

# Residential Income Matrix



Employment Stability (PAYG)	
<b>Permanent (full time and part time); Casual; Dependent Contractor; and Second Jobs</b>	Minimum 6 months in job or 12 months continuous service in the same industry/role
<b>Conditions on breaks within employment</b>	One break in employment of a maximum of 4 weeks is acceptable
<b>Probation</b>	Probation acceptable subject to minimum 12 months service in same industry/role

## Primary Acceptable Income Sources

PAYG/Base income	
<b>Restrictions</b>	<p>For <b>permanent part time employees who work varying hours</b>, base income is to be calculated on the current YTD figure and annualised over 52 weeks.</p> <p>For <b>casual employment</b>, base income is to be calculated on the current YTD figure and annualised over 48 weeks.</p> <p><b>Education staff employed on a casual basis</b>, income is to be calculated from current YTD figure and annualised over 40 weeks.</p>
<b>%</b>	100%
<b>Verification documents</b>	<p>Any one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Payslip (Casual employment must cover 6 months); or</li> <li><input type="checkbox"/> PAYG Payment Summary/Income Statement; or</li> <li><input type="checkbox"/> Current Financial Year Income Statement 'Year to date' pay information; or</li> <li><input type="checkbox"/> ATO tax return</li> </ul>

Extended Leave (includes Parental Leave)	
Defined as returning to the workforce after a period of absence (e.g., parental leave, sabbatical)	
<b>Restrictions</b>	Must be returning to the same employer.
<b>%</b>	100%
<b>Verification documents</b>	<p>The following is required:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Letter or email from employer confirming return to work date, employment status (full time, part time, casual), and salary</li> </ul> <p>Where there is a shortfall in servicing during the remaining leave period, supporting evidence to meet commitments in the interim will be required</p>

Commission payments	
<b>Restrictions</b>	<p>Must be paid at least on a quarterly basis. If paid less regularly, it is to be treated as bonus payments.</p> <p>Must have been received for at least 12 months with current employer.</p>
<b>%</b>	80%
<b>Verification documents</b>	<p>Amount must be confirmed over a 12-month period with the current employer by:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Payslip</li> </ul> <p>And one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> PAYG payment summaries/Income Statements 'Tax Ready'; or</li> <li><input type="checkbox"/> ATO tax return</li> </ul>

Family and discretionary trust distributions	
<b>Restrictions</b>	<p>At least one applicant must be a trustee <u>or</u> a director of the trustee company <u>and</u> a beneficiary of the trust.</p> <p>Distributions paid to beneficiaries under 18 years old can be included without a guarantee being provided.</p>
<b>%</b>	100% added to taxable income
<b>Verification documents</b>	<p>One of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A letter or email from the trustee's accountant confirming Trust distribution amount paid to the applicant, distributions are ongoing; and the trust can meet all commitments without relying on distributions paid to the applicant; or</li> <li><input type="checkbox"/> Most recent business tax return lodged with the ATO.</li> </ul>

Managed superannuation	
<b>Restrictions</b>	Acceptable provided sustainable over the loan term.
<b>%</b>	100%
<b>Verification documents</b>	<input type="checkbox"/> A current superannuation fund statement or transaction history (less than 12 months old); And one of the following: <input type="checkbox"/> Transaction history showing regular income from the superannuation fund; or <input type="checkbox"/> Where income has not commenced, has not been received for 3 months or is to be increased, the future arrangements must be confirmed by the fund manager or the applicant's accountant.

Self-managed superannuation	
<b>Restrictions</b>	Acceptable provided sustainable over the loan term
<b>%</b>	100%
<b>Verification documents</b>	<input type="checkbox"/> Audited financial statements (including profit & loss and balance sheet) and tax return(s) (no greater than 18 months old); And one of the following (select based on payment frequency): <i>Weekly/fortnightly/monthly/quarterly payments:</i> <input type="checkbox"/> Transaction history showing regular income from the superannuation fund; or <i>Annual/bi-annual payments:</i> <input type="checkbox"/> Evidence of payment to account; or <input type="checkbox"/> Where income has not commenced, has not been received for 3 months or is to be increased, the future arrangements must be confirmed by the applicant's accountant or by the fund manager based on the analysis of the SMSF strategy.

