



Community First Bank Lending Procedures and Verification Manual – Third Party Publication

This credit policy is Commercial-in-Confidence. The contents must not be communicated or shared for purposes other than consumer credit origination and must be utilised in accordance with Mortgage Origination, Introducer or Referrer Agreements.

This policy is effective August 2025

MP46.01 (reserved)

MP46.02 (reserved)

MP46.03 (reserved)

MP46.04 (reserved)

MP46.05 **Acceptable Borrowers / Guarantors**

Community First will consider loan application for any borrower (and/or supported by any Guarantor) who meets with the credit policies and rules and objectives and regulatory requirements of Community First, including but not limited to:

- a) Australian and New Zealand Citizens over 18 years of age
- b) Australian Permanent Residency Holders over 18 years of age
- c) Incorporated Entities
- d) Unit Trust
- e) Self-Managed Super Funds (subject to Loans Committee approval)

MP46.06 (reserved)

MP46.07 (reserved)

MP46.07.01 (reserved)

MP46.08 **Unacceptable Securities**

Community First will not consider applications for the following borrowers for retail lending purposes:

- (a) Any residential property:
 - Where a first registered mortgage cannot be obtained (excluding Family Guarantor properties);
 - Does not allow residential use under the current zoning;
 - Any property located outside of Australia or on any Australian islands not connected to the Australian mainland (Tasmania, Scotland Island, Kangaroo Island and Stradbroke Island are excluded from this policy and are acceptable locations)
 - Requires significant renovations / improvements
 - Is uninhabitable at the time of settlement
 - Located in small regional or remote locations which do not support an active residential real estate market
- (b) Crown Land (other than a Perpetual Crown Lease in the ACT);
- (c) Leasehold properties (other than a Perpetual Crown Lease in the ACT);
- (d) Any property with an unacceptable title, such as Purple Title (WA), Moiety Title (SA), Company Title, Company Stratum Title (Vic);
- (e) Improved site with a land size larger than 40 hectares;
- (f) Property subject to the Western Lands Act (NSW);
- (g) Any unit or apartment which has any of the following characteristics:
 - Located in a hotel or motel complex, regardless of use of proposed security property;

- Located in a student accommodation complex;
- Located in a retirement complex;
- Located a serviced apartment complex
- A studio or bedsitter apartment (i.e. no bedrooms)
- Is less than 40sqm in living area, excluding balconies and car spaces
- Dual Key apartments

(h) Mobile home, caravan, or re-locatable home;

(i) Boarding house or hostel, including properties where rooms are rented on an individual (per room) basis;

(j) Time-share property;

(k) Property generates primary production income (i.e. is a farm);

(l) Property with life tenancy on title

(m) Properties subject to mandatory rectification orders issued by a Statutory Body of constructed using unsafe building materials (e.g. combustible external cladding).

(n) Unique properties with a limited resale market

(o) Dwellings under construction (partially built at the time of application)

(p) Dwellings to be constructed on an Owner Builder basis

(q) Dwellings to be constructed on a Split Contract basis

(r) Unacceptable zoning which is detrimental to or restricts re-sale (e.g. Over 55's)

(s) Unimproved properties (i.e. vacant land / no dwellings) greater than 5ha

(t) Security properties in locations / towns which have a singularly dominant economic industry or entity (i.e. mining towns)

(u) Security property is subject to any restrictive covenants which have the potential to limit or reduce a property value on resale or impose resale restrictions

(v) Residential properties, Rural Residential properties or Rural properties which don't have meet the following requirements:

- Connected to the national electricity grid
- Have direct vehicular access via a formed, trafficable road
- Must be readily saleable with no adverse features such as affection by any government or state planning scheme, needs repair or has been poorly maintained or has reduced marketability due to location;

(w) Cash held in any financial institution other than Community First

(x) NDIS and NRAS properties

(y) Landlocked properties (only accessible via Right of Way across another property)

(z) Water Access only properties

(aa) Properties burdened with commercial infrastructure (e.g. telecommunications towers, advertising signage and billboards etc), regardless of ownership of that infrastructure

(bb) Commercial Properties

(cc) Display Homes (leased back to the builder)

(dd) Mobile Homes

- (ee) Kit and Relocatable Homes
- (ff) Contaminated Properties
- (gg) Properties within 50 metres of high-tension power lines
- (hh) Vacant land when applicants do not intend to build within 12 months
- (ii) More than 4 dwellings on a single title
- (jj) Properties with more than one Risk Rating of 5 from the Valuer
- (kk) Properties deemed unsuitable for Security purposes from the Valuer
- (ll) Properties directly or indirectly impacted by Native Title
- (mm) Properties located in an area subject to a flood rating greater than 1% AEP (Annual Exceedance Probability) – also known as a 1:100-year flooding probability
- (nn) Any security property deemed unacceptable by the members of the Loans Committee (Head of Credit Services, Chief Operating Officer, Chief Executive Officer) or the Community First Board.

MP46.09 Definition of Residential, Rural Residential and rural properties

Residential properties (no larger than 2.2 hectares / 5 acres) which don't have meet the following requirements:

- Connected to the national electricity grid
- Town water connection
- Have direct vehicular access via a formed, trafficable road
- Must be readily saleable with no adverse features such as affection by any government or state planning scheme, needs repair or has been poorly maintained or has reduced marketability due to location;

Rural Residential properties (larger than 2.2 hectares / 5 acres but less than or equal to 10 hectares / 25 acres) which don't have meet the following requirements:

- Connected to the national electricity grid (or be available to be connected from a connection point adjoining the subject property).
- Have direct vehicular access via a formed, trafficable road
- Must be readily saleable with no adverse features such as affection by any government or state planning scheme, needs repair or has been poorly maintained or has reduced marketability due to location;

Rural properties (larger than 10 hectares / 25 acres but less than or equal to 40 hectares / 100 acres) which don't have meet the following requirements:

- Connected to the national electricity grid (or be available to be connected from a connection point adjoining the subject property).
- Have direct vehicular access via a formed, trafficable road
- Must be readily saleable with no adverse features such as affection by any government or state planning scheme, needs repair or has been poorly maintained or has reduced marketability due to location;

MP46.10 (reserved)

MP 46.11 Family Pledge / Family Guarantees

(reserved)

Family Pledge / Guarantee loans are only available for purchasing or constructing Owner Occupied dwellings.

