



Debt to Income Ratio

As part of Bendigo Bank's duty of care, we measure and consider a customer's debt to income ratio (DTI). This ensures customers have the capacity to service their debt, taking into consideration that circumstances can change after settlement.

How is DTI calculated?

DTI is calculated by dividing an applicant's total debt by their total income.

Example

Income: Applicant 1 \$80K p/a
Applicant 2 \$20K p/a (total \$100K)

New Loan: \$200K

Existing Loan: \$100K

Visa card limit: \$10K

Personal Loan: \$10K

Total Debt is \$320K

\$320K (total debt) divided by \$100K (total income) = DTI 3.2

Acceptable circumstances for high DTI

When the below table refers to a property it is referring to a CAT 1 standard property that may or may not be held as security by the Bank. Properties located in CAT 2 locations or lower and/or are of a specialised nature (such as a high-density apartment) may require extra mitigations and/or more conservative LVR settings.

| Acceptable DTI mitigants | |
|--------------------------|--|
| DTI ≥ 6 to < 7 | <ul style="list-style-type: none"> · LVR to be ≤ 80% · Must have multiple properties that could be sold to reduce exposure and allow customer to still have an owner occupied property with appropriate DTI <6 and with a sufficient servicing position. · Mitigations around reliance of joint income, household structure, LVR and available funds required · No uncontrolled cash out allowed. |
| DTI ≥ 7 up to MAX 8 | <ul style="list-style-type: none"> · Only considered for existing customers with no adverse conduct. · LVR to be ≤ 60% · Must have multiple properties that could be sold to reduce exposure and allow customer to still have an O/O property with appropriate DTI <6 and with a sufficient servicing position. · Mitigants around reliance of joint income, household structure, LVR and available funds required · O/O loan must be P&I. · No uncontrolled cash out allowed. · Full valuations on properties held for security is required. · Market analysis for properties not held as security to be done to ensure customer's estimate on value is reasonable and to better understand the general marketability of the properties concerned. |
| DTI Over 8 | <ul style="list-style-type: none"> · Generally, not accepted. · Consideration will only be given to existing customers with no adverse conduct. Brokers will need to consult their BDM prior to submission. |

For more information, please contact your Business Development Manager or call Partner Assist on 1300 791 679.

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