## Supplementary Acceptable Income Sources

(Supplementary income sources can only be used in conjunction with a primary income source)

Bonus payments	
<b>Restrictions</b>	Must have been received for at least 2 years with the current employer.
<b>%</b>	80% of the average of the past 2 years included as taxable income
<b>Verification documents</b>	<p>Amount must be confirmed over a 2 year period with the current employer by:</p> <p><input type="checkbox"/> Payslip</p> <p>And one of the following:</p> <p><input type="checkbox"/> PAYG payment summaries/Income Statements over 2 year period; or</p> <p><input type="checkbox"/> Payslips from end of prior two financial years; or</p> <p><input type="checkbox"/> ATO tax return</p>

Allowances (car and other permanent allowances)	
<b>Restrictions</b>	<p>Must be permanent part of income</p> <p>Payments for reimbursements of expenses are not acceptable.</p> <p><i>For car allowance:</i></p> <ul style="list-style-type: none"> <li>• Where the vehicle has a lease against it, the liability must be included in serviceability.</li> <li>• Vehicle expenses must be included in the applicants declared living expenses.</li> </ul>
<b>%</b>	100% included as taxable income.
<b>Verification documents</b>	<p>Allowance must be confirmed over 3 months by:</p> <p><input type="checkbox"/> Payslip; or</p> <p><input type="checkbox"/> ATO tax return; or</p> <p><input type="checkbox"/> Current Financial Year Income Statement 'Year to date' pay information</p> <p>Where this cannot be demonstrated, one of the following is required:</p> <p><input type="checkbox"/> Letter or email from employer; or</p> <p><input type="checkbox"/> Copy of current employment contract</p>

Overtime	
<b>Restrictions</b>	Total YTD overtime income is to be annualised over 52 weeks.
<b>%</b>	80% <b>Emergency services only: 100%</b>
<b>Verification documents</b>	<p>Overtime amount must be confirmed as regular over a 6 month period by with the same employer and verified by any one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Payslip showing a minimum of 6 months YTD; or</li> <li><input type="checkbox"/> Payslip showing less than 6 months YTD; and any one of the following: <ul style="list-style-type: none"> <li>- 6 month transaction history from the transaction account; or</li> <li>- Payslip showing YTD from previous financial year; or</li> <li>- PAYG payment summary/Income Statement 'Tax ready'; or</li> <li>- ATO tax return</li> </ul> </li> </ul>

Salary sacrifices and salary packaging	
<b>Restrictions</b>	<p>May be added back where:</p> <ul style="list-style-type: none"> <li>• The deduction can be evidenced as a repayment being declared in the application (e.g. car lease); or</li> <li>• Where expense actually incurred are reflected in the customer's declared living expenses (e.g. gym membership, health insurances, parking); or</li> <li>• The deduction can be confirmed as being cancelled.</li> </ul> <p>Income from fringe benefits is not acceptable.</p>
<b>%</b>	100%
<b>Verification documents</b>	<p>Any one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Payslip clearly noting salary sacrificing/packageing arrangement; or</li> <li><input type="checkbox"/> PAYG payment summary/Income Statement; or</li> <li><input type="checkbox"/> ATO tax return; or</li> <li><input type="checkbox"/> Letter or email from employer or salary packaging supplier detailing the salary sacrificing/packageing arrangement; or</li> <li><input type="checkbox"/> Copy of a current employment contract detailing the salary sacrificing/packageing arrangement; or</li> </ul> <p>Where salary packaging involves multiple debt or expense payments, a statement or breakdown from the packaging company is required.</p>

Share dividends (ASX only)	
<b>Restrictions</b>	Company must be listed in ASX at the time of the application.
<b>%</b>	80% included as taxable income. Include net dividend income and franking credits.
<b>Verification documents</b>	Confirmation of ASX listing to be retained on submission, together with; <input type="checkbox"/> Evidence of current shareholding; And one of the following: <input type="checkbox"/> Statements from investment manager or broker showing 2 years past earnings; or <input type="checkbox"/> The two most recent tax returns.