Family Pledge / Guarantee parameters are as follows:

- Fixed or Variable P&I Loans (1y IO allowable for construction)
- Loan not to exceed 100% of the purchase price
- Guarantors must meet the requirements of an “Acceptable Borrower”
- All guarantors must be interviewed using the approved interview questionnaire and guidelines.
- Independent Legal advice for Guarantors is mandatory
- Debt consolidation and/or equity release is unacceptable
- No requirement for financial assessment of the Guarantors other than a Credit Check (except Exit Strategy if Guarantor offers Owner Occupied property as security – Exit Strategy to be acceptable to Credit Services)
- 2nd Mortgage over Guarantors security is acceptable
- Limited maximum Guarantee of 20% of the purchase price required

As additional security a guarantee from a third party (e.g. parent) may be taken to support the facility. A guarantor must be at least 21 years of age and be acceptable to Community First, considering their financial position (i.e. income, expenditure, assets and liabilities).

Family guarantees should be limited to an amount not exceeding the minimum required to eliminate the need for LMI to be taken.

Where a Family guarantor if offering a mortgage over the Guarantors family / owner occupied home as security in support of their Guarantee, the Guarantors will be required to provide an “Exit Strategy”, outlining how they might meet their guarantor obligations if they cease full time employment and the guarantee remains in force.

All Guarantors must obtain independent legal advice in relation to their rights and obligations as Guarantors. Financial advice is recommended for all Guarantor(s). Guarantors must be allowed 72 hours “cooling off” period between execution of their Guarantees and settlement of the loan, in accordance with COPCOB requirements.

Requests to waive mandatory Guarantor legal advice can only be approved by Head of Credit Services, Chief Operating Officer or CEO.

MP 46.12 Security Guarantees

For applications where a co-owner of the security property is not a borrower but will be a Guarantor for the borrower (co-owners) loan, the guaranteed liability will be capped at the higher of the loan amount (where property is owned as joint tenants) or the Guarantors shareholding in the property (where property is owned as tenants in common)

All other requirements applicable to Family Guarantee Loans above equally apply to Security Guarantee loans as they do for Family Guarantee loans

As additional security a Term Deposit held by Community First may be taken to support the facility. The Term Deposit must be acceptable to Community First whilst also considering the member's financial position (i.e. income, expenditure, assets and liabilities) as well as the term that the term deposit is to be used as security.

Requests to waive mandatory Guarantor legal advice can only be approved by Head of Credit Services, Chief Operating Officer or CEO.

MP46.13 Gifts and Favourable Purchases

MP46.13.1 Gifts

Gifted funds for applicants to assist with deposit equity (i.e. to reduce LVR or avoid LMI) are acceptable under certain circumstances outlined below.

- Confirmation to be provided by the party making the gift confirming that amount gifted is for the express purchase of purchasing our security property and is non repayable.
- The provider of the gift is related to at least one of the borrowers
- Gifted funds are to be deposited into a Community First bank account prior to formal approval being granted (e.g. Construction loans)

MP46.13.2 Favourable Purchases

A property purchase is deemed favourable when it is exchanged at below market value. A favourable purchase is acceptable providing the below criteria is met.

Where the vendor and purchaser are related parties (e.g. family members or estates of family members) and the purchase of the proposed security property is at a discount due to the vendor / purchaser relationship, the Loan to Value Ratio may be calculated using the sworn valuation.

MP46.13.3 Favourable Purchases

Where a security property has been purchased off the plan, the current valuation (as at date of application) may be used for LVR calculations, provided the unconditionally exchanged Contract for Sale is more than 12 months old at the date of application.

MP46.14 Funds to Complete and Genuine Savings

MP46.14.1 Funds to Complete

Evidence of funds to complete is required for all non-refinance applications. Evidence can be via:

- Bank Savings Statements
- Available redraws or Line of Credit available funds
- Sale of a property
- Share Portfolio Statement

MP46.14.2 Genuine Savings

A minimum of 5% genuine savings is required for all applications where LVR is >90% or a Housing Australia Deal (note 2% for Family Guarantee applications). Evidence can be via:

- Bank Savings Statements
- Available redraws or Line of Credit available funds
- Sale of a property
- Share Portfolio Statement
- Gift
- Rental Ledger
- Inheritance

There is no minimum timeframe that savings are required to be held, provided the source of the savings can be identified / tracked.

MP46.14.3 Unacceptable Genuine Savings

The following forms of genuine savings are unacceptable and cannot be accepted where Genuine Savings is required.

- Personal Loans
- Gifts or incentives from Builders or Developers
- Funds not held in an Australia Account
- Foreign Shares or Bonds
- Cashbacks
- Government Grants
- Sale of assets other than Real Estate
- Unrealised Capital Gains
- Funds held in a business or corporate account

MP46.15 Credit Reports / Account Conduct

MP46.15.1 Unacceptable Findings

The following credit bureau listings are considered “unacceptable” and will not be considered under any circumstances:

- Bankruptcy (regardless of status)
- Judgement
- Court Writs or Summons
- Defaults not paid in full (Unpaid / Settled Defaults)
- Paid Defaults >\$500
- Paid Defaults listed by the Community First
- Defaults paid less than 12 months prior
- Clear-outs
- Winding up or liquidation proceedings

MP46.15.2 Adverse Findings

The following credit bureau listings are considered “adverse” and will may be considered under any circumstances:

- Paid defaults < \$500
- Evidence of Hardship assistance provided by existing lenders

MP46.15.3 Comprehensive Credit Reporting (CCR)

Following a review of the applicant's CCR data, if any of the following are evident, an acceptable explanation for the missed payments is required:

- Any RHI (Repayment History Indicator) of 2 or greater
- 3 or more RHI 1 in 24 months
- Any RHI within 6 months of the open date
- Any RHI on more than one Credit facility

MP46.15.4 Bank Statements Review

Following a review of the applicant's Bank Statements, if any of the following are evident then you are required to provide an acceptable explanation of the reasoning:

- 1 or more Dishonours, rejected Direct Debits
- Unarranged Overdrawn or Overlimit
- Credit Card Late payments or Overlimit
- 75% or more of their income being withdrawn in cash
- Large cash withdrawals
- Multiple transactions at licenced premises or transfers to and from Betting applications

MP46.15.5 Credit Reports

Credit Reports are to be obtained for all applicants to a loan application, along with all Guarantors and Company Search for any related companies to one or more of the applicants.

All Credit Enquiries in the past 12 months must have commentary within recommendation notes as to whether it proceeded or not.

Note: Any applications with unacceptable findings should be declined and NOT referred to Credit Services for a decision. Adverse findings will only considered by Credit Services with a strong explanation, only under exceptional circumstances and only for long term Community First members.

