

Broker / Third Party Mortgage Origination Process / Tips

Introduction

The following document is intended as a training tool and assistance document for the third party origination of mortgages. This document should be used in combination with Community First policy documents.

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Minimum Document / Verifications Required

The following documents are required for mortgage submissions and documentation must be collected / submitted according to Community First policies P11 and MP46.

Document	Policy Requirement / Tips
Originator Sales Submission Sheet	Be fully completed with any mitigants noted and commission disclosure where required on approved template. <i>Be aware of recycling templates with old data.</i>
Servicing Calculator	Current CFB Servicing Calculator (updates quarterly)
Funds to Complete Calculator	Preferred is CFB calculator, however other funds to complete can be used
LMI Servicing / Premium Calculator (if required)	Use Community First Login via DI or Auto Login Script (need to download first to desktop) to get premium discount. Use "Community First" in Client Drop Down.
ID / VOI	IDVerse required. If IDVerse fails, face-to-face verification required (usually Post Office)
COS / Rates Notice / Building Contract	COS (Purchase), Rates Notice (Refinance), Building Contract (Construction)
Income Verifications	As required under MP46
Bank Statements Loan Statements	Illion Bankstatements.com.au delivery only in .html format.
Credit Report	As extracted in the Inteflow system – 3 years enquiries confirmed with borrower.

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Key Policy Summary

The following are key points from P11. Please refer to the relevant policy document for further information and conditions. The following list is not exhaustive.

- Applicants must be Australian Citizens or Permanent Residents - We cannot offer credit to New Zealand Citizens residing in Australia on a 444 Visa
- Company/Trust Borrowers for residential real estate is an acceptable purpose (P11.5)
- All co-borrowers must have a tangible benefit from the loan (P11.5.2)
- In very limited circumstances we can consider an applicant with an adverse Credit Bureau – no ADI defaults/judgements (P11.5.3)
- Equity Release (cash-out) up to 80% LVR where purpose is acceptable to CFB
- No borrowing to refinance outstanding tax liabilities, debt collection liabilities or overdue council rates/utilities, partially complete dwellings, owner builders or reverse mortgages (P11.6.1)
- Property must be;
 - at least 40sqm (ex. balconies, car space and external storage)
 - Not be primary production properties
 - be connected to utilities and have vehicle access
 - Properties over 2.2 hectares can be considered
 - No studios, boarding houses, relocatable homes, time-shares, Company Title properties etc. (P11.6.10)

Exit Strategy Requirement (P11.6.5)

All housing loan applications where the oldest application is over the age of 50 require an exit strategy to be outlined in a loan submission. Use of future inheritance is not an acceptable exit strategy. An exit strategy is not required where the housing loan application is an investment property separate to an existing residential property.

Family Guarantee (P11.6.6.f)

A guarantee may be taken from a family member to support the security position of a borrower. The guarantee can be a first or second registered charge on an acceptable property and may be used in the calculation of overall LVR (less any 1st mortgage held on Guarantors property). A guarantee should be limited to an amount to eliminate the need for LMI.

A security guarantee provided over their family / owner occupied home must include an exit strategy outlining how they might meet their guarantor obligations in the event that they cease full time employment and the guarantee remains in force. All guarantors must be interviewed using the approved interview questionnaire and guidelines.

All Guarantors must seek independent legal in relation to their rights and obligations as Guarantors. Financial advice is recommended for all Guarantor(s). All guarantors must be interviewed using the approved interview questionnaire and guidelines

Construction Loans (P11.6.5.3)

Construction loans restricted to single or duplex residential properties to be erected by a licensed builder with a maximum 12 month term to completion. The vacant land, plus council approved plans and specifications should be valued by a qualified Valuer on an on-completion basis.

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Evidence of a current homeowner's warranty must be sighted. Insurance policy to be in place between the builder and the borrower. Council approved plans are required before funds are released. The borrower's proposed equity in the construction project is to be fully utilised prior to advancing any loan funds.