Superannuation payments	
<b>Restrictions</b>	Only super amounts above legislative requirements may be added back.
<b>%</b>	100% of excess included as taxable income.
<b>Verification documents</b>	<input type="checkbox"/> Payslip Noting: Applicants must confirm that they are aware that they may have to stop payments in the future with details of conversation to be noted in diary comments/case notes.

Distributions from property trusts (managed investments)	
<b>Restrictions</b>	
<b>%</b>	80% of the average of the past 2 years investment income to be included as taxable income.
<b>Verification documents</b>	<input type="checkbox"/> Evidence of current holding in property trust; And one of the following: <input type="checkbox"/> Confirmation from property trust showing earnings for the last 2 years; OR <input type="checkbox"/> The two most recent tax returns

Managed funds (managed investments)	
<b>Restrictions</b>	Acceptable provided sustainable over the loan term.
<b>%</b>	80% included as taxable income. Include net dividend income and franking credits.
<b>Verification documents</b>	<input type="checkbox"/> Evidence of current shareholding; And one of the following: <input type="checkbox"/> Statements from investment manager or broker showing 2 years past earnings; OR <input type="checkbox"/> The two most recent tax returns

## Supplementary Acceptable Income Sources – Rental income

(Supplementary income sources can only be used in conjunction with a primary income source)

Residential rental income	
<b>Restrictions</b>	<p>Where a rental guarantee exists, the market rent as specified by the valuer is to be used.</p> <p>Display/exhibition homes with lease back the market rent as specified by the valuer is to be used.</p> <p>National Rental Affordability Scheme (NRAS) homes – use the lower of actual NRAS rent or NRAS rent as specified by the valuer.</p>
<b>%</b>	<p>90% for Category locations 1, 2 and 3.</p> <p>60% for Category 4 locations.</p>
<b>Verification documents</b>	<p><u>Tenanted Property:</u></p> <p>Any one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Current rental statement or rent receipts from the Real Estate or Managing Agent; or</li> <li><input type="checkbox"/> A valuation by a registered valuer stating the actual rent; or</li> <li><input type="checkbox"/> Copy of the signed current lease/tenancy agreement; or</li> <li><input type="checkbox"/> Transaction history showing consistent / regular rental payments; or</li> <li><input type="checkbox"/> Current ATO tax return</li> </ul> <p><u>Untenanted Property:</u></p> <p>Any one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A valuation by a registered valuer stating the market rent; or</li> <li><input type="checkbox"/> Rental appraisal from a real estate agent or licensed valuer uninvolved in the sale or recent purchase</li> </ul> <p><u>Non-arm's length rental income (including rental received from a family member)</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The rental income received must be verified to transaction history. Any rental paid in cash will not be acceptable.</li> </ul>

Short Term rental income	
Restrictions	Must have been received for at least one financial year.
%	90% Expenses taken from tax return and included as living expenses.
Verification documents	<input type="checkbox"/> Current ATO tax return. Must include property address.
Commercial rental income	
Restrictions	Subject to the lease having a minimum of 12 months to expiry. Can only be used where the property does not form part of the applicant(s) business e.g., rented to a related business/entity.
%	70% for Category locations 1, 2 and 3. 60% for Category 4 locations.
Verification documents	<input type="checkbox"/> A copy of the current formal lease agreement.  <u>Non-arm's length rental income (including rental received from a family member)</u>  <input type="checkbox"/> The rental income received must be verified to the most recent 3 months transaction history. Any rental paid in cash will not be acceptable.