MP46.16 Employment

Minimum employment requirements for Community First lending are as follows:

PAYG (Full time or permanent part time)	<ul style="list-style-type: none"> Minimum 6 months of continuous employment or 12 months in the same industry (<i>any break between employers greater than 4 weeks requires explanation</i>)
Casual	<ul style="list-style-type: none"> Minimum 6 months of continuous employment or 12 months in the same industry (<i>any break between employers greater than 4 weeks requires explanation</i>)
2 nd Job	<ul style="list-style-type: none"> Minimum 12 months of continuous employment, as at the date of application
Contract ¹	<ul style="list-style-type: none"> Minimum 6 months remaining on current contract or 12 months in the same industry if PAYG. If under an ABN refer to self-employed below
Self Employed ²	<ul style="list-style-type: none"> Minimum of 2 full financial years
Self-Funded retirees	<ul style="list-style-type: none"> No set minimum
Probation	<ul style="list-style-type: none"> Applicants on probation will be considered for new Community First Bank lending, subject to Unacceptable Borrower / Guarantor requirements
Continuous Employment	<ul style="list-style-type: none"> Any break greater than 4 weeks between employers will need to be explained prior to be considered acceptable as “continuous employment”
LVR > 80%	<ul style="list-style-type: none"> Minimum employment requirements where the proposed LVR exceeds 80% must comply with LMI provider guidelines, regardless of whether the application is assessed under LMI, Housing Guarantee Scheme or Community Advantage policies

¹ A contractor operating via an ABN may be assessed as a PAYG income earner, if their “employer” is making tax and superannuation payments on behalf of the applicant.

² A self-employed applicant is defined as a borrower who holds a controlling interest or via their personal relationships, exerts Board control over the company from which they receive their income. Minority shareholders in a single company are not considered self employed

MP46.17 Acceptable Income Verification

Type	Minimum Requirement	Application
PAYG (AUS)	<ul style="list-style-type: none"> 2 most recent payslips, or 1 payslip and bank statements, or 1 payslip and latest payment summary or Notice of Assessment (NOA) 	<ul style="list-style-type: none"> 100%
PAYG (OS)	<ul style="list-style-type: none"> Last 2 years income Tax returns and corresponding NOA's 	<ul style="list-style-type: none"> 50% using the rate of exchange at the point of application
Tax Free Income	<ul style="list-style-type: none"> Salary Sacrifice agreement (Excludes Health Care workers and applicants working for a registered Not for Profit) 	<ul style="list-style-type: none"> 100% added to Tax Free income

Overtime	<p><i>Application submitted prior to 1st November annually</i></p> <ul style="list-style-type: none"> 2 most recent YTD payslips confirmation of previous years taxable income (YTD income from 30th June payslip) or NOA <p><i>Application submitted on or after 1st November annually</i></p> <ul style="list-style-type: none"> Annualised YTD from most recent YTD payslips, or 	<ul style="list-style-type: none"> 80% 100% for all 'front-line' workers <ul style="list-style-type: none"> Police Paramedics Fire Fighters Health Care workers (Doctors and Nurses) Correctional Service workers Public Transport crews Utilities workers (electricity, gas and water)
Bonuses / Commissions / Allowances	<ul style="list-style-type: none"> 2 most recent YTD payslips, or 1 YTD payslip and bank statements, or 1 YTD payslip and latest payment summary or NOA 	<ul style="list-style-type: none"> 80% If paid periodically use the average of the last 12 months If paid annually use the average of the last 2 years
Mileage	<ul style="list-style-type: none"> Not acceptable 	
Fully Maintained Company Vehicle	<ul style="list-style-type: none"> Letter from employer or employment contract confirming approval for unrestricted private use of the vehicle 	<ul style="list-style-type: none"> \$5k added to borrowers annual PAYG taxable income
Family Tax Benefit and Foster Carer income	<ul style="list-style-type: none"> Current Centrelink Certificate of Entitlement OR Bank statement 	<ul style="list-style-type: none"> 100% accepted for each child aged 13 years of age or younger, at the date of application. Foster carer income on accepted where borrowers have permanent custody of the children until 18 years of age.
Acceptable Centrelink Income	<ul style="list-style-type: none"> Current Centrelink Certificate of Entitlement OR Bank statement 	<ul style="list-style-type: none"> 100% <p>Income must be ongoing for a minimum of 5 years from the date of application.</p> <p>Centrelink income will not be accepted where the oldest borrowers age plus proposed loan term exceeds the average Australian life expectancy (see below)</p>
Average Australian Life Expectancy	<ul style="list-style-type: none"> 83 years of age 	<ul style="list-style-type: none"> https://www.aihw.gov.au/reports/life-expectancy-deaths/deaths-in-australia/contents/life-expectancy

Maintenance	<ul style="list-style-type: none"> Letter from Child Support Agency (CSA) confirming payment <p><i>PLEASE NOTE non-CSA child maintenance arrangements not accepted</i></p>	<ul style="list-style-type: none"> 100% accepted for each child aged 13 years of age or younger, at the date of application.
Carers Allowance	<ul style="list-style-type: none"> Current Centrelink Certificate of Entitlement OR Bank statement 	<ul style="list-style-type: none"> 100% if to be received for at least the next 5 years
NDIS Income	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA
Interest Income	<ul style="list-style-type: none"> Last 2 years Income Tax returns and corresponding NOA's 	<ul style="list-style-type: none"> 80%
Dividends	<ul style="list-style-type: none"> Last 2 years Income Tax returns and corresponding NOA's 	<ul style="list-style-type: none"> 80%
Rental Income (long term - AUS Only)	<ul style="list-style-type: none"> 2 most recent rental statements, OR Bank Statements, OR Current Lease Agreement OR Latest Income Tax return and corresponding NOA OR Valuation OR Real Estate Agent's Letter 	<ul style="list-style-type: none"> 80%
Rental Income (short term – AUS only)	<ul style="list-style-type: none"> Latest Income Tax return and corresponding NOA (If short term rental) 	<ul style="list-style-type: none"> 80% if property rented for a minimum of 12 months
Workers Compensation / Income Replacement Insurance	<ul style="list-style-type: none"> Letter from Insurer confirming will be paid until retirement age³, and Bank Statements 	<ul style="list-style-type: none"> 100%
Self Employed (mortgage loans)	<ul style="list-style-type: none"> Last 2 years Tax Returns and Business Financials, and Copy of current Tax Portals or NOA and Confirmation of ABN registration <p>Note: Most recent year tax returns are required for all applications submitted after 31st March the following year (e.g. application submitted 4th April 2025, FY2024 financials are required).</p> <p>Applications submitted after 31st March are to be supported by:</p> <ul style="list-style-type: none"> Draft Tax returns and Financial statements for the preceding year; 	<ul style="list-style-type: none"> 100% of Company / Business profits – the lesser of current year or previous year plus 20% to be used Non-recurring income is to be deducted from the declared Net Profit e.g. <ul style="list-style-type: none"> Capital Gains Government Grants Allowable addbacks depreciation/amortisation Interest paid on debt disclosed on the profit and loss statement or any loan which is now repaid

