

# Broker Policy Guide

## Acceptable income

Income type	Requirements
Self-employed (alt doc)	<ul style="list-style-type: none"> <li>100% accepted</li> <li>ABN registered for over 12 months</li> <li>Use declared net profit and/or wages from company as per Accountants declaration or BAS</li> </ul>
Self-employed (full doc)	<ul style="list-style-type: none"> <li>100% accepted</li> <li>ABN held over 12 months</li> <li>Use net profit from company tax returns and financials, plus personal income as per personal tax returns</li> <li>Acceptable addbacks: abnormal expenses (non-recurring) depreciation/amortisation, super greater than statutory min</li> </ul>
Salary & wage (FT)	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Minimum 12 months employment or 24 months in same field</li> </ul>
Allowances – industry standard	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Examples: district, location, dangerous conditions</li> <li>Exclusions: travel, meal, reimbursements</li> </ul>
Allowances – non-industry standard	<ul style="list-style-type: none"> <li>80% accepted</li> <li>Must be regular over 6 months</li> </ul>
Boarding	<ul style="list-style-type: none"> <li>80% accepted</li> <li>Must be regular over 6 months</li> </ul>
Bonus	<ul style="list-style-type: none"> <li>80% accepted</li> <li>Must be regular over 24 months (use average of 2 years)</li> </ul>
Casual/part time under 1 yr	<ul style="list-style-type: none"> <li>80% accepted</li> <li>Minimum 6 months employment or 12 months in same field</li> <li>Income calculated on current YTD and annualised over 48 weeks</li> </ul>
Casual/part time over 1 yr	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Minimum 12 months employment or 24 months in same field</li> <li>Income calculated on current YTD and annualised over 48 weeks</li> </ul>
Child maintenance	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Must be registered with CSA or court order and ongoing for next 5 years (child under 13 years)</li> </ul>
Commission	<ul style="list-style-type: none"> <li>80% accepted</li> <li>Must be regular over 24 months (use average of 2 years)</li> </ul>
Car allowance	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Car commitments (eg. lease) must be included in expenses</li> <li>If company car, no addback to income and reduce car expenses</li> </ul>
Contract income	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Minimum 12 months employment or 24 months in same field</li> </ul>
Dividends & interest	<ul style="list-style-type: none"> <li>80% accepted</li> <li>Must be regular over 24 months (use average of 2 years)</li> </ul>
DSS/Centrelink income	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Examples: Family Tax Benefit (child under 13 years), Government pensions such as Veterans/ Age/Widows/Disability, or Carer Allowance.</li> </ul>
Maternity/paternal leave	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Must be returning to same employer</li> </ul>
Overtime	<ul style="list-style-type: none"> <li>100% essential services, 80% all other industries</li> <li>Must be regular over 12 months</li> </ul>
Penalty rates	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Must be condition of employment</li> </ul>

Income type	Requirements
Pensions	<ul style="list-style-type: none"> <li>100% accepted</li> <li>Permanent pensions only</li> </ul>
Rental income	<ul style="list-style-type: none"> <li>Residential: 85%</li> <li>Commercial 75%</li> <li>Use lesser of actual and valuer estimate</li> <li>If vacant, adopt valuer estimate</li> <li>Valuation required where property is security</li> </ul>
Share trading	<ul style="list-style-type: none"> <li>Refer self-employed requirements</li> </ul>
Superannuation	<ul style="list-style-type: none"> <li>SMSF: 80%, public super fund: 100%</li> <li>Must be regular over 12 months</li> </ul>
Workcover	<ul style="list-style-type: none"> <li>80% accepted for the period it will be received</li> </ul>

## Unacceptable income

Income type	Requirements
Unacceptable income	<ul style="list-style-type: none"> <li>Undeclared cash income</li> <li>Unverifiable income</li> <li>Projected income</li> <li>Income which is received in bank accounts outside Australia</li> </ul>

**Defaults** – this is our approach to any adverse credit data. We can consider exceptions to this on a case-by-case basis.

Feature	Not permitted	Permitted
Defaults	<ul style="list-style-type: none"> <li>Unresolved defaults over \$1,000</li> <li>Over 3 unresolved defaults under \$1,000</li> </ul>	<ul style="list-style-type: none"> <li>Up to 3 unresolved defaults under \$1,000</li> <li>Resolved defaults</li> </ul>
Defaults	<ul style="list-style-type: none"> <li>Unresolved judgements</li> <li>Judgements in the last 5 years</li> </ul>	<ul style="list-style-type: none"> <li>Resolved judgements over 5 years old</li> </ul>
Defaults	<ul style="list-style-type: none"> <li>Current bankruptcies</li> <li>Prior resolved bankruptcies</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

## General

Feature	Underwriting guidelines
Servicing buffer	<ul style="list-style-type: none"><li>• 2% to current interest rate</li></ul>
Security	<ul style="list-style-type: none"><li>• Registered first mortgage over residential property</li></ul>
Security locations	<ul style="list-style-type: none"><li>• NSW, Vic, Qld, SA, WA, ACT and Tas metro locations accepted, with non-metro locations to be considered on a case-by-case basis</li></ul>
Unacceptable security	<ul style="list-style-type: none"><li>• Units below min internal size: 1 bdr 50sqm, 2 bdr 70sqm</li><li>• Land without improvements</li><li>• Property under construction or to be constructed</li><li>• Property which is materially damaged</li><li>• Contaminated by toxic or hazardous substances</li><li>• Where the title is: company title, mining lease, limited title, qualified title, native title, purple title, moiety title</li></ul>
Acceptable borrowers	<ul style="list-style-type: none"><li>• Individuals over the age of 18</li><li>• Australian or New Zealand residents who reside in Australia</li><li>• Holders of an acceptable Australian visa which will remain current for at least 12 months from the time of the loan application</li><li>• Non-residents who have sufficient income and expenses verified in an Australian bank account to satisfy our credit assessment</li><li>• Company or trust title holders to be guarantors</li></ul>

## Have any additional questions?

### For support:

Call our Broker Support Hotline 1800 178 222 or email [broker@firstfederal.com.au](mailto:broker@firstfederal.com.au)

### For scenarios:

Call our Scenario Chat Hotline 1800 178 111 or email [apply@firstfederal.com.au](mailto:apply@firstfederal.com.au)