## Supplementary Acceptable Income Sources – Government Income Sources

(Supplementary income sources can only be used in conjunction with a primary income source)

Veteran Affairs Pensions	
Restrictions	Where more than 50% of income used for serviceability is sourced from government benefits, or a combination of government benefits and child support the application must be reviewed and accepted by Credit.
%	100%
Verification documents	<input type="checkbox"/> Veteran Affairs benefit statement

Disability Support Pension	
Restrictions	Where more than 50% of income used for serviceability is sourced from government benefits, or a combination of government benefits and child support the application must be reviewed and accepted by Credit.
%	100%



<b>Verification documents</b>	<input type="checkbox"/> Centrelink benefit statement
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<b>Carer Payment</b>	
Acceptable only if paid for care of a child (including adult child) of the applicant. Adult children in receipt of own income are not considered dependent(s) for calculation of living expenses for serviceability.	
<b>Restrictions</b>	Where more than 50% of income used for serviceability is sourced from government benefits, or a combination of government benefits and child support the application must be reviewed and accepted by Credit.
<b>%</b>	100%
<b>Verification documents</b>	<input type="checkbox"/> Centrelink benefit statement

<b>Age Pension</b>	
<b>Restrictions</b>	Where more than 50% of income used for serviceability is sourced from government benefits, or a combination of government benefits and child support the application must be reviewed and accepted by Credit.
<b>%</b>	100%
<b>Verification documents</b>	<input type="checkbox"/> Centrelink benefit statement

<b>Family Tax Benefit A &amp; B</b>	
Only acceptable if the dependent child, or children, are 11 years old or younger at the time of the application and must be entitled to receive the benefit for the next 5 years.	
<b>Restrictions</b>	Where more than 50% of income used for serviceability is sourced from government benefits, or a combination of government benefits and child support the application must be reviewed and accepted by Credit.
<b>%</b>	100%
<b>Verification documents</b>	<input type="checkbox"/> Centrelink benefit statement

<b>Government benefit supplements/allowances</b>	
Only acceptable if paid in conjunction with an acceptable government benefit.	
<b>Restrictions</b>	Where more than 50% of income used for serviceability is sourced from government benefits, or a combination of government benefits and child support the application must be reviewed and accepted by Credit.

<b>%</b>	100%
<b>Verification documents</b>	<input type="checkbox"/> Centrelink benefit statement
<b>Child support</b>	
<b>Restrictions</b>	Must be registered with the Child Support Agency and permanent for the next 5 years.
<b>%</b>	100%
<b>Verification documents</b>	Both of the following are required: <input type="checkbox"/> Child Support Agency assessment notice; and <input type="checkbox"/> Transaction history confirming regular payments

## Self Employed Income Matrix

<b>Sole trader</b>			
<b>Acceptable income</b>	Sole trader net profit before tax	Before Tax Addbacks	After Tax Addbacks
<b>% used for servicing</b>	100%	Refer to 'Before Tax Business Addbacks' section	Refer to 'After Tax Addbacks' section
<b>Verification documents</b>	The following are required: <ul style="list-style-type: none"> <li>The most recent personal tax return together with the notice of assessment*; <b>AND</b></li> <li>The most recent 12 months (Integrated) Client Account Statement (ICAS)**/Activity statement and the Client Account List (CAL)/Account summary for applicant and related entries.</li> </ul>		

<b>Partnerships</b>				
<b>Acceptable income</b>	Applicant(s) salary	Partnerships distributions	Before Tax Addbacks	After Tax Addbacks
<b>% used for servicing</b>	100%	100%	Refer to Before Tax Business Addbacks section	Refer to After Tax Addbacks section