	<ul style="list-style-type: none"> • Accountants letter confirming tax returns will be consistent with draft tax returns provided; • BAS for at least the last 2 quarters 	<p>in full or to be repaid within the next 6 months.</p> <p>f) Hire Purchase / Lease costs if now repaid in full or to be repaid within the next 6 months.</p>
Self-employed (non-mortgage loans)	<ul style="list-style-type: none"> • Most recent NOA 	<ul style="list-style-type: none"> • 100% of most recent Tax Assessment Notice If this income verification method is being used for applications submitted after 1st January, the most recent prior years Notice of Assessment is required (<i>ie if the loan is assessed on 31st December 2025, the 2024 Notice of Assessment may be used. However, if the loan is assessed on 3rd January 2026, the 2025 Notice of Assessment must be used</i>). • If a non-mortgage secured loan is not affordable using most recent year NOA, full financials for past 2 years are to be obtained if addbacks are required for affordability assessment (as per policy for mortgage-secured loans)
Accountants Letter	<ul style="list-style-type: none"> • Where an applicant is the owner / director of businesses other than the business from which they generate income being used to service their current and proposed loans (i.e. shelf companies, asset holding vehicles or “side hustles”), 	<ul style="list-style-type: none"> • The financial status / health of those can be satisfied by the applicants providing an “Accountants Letter” confirming that those businesses have no debts for which the applicants are responsible and that those businesses are operating profitably. If the applicant’s accountant is unwilling or unable to provide such a letter, then full financial documentation for all businesses will be required to confirm affordability.
Parental Leave return to work income	<ul style="list-style-type: none"> • Letter from employer confirming a return-to-work date and hours to be worked and hourly rate 	<ul style="list-style-type: none"> • 100% if returning in less than 3 months

³ Approved loan term not to exceed remaining term of Workers Compensation payment receipt.

MP46.18 – Unacceptable Income

The following income sources are not to be used as a part of any application:

Unacceptable Centrelink Income

- Newstart Allowance
- Sickness Benefits
- Youth Allowance
- Single Parenting Payments
- NDIS Payments

Other Unacceptable Income

- Non-Child Support Agency processed Child Support Payments
- Workers Compensation Payments requiring periodic reviews
- Scholarship Payments
- Income source from gambling or wagering
- Income from illegal or illegitimate sources
- Income from Boarders
- Loan proceeds of any kind, including drawings from Reverse Mortgages or Centrelink Home Equity Access Scheme
- Any other income type deemed unacceptable by the members of the Loans Committee (Head of Credit Services, Chief Operating Officer, Chief Executive Officer) or the Community First Board.

MP46.19 – Assessment of Living Expenses

In all applications the higher of Applicant-Declared Living Expenses or Community First Household Expenditure Model (HEM) is to be used.

Community First Household Expenditure Model (HEM) calculations will be determined using the raw National HEM data plus a buffer of 5%.

MP46.20 – Common Debt Reducer (mortgage loans)

A Common Debt Reducer (CDR) is a person who is not an applicant on the proposed loan but shares common debts and/or commitments (which may include living expenses) with one or more of the borrowers. Typically, this is for a spouse/defacto structure where only one of the parties is an applicant.

- A servicing assessment must be performed for the CDR, in addition to the normal assessment for the applicant. All income for the CDR is to be assessed and documented in accordance with existing standard lending policy. This will mean that the applicant will have to supply the CDR's income details to be used, otherwise they cannot be assessed.
- Where an applicant shares common debts with their spouse/defacto and supporting evidence can be provided to confirm the said spouse/defacto is able to support their individual debts and 50% of the joint debts, 50% of the joint debt can be used in servicing, and applicant can be treated as single.
- Where an applicant shares common debts with a non-spousal relationship, 50% of the joint debt and 50% of income derived from the joint asset can be used in servicing.
- To ensure adequate enquiries are made into the spousal/defacto partners financial position the applicant's defacto must provide:

- Signed privacy and consent form
- Two recent payslips or last year's financials (as per income verification policy)
- Declaration of assets and liabilities
- Servicing calculators for both the applicant and spouse/ defacto are required to be held on file confirming the applicant can service their debts individually.
- Where an applicant is applying for a loan in their own right and has an existing joint investment loans with a third party to this application, a 100% of the loan/facility balance is required at qualification rates, however rather than only half the rental being considered, 100% of investment income derived from the property is applied.

MP46.21 – Apportionment of Rent / Mortgage Repayments (non-mortgage loans only)

Where a Consumer Loan application (Personal Loan or Credit Card) is received in a single borrower's name but that borrower is in a relationship (ie married, defacto etc), only the applicants "share" of their declared rental or mortgage expense is used as a liability in the ARA assessment.

In order to apportion the borrowers, rent or loan repayment, Originators must confirm with the borrowers and include in their loan submission notes the following confirmation:

- The borrowers' gross rent / mortgage repayments (on a principal and interest basis) have been confirmed with the borrowers;
- The amount included in the Affordability Assessment (included commitment) for the borrower is the borrower's individual share of the total rent / mortgage commitment;
- The commitment included in the Affordability Assessment for mortgage loans must be the borrower's share of the principal and interest repayment, regardless of repayment method of the actual loan.

Confirmation of joint ownership of the rent or mortgage commitment can be confirmed using any of the following:

- Applicants credit bureau report showing a "joint" credit enquiry for the mortgage
- Copy of a bank statement confirming "joint" ownership of the mortgage or repayments being made to a mortgage account from a joint bank account
- Rates notice for jointly owned real estate
- Copy of lease agreement confirming joint lessees

MP46.21 – Assessment of Single vs Couple for Living Expense calculations

For the avoidance of any doubt, joint borrowers can only be assessed as being a "couple" for assessment of Living Expenses where the borrowers are married or meet the legal definition of a defacto couple, being:

*"A *de facto* relationship is defined in Section 4AA of the Family Law Act 1975 and requires that you and your partner, who may be of the same or opposite sex, have a relationship as a couple living together on a genuine domestic basis."*

MP46.22 – Affordability Assessment

Community First will not approve any loan application where affordability cannot be demonstrated.

