



Responsible lending

What you need to know

At Bendigo Bank, we act in the best interest of borrowers to protect them, ensuring our products and services contribute to their prosperity, and do not lead to financial hardship.

To maintain this level of protection, we require you to comply with our credit policy and clearly provide reasons for your choices and decisions in your application.

Lending decisions and broker recommendations are open to challenge up to seven years after loan origination. Failure to meet responsible lending requirements can result in significant penalties to lenders and brokers.

The information provided in the loan application is the first defence against allegations of inappropriate conduct. We require you to provide accurate file notes of your conversations with borrowers in the loan application, not only to meet our obligations as a lender, but also to protect the professional reputation and future of our broker partners.

Your obligations

Your file notes must show that you've made reasonable enquiries about a customer's financial situation to ensure they can meet their obligations under the loan contract including, and importantly, their ability to meet the required loan repayments.

This includes evidence that you've taken reasonable steps to verify a customer's financial situation, and that you have suggested a loan that is not unsuitable to their purpose and objectives.

When we investigate further

Some of the common situations that will prompt further enquiry and documentation include (but are not limited to);

- When the Loan to Income ratio is high (for example, more than five times)
- Limited savings history
- Percentage of borrower's income used to service loan is more than 35 percent
- Declared living expenses appear low
- Loan term exceeds borrower's working life or retirement expectations
- Discretionary income/savings will be minimal after loan settlement
- Borrower wants an interest only loan for an owner-occupied property
- Product complexity, for example, fixed rate or interest only loans

For more information, please contact your local Business Development Manager.

This document is to be used as a guide only, is intended for broker use only and is not to be distributed to customers. Please contact your Business Development Manager for specific information. This guide is subject to change without notice. Bendigo and Adelaide Bank Limited ABN 11 068 049 178 Australian Credit Licence 237879. (1781326-1913780) (10/23)