Key Verification Summary

The following are key points from MP46. Please refer to the relevant policy document for further information and conditions. The following list is not exhaustive.

Verification of Identity

VOI must be completed prior to instructing contracts. Community First's primary method of VOI is completed via a biometric VOI completed with IDVerse completed with two acceptable documents.

If the verification check is unable to be passed via the IDVerse platform, face-to-face Verification of Identity is required to be completed via AustraliaPost at the cost of the applicant.

In order to meet our CTF/AML obligations, identity cannot be verified in any other manner (i.e. third party equifax instance, non-authorised witness)

Verification of Character

Character is verified by a Credit Bureau Report and account conduct. Inteflow Decisioning will generate an acceptable Credit Bureau Report. This must be reviewed by the originator noting the status of previous enquiries over the last 3 years and any adverse listings.

Community First will accept an adverse listing in limited circumstances (refer to P11.5.3) – no lending based defaults are accepted.

Account history can be verified based on 6-month transaction history using Illion Bankstatements.com.au. A review of transactions must be completed to confirm dishonours, overdrawn/limits, late payments, betting/gambling trends, large cash withdrawals or more than 75% of salary being withdrawn in cash (MP46.15.4)

Non-refinanced lending statements are not required except;

- Credit Card statements where required to verify living expense declarations
- The most recent home loan statement issued by another financial institution where a mortgage is not being refinanced as part of a home loan application.

Our integrated Illion Bankstatements portal is the only method of verification. PDF statements will only be accepted on evidence of bankstatements.com.au portal failure.

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Verification of Employment

The following minimum employment tenures apply;

PAYG Employment	Minimum 6 months with current employer OR minimum 12 months continuous employment in the same industry
2 nd Job	Minimum of 12 months continuous employment at the date of application
Contract	Minimum 6 months remaining on current contract or 12 months in the same industry if PAYG.
Self Employed	Minimum two financial years trading in the current business.

Where the borrower is within a probation period, application may be considered based on the merits and strength of the borrower's overall position. An employment check is conducted for any applicant that has been employed less than 12 months.

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Verification of Income

All sources of income used in servicing must be verified according to the relevant verification requirement in MP46.17. Some forms of income are not acceptable. The following income assessments apply;

Income Type	Servicing Value	Minimum Verification Requirements
PAYG Income – Full Time / Part Time / Casual	<ul style="list-style-type: none"> • 100% of gross income 	<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)
Tax Free Income	<ul style="list-style-type: none"> • 100% added to 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)
Overtime	<ul style="list-style-type: none"> • 80%, or • 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) 	<p>Application submitted prior to 1st November annually</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>Application submitted on or after 1st November annually</p> <ul style="list-style-type: none"> • Annualised YTD from most recent YTD payslips
Commission / Bonus / Allowances	<ul style="list-style-type: none"> • 80% <ul style="list-style-type: none"> ○ If paid periodically use the average of the last 12 months ○ If paid annually use the average of the last 2 years 	<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

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Fully maintained company vehicle (PAYG borrowers only)	<ul style="list-style-type: none"> • \$5,000 per annum be added to gross taxable income. Vehicle must be available for unrestricted private use. 	<ul style="list-style-type: none"> • A condition of employment verified by the employment contract or a letter from the employer.
Self Employed	<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 added 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 in full or to be repaid within the next 6 months. ○ Hire Purchase / Lease costs if now repaid in full or to be repaid within the next 6 months. 	<ul style="list-style-type: none"> • Last 2 years Tax Returns, and Copy of current Tax Portals or NOA and Confirmation of ABN registration <p>Note:</p> <ul style="list-style-type: none"> ○ 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). ○ Applications submitted after 31st March are to be supported by: <ul style="list-style-type: none"> ▪ Draft Tax returns and Financial statements for the preceding year ▪ Accountants letter confirming tax returns will be consistent with draft tax returns provided ▪ BAS for at least the last 2 questers
Employer Maternity Leave Payment/Paid Parental Leave Payment	<ul style="list-style-type: none"> • 100% of if returning in less than 3 months 	Written confirmation from employer is held confirming return to work date and employment conditions
Investment income (interest, dividends)	<ul style="list-style-type: none"> • 80% of income if received over the previous two financial years and investments held for at least 6 months and the lowest verified amount must be used. 	<ul style="list-style-type: none"> • Last 2 years Income Tax returns and corresponding NOA's

