

Residential Income Matrix



PAYG Definition – Employment Stability	
Permanent (full time and part time)	Minimum 6 months in job or 12 months continuous service in the same industry
Casual and second employment sources	Minimum 12 months in job
Conditions on breaks within employment	One break in employment of a maximum of 4 weeks is acceptable

Primary Acceptable Income Sources

Base income	
Restrictions	
%	<p>100%</p> <p>For permanent part time employees who work varying hours, income is to be calculated on the current YTD figure (excluding supplementary income, which is to be considered as per the relevant income type) and annualised over 52 weeks.</p> <p>For casual employment, income is to be calculated on the current YTD figure (excluding bonus and/or commission income) and annualised over 48 weeks.</p> <p>Education staff employed on a casual basis, income is to be calculated from current YTD figure and annualised over 40 weeks.</p>
Verification documents	<p>Permanent (full time and part time):</p> <ul style="list-style-type: none"> Transaction history from the transaction account where payroll is credited (i.e. Bendigo Bank statements) <p>If transaction history are not provided, any one of the following verifications:</p> <ul style="list-style-type: none"> Payslip (Casual employment covering 6 months) and/or extracted data showing YTD, computer generated with ABN (ABN not required for Government bodies); OR Available via myGov.au; either <ul style="list-style-type: none"> PAYG Payment Summary/Income Statement; or Current Financial Year Income Statement 'Year to date' pay information ATO tax return <p>Casual and second jobs: Acceptance and verification requirements to meet that of the above permanent (full time and part time) specifications, with confirmation that the employee has been within their role for 12 months.</p>

Parental leave payments	
If returning within 3 months, refer to Return to Work	
Restrictions	Must be returning to same employer and be receiving either employer or government parental payment.
%	100% The lowest income amount must be used (previous wage, return to work wage or government parental payment).
Verification documents	All the following are required: <ul style="list-style-type: none"> · Letter from employer confirming return to work arrangements, employment status (full time, part time, casual) and salary. · Evidence of current payments being received (employer or government parental leave payment), either: <ul style="list-style-type: none"> - Payslip; or - Transaction history verifying amount received. Less than 6 months history is acceptable where the applicant has been in receipt of parental leave payments for less than 6 months; or - Centrelink Benefit Statement · Arrangements must be clearly documented in the notes. <p>If there will be a period of no income, explanation of how applicant(s) will meet living expenses and debt commitments during this period and supported by evidence of savings, investments, etc.</p>

Return to work	
Defined as returning to the workforce after an extended period of absence	
Restrictions	Must be returning within 3 months to same employer
%	100%
Verification documents	All the following are required: <ul style="list-style-type: none"> · Letter from employer confirming return to work date, employment status (full time, part time, casual), and salary. <p>If there will be a period of no income, explanation of how applicant(s) will meet living expenses and debt commitments during this period and supported by evidence of savings, investments, etc.</p>

Self-employed applicants	
Sole traders, companies, company directors, partnerships, trustees of family trusts and subcontractors	
Restrictions	A minimum of one year's trading
%	
Verification documents	Refer to Self Employed Matrix

Family and discretionary trust distributions	
Restrictions	The applicant must be a trustee and beneficiary of the trust or be a director of the trustee company. Where the trust cannot meet all commitments without reliance on the distribution paid to the applicant, the income cannot be included in serviceability
%	100% added to taxable income
Verification documents	Six months transaction history showing regular credits; and either <ul style="list-style-type: none"> · A letter from the trustee's accountant confirming: <ul style="list-style-type: none"> - Trust distribution amount paid to the applicant and that the amount of the distribution is ongoing; and - The trust can meet all commitments without reliance on the distribution being paid to the applicant; or · Latest years ATO tax returns being no greater than 18 months old. These are to be reviewed by the lender/DLA holder to ensure the trust can meet all commitments without reliance on the distribution to the applicant.

Managed superannuation	
Restrictions	Acceptable provided sustainable over the loan term
%	100% Where there is a variance in income, lowest figure is to be adopted.
Verification documents	A current superannuation fund statement or transaction history (less than 12 months old); AND either <ul style="list-style-type: none"> · Transaction history showing regular income from the superannuation fund; OR · 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	
Restrictions	Acceptable provided sustainable over the loan term
%	100% Where there is a variance in income, lowest figure is to be adopted.
Verification documents	Both of the following: <ul style="list-style-type: none"> · Audited financial statements (including profit & loss and balance sheet) and tax return(s) (no greater than 18 months old); AND If weekly/fortnightly/monthly/quarterly payments: <ul style="list-style-type: none"> · Transaction history showing regular income from the superannuation fund; OR If annual/bi-annual payments: <ul style="list-style-type: none"> · Evidence of payment to account; OR · 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.