All applications (excluding Bridging Loans with no End Debt) will be subject to an Affordability Assessment to determine if the application meets Community First's affordability criteria. Applications will be required to meet the following criterium to be considered for approval:

Net Surplus	<ul style="list-style-type: none"> • A minimum surplus of \$1 is required for all applications • No Affordability Assessment (minimum ARA) is required for Bridging Loans where there is no End Debt. • For Bridging loans with an End Debt, a full affordability assessment is required for the proposed End Debt, with a minimum surplus of \$1.
DTI	<ul style="list-style-type: none"> • All applications where the prevailing LVR is >70%, 6 times is the maximum DTI • All applications where the prevailing LVR is <70%, 8 times is the maximum DTI
Assessment Rates	<ul style="list-style-type: none"> • An applications assessment rate will be the higher of the following: <ul style="list-style-type: none"> a) Housing Loans <ul style="list-style-type: none"> Floor Rate OR Charged Rate plus a 3% buffer b) Personal loans <ul style="list-style-type: none"> Fixed Rate loans – Charged rate Variable Rate loans – Charged rate plus a 2.5% buffer c) Overdrafts and Lines of Credit <ul style="list-style-type: none"> Floor Rate OR Charged rate plus a 1% buffer d) Credit Cards <ul style="list-style-type: none"> Community First Bank credit limits – 3.2% per month Non-Community First Bank credit limits – 3.75% per month
Floor Rate	<ul style="list-style-type: none"> • Community First Affordability Assessment Floor Rate is 7.25%
Investment Loan Buffer	<ul style="list-style-type: none"> • For each investment property (not dwelling), an Investment Property Buffer of \$600 per month is to be added to an applicant's HEM, to cover the additional costs associated with owning an Investment property which are not included in HEM. • The higher of the applicants Declared Living Expenses or the "adjusted" HEM (including the above Investment property loading) is to be used in the affordability assessment

MP46.23 – Exit Strategy

Community First does not apply a maximum age for borrowers for any loan product or purpose.

For any housing loan applications where the oldest applicants has had their 50th birthday at the date of application must be supported with an Exit Strategy, acceptable to Community First in the following scenarios:

- a) The loan is secured by the applicant's owner occupied / family home;

b) The loan is to purchase or refinance in investment property AND the property will be the applicants only residential property.

Acceptable exit strategies may include:

- a) Downsizing of family home (require evidence of ownership if not held by the Community First)
- b) Sale of Investment property (require evidence of ownership if not held by the Community First)
- c) Evidence of ownership to be provided
- d) Realisation of Investments (require evidence of ownership)
- e) Accessing accumulated superannuation (this should only be used as a supporting strategy and supported by amortising the loan to retirement age use of Superannuation (either as a lump sum or ongoing pension from superannuation funds),

Approval of any loan with an acceptable exit strategy is not considered an exception to policy

MP46.24 – Independent Legal and Financial Advice

Independent legal advice is mandatory under the following scenarios:

- Family Pledge Loans
- Director Guarantees when supporting their own company
- SMSF Loans (if available)
- At risk or vulnerable people
- Non-English-speaking people (must be accompanied by a Translator certificate)
- When a proposed Guarantor is completely unrelated to the application

Legal Advice requirements can only be waived by a member of the Loans Committee (Head of Credit Services, Chief Operating Officer, Chief Executive Officer) or the Community First Board.

MP46.25 (reserved)

MP46.26 – Construction Loans

Acceptable Construction Loans	<ol style="list-style-type: none">a) Construction of a maximum of 2 self-contained residential dwellingsb) Must be under a Licensed Builders Fixed Price Build Contract (HIA only)c) Construction is scheduled to commence within 6 months of the date of approval
Unacceptable Construction Loans	<ol style="list-style-type: none">a) Owner Builderb) For the construction of Kit or Relocatable Homesc) Speculative investment purposes (build and sell to repay loan)d) Construction of more than 2 residential dwellingse) Construction of a development that is Commercial in naturef) Completion of partially build dwellingsg) Cost-to-Complete construction projects

Minimum Construction Documents	<ul style="list-style-type: none"> a) Fixed Price Build Contract (HIA Only) b) Stamped Plans c) DA or CDC Approval d) Home Owners Warranty Insurance e) Builder All Risk Insurance f) Builders current licence g) "As if Complete" Shortform Valuation
Progress Payments	<ul style="list-style-type: none"> a) Progress Payments to be in accordance with HIA (or equivalent) contract. Contracts cannot be "front-loaded" and must be deemed acceptable by Valuer. "Front-loaded" contracts are those where the value of funds paid to the builder exceed the value of work completed on the security property. b) Sufficient loan funds to be retained throughout the construction period to enable completion. c) Where the construction works are to be completed by an external builder, at least two progress inspections are made during the construction period, including: <ul style="list-style-type: none"> • Progress Payment Claim No. 1 (Construction start) • Progress Payment Claim No. 3 • Final Progress Payment Claim (or) d) Prior to the final progress payment, the Valuer must confirm that the property has been constructed in accordance with the approved plans and specifications and provide an occupancy certificate. e) Prior to the commencement of full loan repayments, interest accrued on loan advances is to be paid by borrowers on a monthly basis.

LOANS ADMINISTRATION

MP46.27 (reserved)

VERIFICATION PROCEDURES

MP46.28 – (reserved)

MP46.29 – (reserved)

MP46.30 Verification of Identity

Community First must be reasonably satisfied that the application for credit is genuine. The identity of all members (new and existing) is to be verified in accordance with the Memberships and Verification policy found on the Community First Intranet (click [here](#))

MP46.31 Verification of Purpose

Community First should be reasonably satisfied that the funds are provided in accordance with the stated purpose and in accordance with the member's instructions. Where the beneficiary of the loan differs from the purpose (seller of the asset) then approval from Head of Credit or an Executive is required.

MP46.32 Verification of Character

One of the tests in the Consumer Credit Assessment Principles is 'Character'. It comprises two tests:

- (i) credit reference; and
- (ii) account history

As a general rule, past performance is the best indicator of future behaviour. Therefore it is important to assess the way a member has conducted their accounts in the past and/or assess their appetite for credit to give an indication of how they will conduct the proposed facility in the future.

MP46.33 Credit Bureau Reports

A credit bureau report on the proposed borrower or borrowers, and where applicable each guarantor, is required for every application for credit.

Credit bureau reports are to be clear of any adverse listings that are unpaid, settled, remain unsatisfied or undischarged.

MP46.34 What is to be verified?