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Child Support/child maintenance	<ul style="list-style-type: none"> • 100% if the child is 13 years or younger 	<ul style="list-style-type: none"> • Letter from Child Support Agency (CSA) confirming payment
Carers Allowance	<ul style="list-style-type: none"> • 100% if to be received for at least the next 5 years 	<ul style="list-style-type: none"> • Current Centrelink Certificate of Entitlement, or • Bank statement
Family Tax Benefit	<ul style="list-style-type: none"> • 100% if the child is 13 years or younger 	
Social Security Benefits / Government Income	<ul style="list-style-type: none"> • 100% if to be received for at least the next 5 years 	
Domestic Rental Income	<ul style="list-style-type: none"> • 80% of gross rent 	<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 <p>Short term</p> <ul style="list-style-type: none"> • Latest Income Tax return and corresponding NoA
Workers Compensation / Income Protection Insurance payments	<ul style="list-style-type: none"> • 100% used as gross income 	<ul style="list-style-type: none"> • Letter from Insurer confirming will be paid until retirement age, and Bank Statements

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Verification of Affordability

Community First Credit Union assesses on an "Assessed Repayment Ability" (ARA) basis. An applicant's minimum monthly ARA must be at least;

Mortgage Consumer Lending	<ul style="list-style-type: none">• \$1 per month
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Where income, expenses and liabilities are correctly input into Inteflow Decisioning, ARA will be calculated automatically and presented on the "Results" screen (annualised).

Living Expenses are calculated as the higher of;

- declared living expenses or
- Community First HEM model

Other affordability policies

- Where an applicant is building an owner-occupied loan, rental expenses can be excluded from an affordability assessment
- 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.

Other serviceability requirements

- Mortgage Assessment Floor Rate
 - As of 1st June 2020, the CFCU Assessment Floor Rate is 7.25% and loans will be assessed at the higher of the floor rate or the charged rate + 3%
 - Existing commitments will be assessed at the higher of either the floor rate or the actual rate (or revert rate for fixed rate loans) plus assessment buffer.
- Existing mortgage commitments are assessment based on the limit/Scheduled Balance (plus any available Redraw) calculated on a P&I basis over the remaining term, using the appropriate Assessment Rate
- Credit Cards are assessed on the following repayment rates;
 - CFCU-branded cards – 3.2%
 - All other cards – 3.75%
- Buy-now-pay-later commitments that are not ongoing facilities (i.e. Afterpay) must be listed under as a living expense under the 'other category.' Facilities that are ongoing limits are assessed as liabilities.

Other verification requirements

- Gifts used as genuine savings or as funds-to-complete need to be evidenced by a signed letter from the provider of the funds clearly stating that the funds are a gift to member and are not repayable.
- **Refinancing** - Where a loan is being refinanced;
 - Mortgage – last 6 months statements (bankstatements.com.au only in html format) and rates notice
 - Personal Loan – last 6 months statements (bankstatements.com.au only in html format)
 - Credit Card – recent statement/s

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Acceptable Mitigants for policy exceptions

In order for mortgage policy exceptions to be considered all other strengths of the applicant(s) should be identified and included in the submission. A minimum of 2 mitigants must be evident of which at least 1 must be in Group A below:

Group A

- Greater than 3 years with current employer.
- Home owner with residential stability (greater than 3 years).