Secondary Acceptable Income Sources

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

Car allowance	
Defined as a payment made by a company to the applicant to reimburse them for use of their own vehicle for company purposes	
Restrictions	<p>Must be permanent part of income.</p> <p>Where the vehicle has a lease against it, the liability must be included in serviceability.</p> <p>Vehicle expenses must be included in the applicants declared living expenses DLE.</p>
%	<p>100% included as taxable income.</p> <p>Amount used for servicing = vehicle allowance paid by employer minus vehicle expenses.</p> <p>Where the vehicle has a lease against it, the liability must be included in serviceability.</p>
Verification documents	<p>Allowance and vehicle expenses must be confirmed by:</p> <ul style="list-style-type: none"> · Payslip; or · ATO tax return

Superannuation payments	
Restrictions	Only super amounts above legislative requirements may be added back.
%	100% of excess included as taxable income.
Verification documents	<ul style="list-style-type: none"> · Payslip; and · 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.

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

Salary sacrifices and salary packaging	
	Where salary packaging involves multiple debt or expense payments, a statement or breakdown from the packaging company is required.

Permanent allowances	
Restrictions	Allowable for ongoing payments e.g., district, shift, location, dangerous conditions allowances. Payments for reimbursement of expenses are not acceptable e.g., travel, meal.
%	100%
Verification documents	Allowance amount confirmed by: <ul style="list-style-type: none"> · Payslip And must be verified as permanent by: <ul style="list-style-type: none"> · Letter from employer; or · Copy of a current employment contract It is accepted that shift allowances for emergency services such as ambulance, fire, police, nurse, etc is considered a condition of employment and ongoing, therefore verification of permanency is not required.

Overtime	
Restrictions	Total YTD overtime income is to be annualised over 48 weeks, except for education staff which is to be annualised over 40 weeks. Where more than one verification document is required, the lowest figure is to be utilised.
%	80% Emergency services only: 100%
Verification documents	Overtime amount must be confirmed as regular over a 180 day period by with the same employer and verified by any one of the following: <ul style="list-style-type: none"> · Payslip showing a minimum of 6 months YTD; or · Payslip showing less than 6 months YTD; and any one of the following: <ul style="list-style-type: none"> - Transaction history from the transaction account; or - Payslip showing YTD from previous financial year; or - PAYG payment summary/Income Statement 'Tax ready'; or - ATO tax return

Commission or bonus	
Restrictions	
%	80% of the lesser of the past 2 years included as taxable income
Verification documents	Amount must be confirmed over a 2 year period with the current employer by; <ul style="list-style-type: none"> · Payslip, and any one of the following: <ul style="list-style-type: none"> - PAYG payment summaries/Income Statements over two year period; or - Payslips from end of prior two financial years

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	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%
Verification documents	Centrelink benefit statement

Carer Payment	
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.	
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	Centrelink benefit statement

Age 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%
Verification documents	Centrelink benefit statement

Family Tax Benefit A & 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.	
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	Centrelink benefit statement

Government benefit supplements/allowances	
Only acceptable if paid in conjunction with an acceptable government benefit.	
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	Centrelink benefit statement

Child support	
Restrictions	Must be registered with the Child Support Agency and permanent for the next 5 years.
%	100%
	Where there is a variance in income, lowest figure is to be adopted.
Verification documents	Both of the following are required: <ul style="list-style-type: none"> · Child Support Agency assessment notice; and · Transaction history confirming regular payments

Residential rental income	
Restrictions	<p>If a range is quoted the lowest value is to be used.</p> <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> <p><u>Non-arm's length rental income (including rental received from a family member):</u></p> <p>Where multiple verifications are held on file, the lesser of actual rental received by the customer, the market rental applicable to the property or amount payable under the rental /lease agreement is to be used for serviceability calculation.</p>
%	<p>90% for Category locations 1, 2 and 3. 60% for Category 4 locations.</p>
Verification documents	<p><u>Untenanted Property:</u> Any one of the following:</p> <ul style="list-style-type: none"> · A valuation by a registered valuer stating the market rent · Rental appraisal from a real estate agent or licensed valuer. <p><u>Tenanted Property:</u> Any one of the following:</p> <ul style="list-style-type: none"> · Current rental statement or rent receipts from the Real Estate or Managing Agent · A valuation by a registered valuer stating the actual rent · Copy of the signed current lease/tenancy agreement · Transaction history showing consistent / regular rental payments; or · Current ATO tax return <p><u>Non-arm's length rental income (including rental received from a family member)</u></p> <ul style="list-style-type: none"> · The rental income received must be verified to transaction history. Any rental paid in cash will not be acceptable.