A credit reference check must be obtained on all borrowers, guarantors and related companies and must be clear of any defaults that are unpaid, settled, formal insolvency administrations (e.g. bankruptcy, Part IX agreements), Judgements or Writs. Where a paid default is evident, the application may be considered, subject to the following criteria:

- (a) Defaults must not have been lodged by or in relation to debts owed to ADI's, non-bank lenders, Credit Card providers, Debt Purchasing or Collections businesses
- (b) Applications must still meet the acceptable Bureau Score under scorecard benchmarks.
- (c) Subject to the rules agreed in the Community First Credit Decision Engine and the processes covered in these procedures manual the applicant's credit file is to be used to check each of their credit application enquiries over the last 3 years to verify it has been included on their application. Where a credit enquiry has not been included in the application, enquiry is to be made with member as to the outcome of the enquiry and an explanation for that conclusion must be recorded and retained on the loan file.

MP46.35 Match credit reference to borrower

The first step in the verification process is to ensure that the credit reference relates to the borrower. This involves matching at least 3 identifiers (e.g. name, address, date of birth, employer and driver's licence) from the report to the borrower.

MP46.36 Verification methods

Verification of credit reference may be satisfied by the following methods:

- (a) Reviewing the credit reference report for each party associated with the application for evidence of no adverse listings.
- (b) The statements are to be reviewed to ascertain if they contain any evidence of any of the following, be it paid or unpaid:
 - (i) default;
 - (ii) judgement;
 - (iii) writ; or

- (iv) Insolvency administration (e.g. Deed of Arrangement with creditors, bankruptcy, receivership, liquidation).

MP46.37 (reserved)

MP46.38 Account History

MP46.38.1 What is to be verified?

- (a) The primary verification involves being reasonably satisfied that the member conducts their accounts in a satisfactory manner (i.e. there are no arrears, accounts are conducted within arrangements).
- (b) The secondary verification involves using information gleaned from the statements with:
 - (i) information provided in the application (e.g. are there additional direct debits for borrowings that have not been disclosed in the application which means that the commitments used in the approved servicing calculator have been understated with the result that the Assessed Repayment Ability is overstated);
 - (ii) Location and frequency of withdrawals (e.g. gambling establishments) that may give rise to concerns about the integrity of the stated purpose or the capacity to repay.

MP46.38.2 Verification methods

- (a) Verification of account history may be satisfied by one or more of the following methods:
 - (i) Reviewing at least 6 months of electronic statements, from the Community First for evidence that accounts have been conducted within arrangements and that loan repayments have been maintained; or
 - (ii) Reviewing at least 6 months of electronic statements from another financial institution for evidence that accounts have been conducted within arrangements and that loan repayments have been maintained. This is of particular importance where a refinance or debt consolidation is involved.
 - (iii) Reviewing the most recent electronic statement of any home loans held with any Other Financial Institutions (OFI) that is not being refinanced to Community First.
- (b) The statements are to be reviewed to ascertain if they contain any evidence of any of the following:
 - (i) there has been one or more “overdue” payments (i.e. 7 or more days overdue); possibly evidenced by arrears or default fees;
 - (ii) a missed repayment remains unpaid;
 - (iii) there are one or more dishonoured transactions; or
 - (iv) the account or loan, is, or has been, outside of the approved limit or scheduled balance during the previous 12 month period
 - (v) Incorrect OFI loan balances or repayments disclosed within the loan application

MP46.38.3 If unsatisfactory conduct

Where unsatisfactory elements are evident but the application is considered an acceptable credit, an explanation for that conclusion must be recorded and retained on the loan file. If inconsistencies in the information provided in the application and the statements are identified, these must be adequately resolved and an explanation of the resolution retained on the loan file.

MP46.39 Verification of Employment

Community First must be reasonably satisfied that the member is employed as their employment provides an income stream to meet the repayment of the proposed credit facility as well as the member's ongoing expenditure (i.e. living expenses and commitments).

MP46.39.1 (reserved)

MP46.39.2 Via employer

- (a) Verification of current and previous employment may be satisfied by contacting the employer via the following steps:
 - (i) Obtaining the employer's telephone number from an independent source (e.g. White or Yellow Pages, ABN website);
 - (ii) Calling that employer to confirm that the member is or was employed, the nature of that employment (full time, part time, casual, contract etc), the length of employment, the member's occupation or role and level of income;
 - (iii) Checking that information against the information that has been provided in the application and other supporting documentation for consistency; and
 - (iv) Documenting all material aspects of the telephone discussion with the employer and retaining the record on the loan file.

If the employer refuses to confirm any details then a diary note to this effect is to be retained on the loan file.

MP46.39.3 Via income from same employer

If the member has been employed by the current employer for two or more years, verification of employment may be implicitly satisfied by verification of the member's income

MP46.39.4 Via taxation records

If the member has been employed by one or more employers in the last two years, verification of employment may be satisfied by taxation records and/or employment contracts for the relevant period.

MP46.40 Verification of Income

Community First must be reasonably satisfied that the member's income is:

- (a) sufficient to repay the proposed credit facility as well as meet the member's ongoing expenditure (i.e. living expenses and commitments); and
- (b) legitimate

MP46.40.1 What is to be verified?

- (c) This involves being reasonably satisfied that the member's income is:

- (i) in accordance with the amount stated on their application;
 - (ii) from a legitimate (e.g. not illegal) source; and
 - (iii) is recurring income

- (d) It is acceptable for the member to use rounding in their application in relation to their income. It is not acceptable that the income be materially overstated in their application, especially where the stated level of income is insufficient to meet their living expenses and existing and proposed obligations.

- (e) The source (e.g. employer, rental property, investment) and level of income (i.e. amount) verified should be in accordance with the source and level of income stated in the application. This involves checking that;
 - (i) the name of employer on statements, payslips etc is consistent with the name of the employer on the application; and
 - (ii) the level of income is consistent with the amount of income stated in the application

MP46.40.2 (reserved)

MP46.40.3 (reserved)

MP46.41 PAYG Income

- (a) Verification of all PAYG income may be satisfied by one or more of the following methods:
 - (i) The two most recent payslips (not exceeding the last two paydays) for the member showing, as a minimum, the member's name, employer's name and ABN, and the member's year-to-date income.
- (b) An additional validation check may include confirmation that the ABN is current and correct (i.e. applies to that employer).
- (c) If verification is unable to be satisfied as per the above, at least **two** of the following **must** be obtained for each borrower:
 - (i) The most recent payslip showing, as a minimum, the member's name, employer's name and ABN, and the member's year-to-date income.
 - (ii) Employment contract;
 - (iii) PAYG Payment Summary or Tax Assessment Notice;
 - (iv) Letter from the employer that is on the employer's letterhead and contains details of gross annual income (identifying any base income separately), role, or position, length of employment, the basis of employment (full or part time or casual) and breakdown of the salary package (if applicable).
- (d) The above documents should be reviewed, as applicable, to ensure that:
 - (i) the income is consistent with the year-to-date figure appearing on the payslip;
 - (ii) the employer's full details (business name, ABN and contact details are clearly stated);
 - (iii) the employment contract and/or letter from the employer is signed and dated; and/or
 - (iv) the employer is a registered business (i.e. the ABN is current and correct)
- (e) Subject to the rules agreed in the Community First Credit Engine income may also be verified via:
 - (i) For an existing member if their pay is into a Community First Account evidencing and noting salary payments in the last 3 months from Community First bank statements;

