

# Credit Policy Changes - May 2021



Gateway is introducing small changes to the credit policy along with the launch of Green Home Loan and Green Plus Home Loan. The Broker Operations Manual and Gateway Capacity Calculator were updated accordingly and will be effective from 24 May 2021.

## Salary Packaging

Treatment of operating leases has been clarified. As a general rule, pre-tax portion of an operating lease can be included as part of gross income for capacity calculations. However, lease costs must be included as liabilities while running costs must be included as expenses.

## Credit Increases

The wording was amended for clarity. The reduced documentary requirements apply to:

- Increase  $\leq$  \$150,000
- LVR after increase  $\leq$  80%
- Satisfactory repayment history

PAYG employment	<p>As a minimum, two (2) recent, consecutive, computer-generated/paper payslips for the borrower(s). These payslips should contain borrower's name, employer's name and ABN, and year-to-date income. The latest should be no older than one (1) month.</p> <ul style="list-style-type: none"> <li>• Other documents may be required if applicable. For example, if bonus or commission is to be included.</li> </ul>
Rental income	<ul style="list-style-type: none"> <li>• Standard rental income evidence; or</li> <li>• Rental income confirmed from deposits into a Gateway account; or</li> <li>• Three months statements from another financial institution showing rental deposits</li> </ul>
Self-employed income	<ul style="list-style-type: none"> <li>• Business financial statement/s covering two years</li> <li>• The latest business tax return</li> <li>• The latest personal tax return</li> </ul> <p>The most recent financial statement and tax return should be no older than 18 months. Additionally, business activity statements should be obtained if financial statements are older than 6 months.</p>
Debts being refinanced	<ul style="list-style-type: none"> <li>• Standard liability documents</li> </ul>
Debts not being refinanced	<ul style="list-style-type: none"> <li>• No evidence required unless a specific risk is identified during the assessment process</li> </ul>
Expenses	<ul style="list-style-type: none"> <li>• Transaction account statements are typically not required unless a specific risk is identified during the assessment process or they are needed to verify income and employment.</li> </ul>