



Bank of
Melbourne

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Hi,

At Bank of Melbourne, your business and clients are important to us, so we want to make sure you're up to date with the latest information. Please take a few moments to catch up with what matters in this edition.

Home loan buffer rate change

In line with the updated APRA guidance, we are making changes to our Consumer Credit Policy.

Effective **Friday 29 October 2021**, we are increasing the serviceability buffer rate from **2.50% p.a. to 3.00% p.a.**

Buffer rate change details

- The new buffer rate will be applied for any application received on or after **Friday 29 October 2021**.
- Applications received via ApplyOnline up to and including **Thursday 28 October 2021** that are accompanied by standard supporting documents sufficient to allow the assessment of the application, will have the previous buffer rate of 2.50% p.a. applied where pipeline policy is met.
- Calculators in ApplyOnline will be updated to reflect this change from **Friday 29 October 2021**.

Benchmark Rate

These changes will impact the Benchmark Rate (BR) that is used for serviceability assessments. The following determines the BR:

- If the current standard variable rate (less any packaged discount or interest rate adjustment) plus the interest rate buffer of 3.00% p.a. is less than the 5.05% p.a. floor rate, then the floor rate is applied as the BR.
- If the current standard variable rate (less any packaged discount or interest rate adjustment) plus the interest rate buffer of 3.00% p.a. is greater than the 5.05% p.a. floor rate, then the rate on the loan plus the interest rate buffer is applied as the BR.

Pipeline policy

Standard pipeline policy applies.

A pipeline application is defined where it has been received via ApplyOnline up to and including **Thursday 28 October 2021** accompanied by standard supporting documents sufficient to allow the assessment of the application. This includes Approval in Principle (AIP) assessments accompanied by standard supporting documents and still within 90 days of the AIP date.

Where the application meets the above pipeline requirement it may be re-assessed based on the previous buffer rate and approval (including AIP) where the credit decision has been re-run as a result of a change to the application and the change is not listed as a Material Change.

Please read through the [buffer rate FAQs](#) for further information on this Credit Policy change.



\$3k Refinance Cashback

Switch your clients' home loan to Bank of Melbourne and they could get \$3k cashback⁺.

Apply by 30/11/2021. Min loan amount \$250k and LVR⁷ less than 90%. T&Cs, exclusions and fees apply.

[Learn more](#)



A helpful reminder

To ensure these payments are made directly to customers, it is important that your customers have a transaction account linked to their home loan that is in the same name(s) as the home loan.

For further information, please visit the [broker website](#) or speak to your BDM.

You've got questions? We've got time to talk.



Call the Mortgage Central Hotline
[1300 137 532](tel:1300137532) Mon-Fri 8:30am - 7pm AEST



Visit bankofmelbourne.com.au/brokers

We appreciate you choosing us.

Your Bank of Melbourne team



The details:

Credit criteria, fees and charges apply. Terms & conditions available at bankofmelbourne.com.au/brokers. Based on Bank of Melbourne's credit criteria, residential lending is not available for Non-Australian resident borrowers.

*** Refinance Cashback offer:** Credit criteria, fees and charges apply. Terms and conditions available at bankofmelbourne.com.au. \$3,000 Refinance Cashback available for new refinance applications received between 1 July 2021 to 30 November 2021 and settle by 28 February 2022. Offer may be varied or withdrawn at any time. Limit of one \$3,000 cashback payment per customer regardless of the number of applications, properties or loans involved per 12 month period. For joint applications, only one cashback payment will be paid to the primary applicant. Min Loan amount \$250k. LVR must be less than 90%. Offer available on Owner Occupier (Principal & Interest repayments) and Residential Investment Loans (Principal and Interest & Interest Only repayments) with either the Advantage Package (\$395 annual package fee) and Basic Home Loans. Offer not available for Portfolio Loans, Owner Occupier Interest Only loans, residential lending originated under family or company trusts, refinances of home loans within the Westpac Group which include St.George, Westpac, Bank of Melbourne, BankSA and RAMS. The cashback will be paid into a Bank of Melbourne transaction account within 60 days of settlement. This account must be in the same name as the home loan account and linked to the home loan at settlement. Advantage Package Terms and Conditions apply. A \$395 annual package fee applies and is payable from an eligible Bank of Melbourne transaction account. Before deciding to acquire a Bank of Melbourne transaction account, read the terms and conditions, and consider if the product is right for your client. Refer to bankofmelbourne.com.au. Tax consequences may arise from this promotion for investors and customers should seek independent advice on any taxation matters.

⁷ **LVR** stands for the initial loan to value ratio at loan approval. LVR is the amount of your loan compared to the Bank's valuation of your property offered to secure your loan expressed as a percentage. For example, a loan of \$400,000 to buy a property worth \$500,000 results in a loan to value ratio of 80. Home loan rates are set based on the initial LVR and don't change because of changes to the LVR during the life of the loan.

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