- (ii) At least 3 months of electronic statements from another financial institution showing the continuity of the member's pay from the relevant employer being credited to the member's account with that other financial institution.
- (f) Additional validation checks may include confirmation that:
 - (i) the BSB number (bank and branch) are correct;
 - (ii) the debits and credits are consistent with the borrower's occupation and expected expenses;
 - (iii) the debits and credits total to the balances;
 - (iv) the total debits and credits per statement total to the total in the statement; and
 - (v) the document is aligned and the font is consistent
- (g) For applicants who are employed by family members, family-related or family controlled entities or have a workplace reporting line to a relative or family member, the following additional documentation is required to verify the applicant's income:
 - (i) Most recent Personal Tax Return
 - (ii) Most recent ATO Tax Assessment Notice

MP46.42 Additional Elements of PAYG Income

MP46.42.1 Regular overtime

If regular overtime is relied upon to prove servicing (i.e. it is required to achieve a positive Assessed Repayment Ability), receipt of the regular overtime must be evidenced that it is consistent and ongoing.

MP46.42.2 Regular casual income

If regular casual income is relied upon to prove servicing:

- (a) receipt of the regular casual income must be evidenced from payslips or taxation records and that it is consistent and ongoing; and
- (b) the member must have been employed as a casual for at least 6 months as evidenced by payslips or taxation records

MP46.42.3 Irregular casual income

If irregular casual income is relied upon to prove servicing, receipt of the irregular casual income must be evidenced from payslips or taxation records, and it must be consistent and ongoing).

Note, irregular casual income is not generally acceptable income for assessment purposes unless approved as an exception.

MP46.42.4 Commissions and/or bonuses

If regular commissions or bonuses are relied upon to prove servicing, receipt of the regular commissions or bonuses must be evidenced from payslips or taxation records, and it is consistent and ongoing, or a condition of employment verified by the employment contract or a letter from the employer.

MP46.43 Investment Income

- (a) If investment income from investments (e.g. shares, managed funds) is being relied upon to prove servicing, it must be consistent and ongoing and evidenced accordingly.

- (b) If multiple sources of evidence are available, the lower investment income amount must be used in all cases.
- (c) The member must also demonstrate that the investments have been held for a minimum of six months. This may be achieved via statements or certificates or the member's taxation records.

MP46.44 Pensions and Benefits

- (a) If income from a pension or benefit, includes both a Government, Centrelink payments such as family allowances, Foster Carer payments or non-Government pension, is being relied upon to prove servicing, it must be verified through one of the following sources:
 - (i) Payment statements; or
 - (ii) Centrelink Statements; or
 - (iii) Member's taxation records; or

All pension income must be consistent and ongoing and evidenced by one of the following:

- (i) At least 3 months of statements, electronic or paper, from Community First showing the continuity of the member's pension from the relevant superannuation fund or Government being credited to the member's account with Community First;
- (ii) At least 3 months of statements from another financial institution showing the continuity of the member's pension from the relevant superannuation fund or Government being credited to the member's account with that other financial institution;
- (iii) Written confirmation from the government department or Foster Care organisation confirming entitlement.

MP46.45 Self Employed Income (Sole Trader or Partner in a Partnership)

- (a) If self-employed income, be it a sole trader or a partner in a partnership, is being relied upon to prove servicing for a mortgage secured loan, it must be verified by personal and business taxation returns along with "Notice of Assessment" for the two most recent financial years.
- (b) Interim financials only are unacceptable, however where current year or the immediately past financial years tax returns have not been completed obtaining of the quarterly BAS statements may assist in determining ongoing level of turnover in the business.
- (c) Note that where a member only has twelve months trading in the current business the application may be considered, based on the member's self-employed circumstances and the overall strength of the application. In these cases, the strength of the application may be supported by the BAS lodged with the ATO, inclusive of evidence of lodgement for the last twelve months, with a strict minimum of two quarterly lodgements.
- (d) The documents must be reviewed in order to ensure that:
 - (i) the accountant's details are clearly stated on the documents;
 - (ii) the member has a registered ABN for a minimum of twelve months; and
 - (iii) the member is registered for GST for a minimum of twelve months
- (e) Information about ABN and GST are available from:
 - (i) Australian Business Register; and

(ii) Australian Taxation Office.

(f) In addition to the above, where self-employed income is relied upon to prove servicing, evidence of insurance for income replacement in case of sickness or accident may be required. This may be achieved by a certificate of insurance

(g) At the time of application, supporting business financials can be no older than 18 months old

(h) Where self-employed income is being relied upon for a non-mortgage secured loan, the self-employed income may be assessed using the 100% of most recent Tax Assessment Notice. If this income verification method is being used for applications submitted after 1st January, the most recent prior years Notice of Assessment is required (*ie if the loan is assessed on 31st December 2022, the 2021 Notice of Assessment may be used. However, if the loan is assessed on 3rd January 2023, the 2022 Notice of Assessment must be used*).

(i) Where an applicant is the owner / director of businesses other than the business from which they generate income being used to service their current and proposed loans (i.e. shelf companies, asset holding vehicles or “side hustles”), the financial status / health of those can be satisfied by the applicants providing an “Accountants Letter” confirming that those businesses have no debts for which the applicants are responsible and that those businesses are operating profitably. If the applicant’s accountant is unwilling or unable to provide such a letter, then full financial documentation for all businesses will be required to confirm affordability.

MP46.45 Company Director Income

(a) If company director income is being relied upon to prove servicing, it must be evidenced as consistent and ongoing supported by personal and, business taxation returns along with “Notice of Assessment” for the corresponding years, a current balance sheet and profit and loss statement for the business. Interim financials may be used to support that evidence.

(b) The documents must be reviewed in order to ensure that:

- (i) the accountant’s details are clearly stated on the documents;
- (ii) the company has a registered ABN; and
- (iii) the company is registered for GST for a minimum of twelve months

(c) Information about ABN and GST are available from:

- (i) Australian Business Register; and
- (ii) Australian Taxation Office.

(d) The company must be a registered company and verified via an ASIC search.

(e) Authority to conduct a Credit Reference under the directorship pertaining to the company must be obtained.

MP46.46 Child Maintenance / Child Support

(a) If child maintenance or child support payments are being relied upon to prove servicing, it must be evidenced by bank statements showing three months of payments in line with the court order or Centrelink confirmation.

