

# Credit Policy Changes - June 2021

The following policy changes will be effective from 28 June 2021.

## 2.2.3.5 Salary Packaging

The section now includes an explanation on treatment of SMSF contributions.

Contributions to a SMSF do not need further verification provided that:

- it is evident the payments are being made to a SMSF; and
- the contributions are only the mandatory amount (currently 9.5%); or
- if additional contributions are being made, the reduced net income is sufficient to service the loan.

In all other circumstances (e.g., voluntary deductions to be excluded), further investigation will be required to confirm the SMSF does not hold liabilities which could prevent the additional contributions from being cancelled.

## 2.7 Construction Loans

The maximum number of dwellings that can be constructed on one title is being reduced from three to two. Construction of more than two dwellings is considered a commercial development.