Group B

- Strong ARA (greater than \$400).
- Strong RRI for all applicants (greater than 700).
- Strong tangible asset position (greater than \$200k e.g. property equity, shares, cash) but not to include furniture, motor vehicles.
- Stable employment sector (e.g. Doctors, Lawyers, teachers, military service).
- Low LVR (less than 70%).
- Existing CFCU borrowing customer (greater than 12 months) with satisfactory history (no arrears).
- Sound exit strategy which has no adverse impact to principle residence (e.g. selling investment property/s, annuities, substantial superannuation with sufficient left over to live on post loan payout).
- Other (all other mitigating factors supporting the exception).

Loan Origination Process Map Summary

This will be refreshed on launch of Nimo Loan Origination Platform late 2025

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Decision Intellect Tips

- Best used in Google Chrome
- The system is designed to complete an application in person or over the phone and enter details directly onto platform
- If loan interview is conducted separate to loading the loan, privacy consents and scripts must be read / accepted by the applicant.

Inteflow Decisioning Tips - Product Details

- Fee Application – when entering loan amounts double check to make sure fees are not being added twice.
 - “Upfront” is not included in gross loan amount for calculations
 - “Capitalised” adds the amount to the loan amount

Products

Lending Product:	Accelerator Owner Home Loan >250k ▼ *		
Loan Amount:	<input type="text"/> *		
Loan Term:	<input type="text"/>	Years ▼ *	
Purpose of Loan:	House Construction - Owner Occupied ▼ *		
Repayment Frequency:	Monthly ▼ *		
Repayment Type:	Principal & Interest ▼ *		

Product Rates

Rate	Option	Interest Rate
Default Rate	Accelerator Owner Rate >250k ▼	3.79%

Product Fees

Fee	Description	Amount/Percentage	Occurrence	Application
Accelerator Package Annual Fee	<input type="text"/>	\$395	Annual	Upfro ▼
CCI Fee	<input type="text"/>	\$0.00	Initial	Capit. ▼
CFCU Application Fee	<input type="text"/>	\$0.00	Initial	Upfro ▼
LMI Fee	<input type="text"/>	<input type="text"/>	Initial	Capit. ▼
Solicitor Fee	<input type="text"/>	\$0.00	Initial	Upfro ▼
Valuation Fee	<input type="text"/>	\$0.00	Initial	Upfro ▼
		Initial Fees	\$0.00	
		Ongoing Fees	\$0.00	

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Applicant Financial Verification

- This can only be used in a face-to-face interview with this section completed by the applicant directly. If remote, use direct BankStatements link (can be provided)
- For remote applications click the "I will upload a copy of my financial statements instead"

Applicant 1 Finances

Save time and hassle and get your 90 day bank statements emailed to us in just 10 seconds. It is free and easy to use. Select your financial institution below and log in to your Internet Banking.

Financial Verification

Financial Institution: -Select-

☒ I will upload a copy of my financial statements instead

This may take a few minutes

[Log in to Internet Banking](#)

You have already logged into 0 institutions

Applicant Financials

- All figures entered must be gross and should match document verifications (for servicing) – for example, if the payslip is fortnightly, income should be loaded as fortnightly.
- All living expense figures must be loaded (even if \$0)
- If a debt is being refinanced or cancelled as part of the loan application click "Debt to be repaid" to remove it from servicing calculations.

Liabilities

Liability Type	Description	Debt to be Repaid	Amount/Limit	Remaining Term	Total
Home Loan/Mortgage	✓				X
Motor Vehicle Loan	✓				X
Credit/Store Cards (total limits)	✓	<input checked="" type="checkbox"/>			X
Total					

New Liability Type Credit/Store Cards (total l *

Monthly Payment *

Description *

☒ Debt to be Repaid

Amount/Limit *

Security

- Enter purchase price, estimated market value or build contract price / value for each security being used in the application. No requirement to click "details" (done by assessors on return of valuations).

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Security

Please select type of security from below and input estimated value or purchase price. If you have details of the security such as address click on details and complete.

