metropolitan location the minimum living area is 40m2 (excl. balconies and car space)</li><li>• In good condition and well presented</li><li>• Must have direct vehicular access</li><li>• Special conditions apply to high density apartments</li></ul>
House or vacant land (Zoned rural-residential)	<ul style="list-style-type: none"><li>• Readily saleable with no adverse features</li><li>• Land size must be less than 20 hectares</li><li>• Must not be income producing</li><li>• Connected to town power</li><li>• In good condition and well presented</li><li>• Must have direct vehicular access</li></ul>





# Property Location Guidelines

- Property location guidelines are based on QBE acceptable postcode locations:

Category	Area/Location	Additional information
1	Metropolitan – All states and territories	<b>As per QBE acceptable postcode locations</b>
2	Regional locations in all states and territories	<b>As per QBE acceptable postcode locations</b>
3	National	<b>All other postcode locations that do not fall under category 1 and 2</b>
4	High Density Properties	Additional conditions may apply

- Category 3 and 4 postcodes will be assessed on application, based on the applications individual merits
- Details of acceptable postcodes are available here: [qbe.com/lmi/lenders/tools/location-wizard](https://qbe.com/lmi/lenders/tools/location-wizard)
- \* High density = any security located in a building complex / development having 6 or more floors, or more than 50 accommodation units, and located in a high density postcode





# Loan to Valuation Requirements

Category	Metropolitan			Regional			National & High Risk		
	CAT 1			CAT 2			CAT 3 & 4		
Zoning	Residential			Residential / Rural Residential			Residential / Rural Residential		
Interest category/LMI	P&I	IO	LMI	P&I	IO	LMI	P&I	IO	LMI
House/unit (OO)	80%	80%	95%	80%	80%	95%	70%	N/A	95%
House/unit (INV)	80%	80%	90%	80%	80%	90%	70%	N/A	90%
Vacant Land	80%	N/A	95%	70%	N/A	95%	50%	N/A	95%
High density apartments	70%	70%	80-95%*	N/A	N/A	N/A	N/A	N/A	N/A

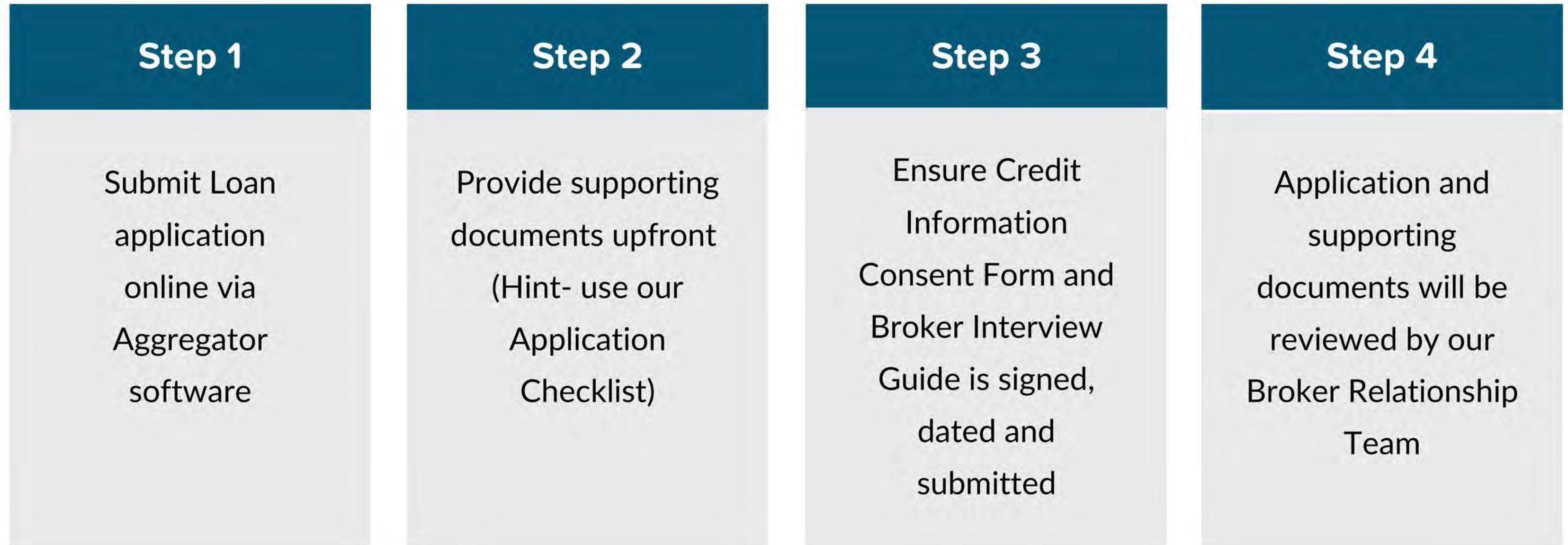
- If the loan is to purchase a property, LVR is based on the lower of the valuation or purchase price
- LVR limits are based on the loan amount inclusive of any fees and/or LMI premiums
- The LMI premium can be capitalised provided the maximum LVR is not exceeded

\*conditions apply





# Submitting a Loan - Broker Hub





# Verification Requirements

## Broker to Complete

- Verify information in loan application prior to submitting the application
- Original supporting documentation provided must be sighted, with a copy of these documents retained on the loan application file
- Completion of VOI – AusPost (once approval has been issued)
- Where minimum verification requirements cannot be met, MOVE Bank must be notified
- You must satisfy yourself as to the veracity of the borrower's stated income, with the income documentation supplied complying with policy requirements
- You must ensure product recommended is “not unsuitable” in terms of responsible lending requirements

## MOVE Bank to complete

- A review of bank statements will be conducted by MOVE Bank to validate information disclosed and where discrepancies are identified further information from the borrower will be obtained
- Employment verification will be carried out at discretion by MOVE Bank
- MOVE Bank shall perform a credit reference check with credit bureau on all borrowers who apply for credit regardless of amount or loan product
- Open MOVE Bank account
- Discuss general insurance needs



# Decisioning - What to expect

Application	Approval	Contracts	Funding
We'll be in touch to confirm that we've received the loan application	We aim to provide a condition approval within 48 hours of receiving the application and all the required documents as outlined in the Home Loan Application Checklist	Once we've provided an unconditional approval, the loan contract will be prepared and issued as per your directions within 48 hours. Note: a certificate of insurance will need to be provided before contracts can be issued. The borrower/s have 30 days to accept and execute the loan contracts.	The approved loan documents need to be executed and returned. MOVE Banks panel solicitor will then prepare the certification and proceed to settlement. Loan funds will be disbursed on the day of settlement.





# Settlement - What to expect

Onboarding	Settlement
Our friendly team will be in touch with the borrower/s to complete membership onboarding	We'll provide settlement advice prior to close of business on the day of settlement





# Get accredited in 2 easy steps

## Step 1

Complete the Broker Accreditation Form and send to your aggregator for sign off

## Step 2

Book in and attend an accreditation webinar via the Bookings option on [movebank.com.au/broker-hub](https://movebank.com.au/broker-hub)



### What's next?

We'll process your accreditation within 48 business hours and you'll receive a broker identification number on acceptance



# Meet the Broker Team



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## Get in touch



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