<b>Verification documents</b>	<p>The following are required:</p> <ul style="list-style-type: none"> <li>• The most recent partnership tax return together with the Notice of Assessment*; <b>AND</b></li> <li>• Business financial statements reflecting the most recent year trading result; <b>AND</b></li> <li>• The most recent personal tax return together with the Notice of Assessment*; <b>AND</b></li> <li>• The most recent 12 months (Integrated) Client Account Statement (ICAS)**/Activity statement and the Client Account List (CAL)/Account summary for applicant and related entities.</li> </ul>
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<b>Company directors</b>					
<b>Acceptable income</b>	Applicant salary	<p>Applicant(s) share of profit.</p> <p>An applicant(s) share of profits can only be included as acceptable income where:</p> <ul style="list-style-type: none"> <li>• All company directors and shareholders are applicants.</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• The applicant has a shareholding greater than or equal to 50%. All non-recurring income is to be deducted and reduced income used to calculate share of profit.</li> </ul>	Before Tax Addback	After Tax Addback	<p>Dividends and franking credits (current year).</p> <p>Where current years dividends and franking credits are used, share of profit and addbacks from the same company cannot be used.</p>
<b>% used for servicing</b>	100%	100%	Refer to Before tax business addbacks section	Refer to After tax addbacks section	100%

<b>Verification documents</b>	<p>The following are required:</p> <ul style="list-style-type: none"> <li>• The most recent business tax return; <b>AND</b></li> <li>• Business financial statements reflecting the most recent year trading result; <b>AND</b></li> <li>• The most recent personal tax return together with the Notice of Assessment*; <b>AND</b></li> <li>• The most recent 12 months (Integrated) Client Account Statement (ICAS)**/Activity statement and the Client Account List (CAL)/Account summary for applicant and related entities.</li> </ul> <p>Where dividend income is applicable, the following is required:</p> <ul style="list-style-type: none"> <li>• The most recent two years personal taxation returns may be requested evidencing the distribution of dividends</li> <li>• Confirmation from the applicants accountant of actual dividends and franking credits over the most recent two years</li> </ul>
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## Before Tax Addbacks

<b>Abnormal expenses</b>	
Not likely to occur in future years. 'Includes instant Asset Write Offs in line with ATO requirements'.	
<b>Restrictions</b>	<p>Applicant(s) share only.</p> <p>All items need to be confirmed by the accountant as non-recurring, these can include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• Loss on the sale of an asset</li> <li>• Replacement capital expenditure reflecting that some business assets need to be replaced (i.e., transport and earth moving companies).</li> </ul>
<b>% used for servicing</b>	100%
<b>Verification documents</b>	Current year's financial statements/tax returns.

## After Tax Addbacks

Existing rental income	
Shown separately on financial statements	
<b>Restrictions</b>	<p>Remove the income from the financial statements i.e., net profit less rental income = income figure for assessment.</p> <p>Full loan repayments must be allowed for.</p> <p>No interest, depreciation or any other add backs relating to the rental property to be included.</p>
<b>% used for servicing</b>	Refer residential, and/or commercial, and/or Category 4 rental income requirements in Employment and Income Matrix
<b>Verification documents</b>	Current year's financial statements/tax returns

Existing rental income	
Not separated within the financial statements	
<b>Restrictions</b>	<p>The net profit figure is to be used and interest and depreciation added back.</p> <p>Full loan repayments must be allowed for within the system.</p> <p>Rental income is not to be used as a separate amount other than that included within the net profit figure.</p>
<b>% used for servicing</b>	100% of the net profit in the net profit section
<b>Verification documents</b>	Current year's financial statements/tax returns

Interest	
<b>Restrictions</b>	Allow for full loan repayments on all debts including term loans, hire purchase, leases, overdrafts and refinanced debt.
<b>% used for servicing</b>	100%
<b>Verification documents</b>	Current year's financial statements/tax returns

Depreciation	
For Instant Asset Write Offs, please refer to Abnormal expenses in section of 'Before tax business addbacks'	
<b>Restrictions</b>	<p>Must be depreciated on the profit and loss statement.</p> <p>Caution must be exercised in adding back depreciation, especially for high cost assets which must be replaced (e.g. transport vehicles, earthmoving equipment, and operating plant and equipment). Although depreciation is a non-cash expense it is the nearest proxy to required reinvestment in capital equipment.</p> <p>Allow for full loan repayments on all debts including term loans, hire purchase and leases. Exclude those being refinanced by the loan application.</p>
<b>% used for servicing</b>	100%
<b>Verification documents</b>	Current year's financial statements/tax returns