Securities

Type	Value	Details	
Residential Property ▼	<input type="text"/>	Details	Remove
Total Securities			

[Add Additional Security](#)

Security Allocation Worksheet

- Click the Customer Preference box for allocation of securities against loan
- Enter the LVR Tolerance for the security type (RP = Residential Property = 98%)
- Enter the total loan amount in the product and check any remaining balance. (Tip: when \$0 is in the allocation box, for a single security the remaining balance is the total loan amount that can be entered in the product allocation)

Customer Preference

Security	Accelerator Owner Home Loan >250k
RP	<input checked="" type="checkbox"/>

Security Allocation Worksheet

Security	LVR Tolerance	LVR Actual	Accelerator Owner Home Loan >250k	This Bank	Other Bank
RP	98.00%	93.00%	<input type="text"/>	\$0.00	\$0.00
TOTAL:	98.00%	93.00%		\$0.00	\$0.00
Remaining balance to allocate			\$0.00		

[Show Base LVR](#)

Upload Screen

- Unless the "Have you uploaded the required documents" box is selected, the file can not be tasked to the credit assessors.

Have you uploaded the required documents? *

I've uploaded all requested documents ▼

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Results Screen

Application Result



Application Status:	Refer
	Referred for further assessment
Queue:	Pending Documents Queue
Credit Product:	New Loan Application
Application Id:	21C6EA0CA0
Submitted By:	Web

Application "Decision"

Application "Queue"

Principal Applicant:

Action Application

Select Action
Credit Assessment
Perform IDMatrix
Decline
Withdraw
Resubmit
Recalculate

Last Action By

- ← Sends the application to the credit assessment team. Should be done once all documents are recieved and notes entered
- ← Can be used to 'reperform' electronic ID verification if failed. Reuse if additional ID documents are provided.
- ← Used to decline an application if required
- ← Used to withdraw an application if required
- ← Completes a new full submission including additional credit checks. Only use if an error or in the 'Pre-Bureau Refer Queue'
- ← Recalculates inputs and should be used everytime an application is updated with new information

Alerts

Applicant	Alert	Description	Status	Accept	Accepted By
Application	Serviceability	Serviceability Failed	Refer	<input checked="" type="checkbox"/>	
Application	RRIOtherRefer	RRI Other Refer	Refer	<input checked="" type="checkbox"/>	
	Age at Term	Applicant will be over 65 at the end of a term of this product	Refer	<input checked="" type="checkbox"/>	
	DnB Possible Match	Applicant's D&B report indicates a possible additional match	Refer	<input type="checkbox"/>	

Alerts should be reviewed as some are 'Decline' alerts. An originator can accept alerts and where a "Serviceability Failed" alert is evident an applicaiton should be reviewed to see if it can proceed with additional income or applicants.

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Queues

An application will flow through the following queues (listed in order)

Queue	Description
Incomplete Queue	Application has been started by not submitted ("Submit" button at end of application)
Pre-Bureau Refer Queue	Application has been completed but automated bureau checks have not been completed due to an error or negative servicing.
Pending Documents Queue	Application has been completed and documents are pending (also "I've uploaded all requested documents" drop down on the Upload page has not been selected)
Credit Refer Queue	Application has been queued with Credit Assessors ("Credit Assessment" button has been clicked)
Sales Refer Queue	File has been returned to originator as a result of; further information requested, decline by credit, conditional approval.
Security Refer Queue	A loan has been pre-approved
Valuation Queue	Valuations have been ordered and are pending return
Conditionally Approved Queue	Application is conditionally approved
Solicitor Queue	Loan is approved and contracts have been instructed

Notes

- Loan Submission notes and communication with assessors can be conducted through the notes screen.
- For Loan Submission Notes use the subject "Loan Submission Notes."

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Application Notes

Note Category

Default Category ▼

Subject

Message

For subsequent communications a note can be emailed. Once a note is saved on the application, that note can be emailed to an assessor using the "Email" button. The entered notes will be prepopulated in the email.

The assessor is noted in the operator column of the notes and their email is usually their operatorname@communityfirst.com.au (e.g. see below - gdas@communityfirst.com.au)

Operator ▼▲	Email ▼▲
GDas	Email

Email Details

Email To

From askus@communityfirst.com.au

Subject

Message