Commercial rental income	
Restrictions	<p>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. <u>Non-arm's length rental income (including rental received from a family member):</u> Where multiple verifications are on file, the lesser of actual rental received by the customer, the market rental applicable to the property or the amount payable under the rental/lease agreement is to be used for serviceability</p>
%	<p>70% for Category locations 1, 2 and 3. 60% for Category 4 locations.</p>
Verification documents	<p>A copy of the current formal lease agreement. <u>Non-arm's length rental income (including rental received from a family member)</u></p> <ul style="list-style-type: none"> The rental income received must be verified to the most recent 3 months transaction history. Any rental paid in cash will not be acceptable.

Share dividends	
From public listed companies – individual company holding	
Restrictions	Company must be listed in ASX200 at the time of the application.
%	<p>80% included as taxable income. Include net dividend income and franking credits.</p>
Verification documents	<p>Confirmation of ASX200 listing to be retained on submission, together with;</p> <ul style="list-style-type: none"> Evidence of current shareholding; and either of the following: <ul style="list-style-type: none"> Statements from investment manager or broker showing 2 years past earnings; OR The two most recent tax returns.

Distributions from property trusts (managed investments)	
Restrictions	
%	80% of the lesser of the past 2 years investment income to be included as taxable income.
Verification documents	<p>Both of the following:</p> <ul style="list-style-type: none"> Evidence of current holding in property trust; AND <ul style="list-style-type: none"> Confirmation from property trust showing earnings for the last 2 years; OR The two most recent tax returns

Managed funds (managed investments)	
Restrictions	The fund must be managed within Australia
%	80% included as taxable income. Include net dividend income and franking credits.
Verification documents	Evidence of current shareholding; and either of the following: <ul style="list-style-type: none"> · Statements from investment manager or broker showing 2 years past earnings; OR · The two most recent tax returns

Self Employed Income Matrix

Sole trader				
Acceptable income	Sole trader net profit before tax	Before tax addbacks	After tax addbacks	Other forms of income as per income matrix
% used for servicing	100%	Refer 'Before tax business addbacks'	Refer 'After tax addbacks'	Refer 'Employment and income matrix'
Verification documents	The following are required: <ul style="list-style-type: none"> · The most recent personal tax return together with the notice of assessment*; AND · 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. 			

Partnerships and company directors				
Acceptable income	Applicant(s) salary	Applicant(s) share of profit. An applicant(s) share of company profits can only be included as acceptable income where: <ul style="list-style-type: none"> · The applicant or one of the applicants is the sole director of the company; or · All company directors and shareholders are applicants. 	Before tax addbacks	After tax addbacks. Other forms of income as per Income Matrix.
% used for servicing	100%	100%	Refer 'Before tax business addbacks'.	Refer 'After tax addbacks'. Refer 'Employment and Income Matrix'.
Verification documents	The following are required: <ul style="list-style-type: none"> · The most recent business tax return together with the notice of assessment*; AND · Business financial statements reflecting the most recent year trading result; AND · The most recent personal tax return together with the Notice of Assessment*; AND · 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. 			

Before Tax Addbacks

Abnormal expenses	
Not likely to occur in future years. 'Includes instant Asset Write Offs in line with ATO requirements'.	
Restrictions	<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"> · Loss on the sale of an asset · Replacement capital expenditure reflecting that some business assets need to be replaced (i.e., transport and earth moving companies).
% used for servicing	100%
Verification documents	Current year's financial statements/tax returns.

After Tax Addbacks

Existing rental income	
Shown separately on financial statements	
Restrictions	<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. No interest, depreciation or any other add backs relating to the rental property to be included.</p>
% used for servicing	Refer residential, and/or commercial, and/or Category 4 rental income requirements in Employment and Income Matrix
Verification documents	Current year's financial statements/tax returns

Existing rental income	
Not separated within the financial statements	
Restrictions	<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. Rental income is not to be used as a separate amount other than that included within the net profit figure.</p>
% used for servicing	100% of the net profit in the net profit section
Verification documents	Current year's financial statements/tax returns

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