

# Security and LVR Guide



## Security Location categories

The following table outlines Bendigo Bank's security location categories. These are divided into four categories (1 - 4) with a subcategory available in Category 1 to allow for higher properties values in Sydney and Melbourne metro locations.

Category	Description
<b>Category 1</b> Sydney and Melbourne	Sydney and Melbourne metropolitan areas.
<b>Category 1</b> Other metro cities	Other capital cities (inclusive of specified surrounding rural living areas) and major regional cities.
<b>Category 2</b>	Regional centres and large country townships.
<b>Category 3</b>	Country townships/other locations.
<b>Category 4</b> Higher risk	Locations considered higher risk due to geographic, economic or other factors. Further lending restrictions may apply – please speak to your Business Development Manager.

## Maximum Loan Sizes (by LVR and security location)

The following table outlines Bendigo Bank's maximum loan size available based on loan-to-value ratio and security location.

LVR	Category 1 Sydney and Melbourne metro	Category 1 Excl. Sydney and Melbourne metro	Category 2	Category 3	Category 4
≤ 95%	\$750,000	\$750,000	\$500,000	\$500,000	N/A
≤ 90%	\$1,500,000	\$1,500,000	\$1,000,000	\$750,000	N/A
≤ 80%	\$5,000,000	\$5,000,000	\$3,000,000	\$750,000	\$500,000
≤ 70%	\$6,000,000	\$5,000,000	\$3,500,000	\$1,250,000	\$500,000
≤ 60%	\$7,500,000	\$7,500,000	\$5,000,000	\$1,500,000	\$500,000

## Maximum Loan to Value Ratios

The following table outlines Bendigo Bank's maximum Loan to Value Ratios (LVRs) that will be considered. Noting:

- Where multiple restrictions apply to the same security, the lowest LVR is to be applied.

Category	Value	Max LVR without LMI	Max LVR with LMI
<b>Security location (refer below for high density rules)</b>	Category 1-3 locations	80%	95%
	Category 4 (higher risk)	60%	80%
	High risk locations	60%	80%
<b>Apartments/Units</b>	High density apartment/units	80%	90%
<b>Purpose and/or repayment type</b>	Owner Occupied with Principal & Interest repayments	80%	95%
	Investor with Principal & Interest repayments	80%	90%
	Interest only loans	80%	N/A
	Refinance loans/debt consolidation	80%	90%
	Cash out	80%	90%
<b>Other</b>	Rural Living ≤ 10 ha	80%	90%
	Rural Residential >10ha <50ha	80%	90%
	Rural Residential >50ha	60%	N/A
<b>Multiple units/townhouses in a single development</b>	2 in a single development	80%	90%
	3 in a single development	80%	N/A
	≥ 4 in a single development	65%	N/A

## Units/Apartments

- Must have a minimum dwelling area (excluding balcony and car parking/storage) of 40m<sup>2</sup>.
- Apartment complexes with more than 5 storeys (excluding car parking) or more than 50 units / apartments are deemed high density and lending restrictions apply (refer below).
- Other residential complexes e.g. gated communities with low rise townhouses, regardless of the number of properties in the development, are not considered high density.
- Not acceptable: Service, resort, hotel style and university/student apartments.

## Units/Apartments – High Density

Where a unit/apartment is deemed to be 'high density', the following restrictions apply:

- The minimum dwelling area must be 40m<sup>2</sup>:
- The unit/apartment must have the following attributes:
  - Every habitable [bedroom(s) and living room(s)] must have a window or glass door receiving natural light
  - A separate bathroom
  - A kitchen (shared or communal kitchen not acceptable), and
  - Laundry facilities (shared or communal laundry facilities not acceptable).
- Maximum LVR without LMI is 80%. Where LMI is taken, maximum LMI guidelines apply and all requirements must be met.
- Full valuation is required.
- For untenanted property, the market rental from valuation must be used for serviceability, real estate agent's appraisals are not acceptable.

## High Risk Locations

Defined as locations where geographical, economic or other reasons are considered higher risk. These include:

- All Category 4 security locations; and
- Any property identified with contamination, including any property valuation with a Risk Rating 4 for Environmental Issues due to contamination.

The following restrictions apply to high-risk locations:

- A full valuation must be completed.
- Maximum LVR 60% without LMI.
- When LMI is taken, maximum LVR 80% inclusive of LMI premium.
- Maximum loan size \$500,000.
- Interest only products are not acceptable.
- Rental income from these properties must be discounted to 60% of the market rent as noted on the valuation report.

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