

Feature

Guidelines

**Type of LMI Cover**

100% cover up to and including \$1,000,000 for self-employed borrowers who do not provide up-to-date financial information - employed (PAYG) borrowers are allowed as co-borrowers only.

**Maximum Loan Amounts by Location Classification & Type**

Location	Security	Loan Amount
Metropolitan	Dwelling	\$1,000,000
	Land	\$500,000
Regional	Dwelling	\$500,000
	Land	\$500,000
National	Dwelling	On application
	Land	On application

See ImiGUIDE for details.

**Maximum LVR**

80% (including capitalisation of premium)  
- subject to guidelines by security type and purpose.

**Maximum Policy Term**

30 years

**Eligible Borrowers**

QBE LMI will insure residential mortgage loans made to:

- Individuals – where at least one Borrower is self-employed,
- Companies, or
- Trusts.

Maximum 4 Borrowers, where only 2 Borrowers can be self employed.

**Maximum Borrower Exposure**

The Maximum Loan Amount (including premium capitalisation) for a loan with one security is \$1,000,000. The aggregate exposure for any one Borrower is \$2,500,000.  
*Subject to Location, Classification and Type.*

**Loan Purpose**

- Purchase or construction of residential property;
- Other purposes – see ImiGUIDE.

**Loan Payment Types**

- Principal & Interest;
- Interest Only (max 10 years) converting to Principal & Interest - with a total period not exceeding 30 years;
- Line of Credit:
  - contractual monthly payments that at least cover the accrued interest;
  - maximum loan term not to exceed 25 years; maximum loan of \$750,000;
  - maximum LVR of 70%.

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<b>Equity Requirements</b>	<ul style="list-style-type: none"> <li>▪ Borrowed funds are not an acceptable source of equity;</li> <li>▪ Minimum borrower contribution of 20% is required - Lender to validate and hold on file for the life of the loan;</li> <li>▪ Asset and Liability statement and this must confirm that the borrowers have 20% contribution.</li> </ul>
<b>Servicing Capacity Calculation</b>	<p>Based on calculation of Net Surplus Ratio (NSR). For loan amounts:</p> <ul style="list-style-type: none"> <li>▪ Up to and including \$750,000 - the maximum NSR is 100%;</li> <li>▪ Greater than \$750,000 - the maximum NSR is 95%.</li> </ul> <p>Where a self employed applicant is not registered for GST, the maximum level of income considered for servicing is \$75,000 being the ATO threshold for BAS lodgment.</p>
<b>Additional Documentation Requirements</b> (Must be retained on the Lenders file)	<ul style="list-style-type: none"> <li>▪ Minimum 2 years self-employment verified by ABN;</li> <li>▪ Borrowers ABN must be registered for GST at the time of application;</li> <li>▪ Asset &amp; Liability statement - this must confirm that the borrowers have 20% contribution / equity to complete the transaction;</li> <li>▪ Statement signed by the borrower listing income and confirming that all commitments can be met without undue hardship.</li> </ul>

**This is an overview only. Please refer to the ImiGUIDE for further details.**