(b) The documents must be reviewed in order to ensure that:

- (i) the member's details are clearly stated on the documents;
- (ii) the details are consistent with details as provided by the member; and
- (iii) the payments are considered permanent and ongoing

MP46.47 Verification of Assessed Repayment Ability (ARA)

- (a) Community First must be reasonably satisfied that the member's income is sufficient to repay the proposed credit facility as well as meet the member's ongoing expenditure (i.e. living expenses and both existing and proposed commitments).
- (b) The approved servicing calculator assesses the member's ability to repay the proposed credit facility. The approved servicing calculator requires both the member's income and expenses, including their living expenses and both their existing and proposed commitments.
- (c) A member would be expected to meet their obligations when the Assessment Repayment Ability (ARA) is positive.
- (d) Accordingly, it is important to verify both sides (i.e. income and expenses) of the servicing calculation.
- (e) When assessing the Assessed Repayment Ability for Bridging Loans, the ARA is to be assessed on the following basis:
 - (i) Where an end-debt will remain post sale of the applicants existing property, the ARA is to be assessed using the end debt, assessed as an ongoing mortgage loan over the requested / approved term
 - (ii) Where no end debt will remain post sale of the applicants existing property, no ARA assessment is required, as the entire debt will be repaid in full upon sale of the applicants existing security property.

MP46.47.1 Expenses understated

If during the verification process, expenses used in the servicing calculation are considered to be materially understated, then the servicing calculation needs to be redone to ensure that the member's income is sufficient to repay the proposed credit facility as well as meet the member's ongoing expenditure

MP46.47.2 Additional new expenses identified

If during the verification process, additional new expenses are identified that have not been included in the serving calculation, the servicing calculation will need to be redone to ensure that the member's income is sufficient to repay the proposed credit facility as well as meet the member's ongoing expenditure. Any commitments identified as "Buy Now-Pay Later" obligations are to be included in the Living Expenses as a separate listing, under the "Other" Category

MP46.47.3 Assessment of HEM / Declared Living Expenses

Where an application is received in a single borrower's name but that borrower is in a relationship (ie married, defacto etc), the applicants Living Expenses are to be assessed in accordance with their family situation (ie, couple, couple with children etc) on all occasions

MP46.48 (reserved)

MP46.48.1 (reserved)

MP46.49 Other

MP46.49.1 (reserved)

MP46.50 Debt Consolidation

(a) Where debt consolidation is involved, the payout details of the accounts to be repaid must be verified. This involves confirming on a statement of account issued by the financial institution that:

- (i) the account to be paid out is in the name of the member;
- (ii) the account will be paid out in full; and
- (iii) the estimated payout amount

MP46.51 Gifts

Gifts to the member should be supported by a signed letter from the provider of the funds clearly stating that the funds are a gift to member and are not repayable.

MP46.52 Refinance

(a) Where a loan is being refinanced, electronic statements for the loan being refinanced are required. These documents should be reviewed to ensure that the account being refinanced has been operating satisfactorily.

(b) Where the loan being refinanced is a Home Loan, the following documentation is required:

- (i) minimum 6 months statements (obtained via bankstatements.com in HTML format);
- (ii) rates notice (no older than 12 months);
- (iii) body corporate levy notice, if applicable

The above documents should be reviewed to ensure that the property over which the Community First will hold security is properly identified.

MP46.53 Savings

(a) Funds to Complete a transaction (applicant's contribution) must be held in an Australian Bank account, in the name of at least one applicant and include:

- (i) funds held or accumulated in savings accounts;
- (ii) term deposits;
- (iii) accelerated loan repayments over the last three or more months that are able to be freely accessed via a redraw facility

Note that where member exercises redraw, the increased loan balance needs to be accounted for in the servicing calculation.

(b) The above may be verified by the following documents in the name of the member dated not older than 6 months prior to the date of the loan application:

- (i) passbooks;
- (ii) if the savings are held with the Community First, a signed and dated diary note of the account number and balance of the account; or
- (iii) loan statements on the lender's stationery showing the accelerated repayments
- (iv) savings or account statements (obtained via bankstatements.com in HTML format);

(c) The documents should be reviewed in order to ensure:

- (i) For loans requiring Lenders Mortgage Insurance, genuine savings are required in accordance with Lenders Mortgage Insurance definition of genuine savings and in accordance with LMI policy.
- (ii) For loans requiring support under the Housing Guarantee Scheme, genuine savings are required in accordance with Lenders Mortgage Insurance definition of genuine savings, in accordance with HGS policy
- (iii) Documentation is genuine

PLEASE NOTE – Applications will not be *formally approved* until the above confirmation is held. Applications requiring LMI or HGS support will not be submitted to LMI or HGS for *conditional approval* until such times as the above information is held.

MP46.54 Stability

MP46.54.1 What is to be verified?

Where member is not a homeowner or buyer the Community First must be satisfied the applicant has a stable residential history.

MP46.54.2 Verification methods

Address details, stability of residence can be verified using the applicant's credit file information. Compare the application address details to the address history on the credit file. If any discrepancies exist, enquire with members or seek additional verification.

MP46.54.3 Evidence of verification control

Record verification of address details and stability in the loan submission notes along with variance enquiries made with the member.

MP46.55 Residential Status

The Community First must be reasonably satisfied the member has accurately disclosed their residential status (owner, buyer, renting, boarding or other).

MP46.55.1 What is to be verified?

- (a) Homeowner
 - (i) that applicant(s) is the registered owner of the property
 - (ii) that there is no outstanding mortgage on the property
- (b) Home Buyer
 - (i) that applicant(s) is the registered owner of the property
- (c) Renter
 - (i) That the applicant(s) is the lessor of the rental property
 - (ii) That the amount of rental payment disclosed is correct

MP46.55.2 Verification methods

- (a) Homeowner or buyer
 - (i) Electronic title search will verify both items, or
 - (ii) Current rates notice (no older than 12 months old)
 - (iii) Using information held by a CRB
- (b) Renter
 - (iv) Copy of current lease, or

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- (v) 3 rent receipts
- (vi) Telephone contact with the rental agent

MP46.56 (reserved)

MP46.56.1 (reserved)

MP46.57 (reserved)

MP46.57.1 (reserved)

MP46.57.2 (reserved)

MP46.57.3 (reserved)

MP46.57.4 (reserved)

MP46.57.5 (reserved)

MP46.57.6 (reserved)

MP46.58 (reserved)

MP46.59 (reserved)

MP46.59.1 (reserved)

MP46.59.2 (reserved)

MP46.60 (reserved)