



Exit strategy

An exit strategy outlines how your customer plans to repay their mortgage debt at retirement.

This guide details a range of different scenarios and common situations describing which exit strategies are acceptable to Bendigo Bank. It also gives advice on what evidence you'll need to supply to support your customer's plan.

When an exit strategy is required

Any applicant to the loan aged 50 years or older, who will be older than 70 years at the maturity of the contracted loan term, is required to provide an exit strategy. The strategy must include details of how the applicant plans to clear the debt, and this plan must not cause a level of substantial financial hardship.

Scenario	Exit Strategy
A single applicant aged 49 requesting a 30 year term	N
A single applicant aged 52 requesting a 30 year term	Y
A single applicant aged 50 requesting a 15 year term (loan will end prior to applicant turning 70)	N
Joint application with one applicant aged 51 and the other aged 41 with a 30 year term requested	Y

For more information, or to discuss your customer's exit strategy, please contact your Business Development Manager.

Acceptable exit strategies

If your customer is required to provide an exit strategy, we will consider the following as appropriate explanations:

Additional repayments

Your customer advises that they will make additional repayments over and above the minimum amount (servicing must support that the additional repayments are possible). Further clarification may be considered such as where existing commitments end, and take into consideration other scenarios including school fees, personal loans paid out etc.

Downsizing of home

Downsizing from a large family home to a smaller low maintenance property can be popular option for many. It's important that your customer has the equity to clear their debt while purchasing the home they intend to move into. We may ask for further information around this future property in size, type, location and comparable sales of that area.

Sale of assets

Your customer may have assets, separate from their owner-occupied property, that they are able and willing to dispose of to pay off any remaining debt on their loan. Evidence of these assets and their worth may be required to support their exit strategy.

Income from investments

Your customer may have a range of other investments that they will derive an income from once retired. We can use this income, provided there is supporting evidence, along with considering your customer's lifestyle in this scenario.

Co-applicant income

Where there are joint applicants, and if the loan can be covered by the youngest applicant, including existing commitments, servicing may be required to support this exit strategy.

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