

Residential Lending Guide

Interest Rate Options

- Floating
- Fixed
- Capped
- A combination of each of the interest rate options can be taken.

Repayment Options

- Table
- Reducing
- Interest only

Repayment frequency

- Fortnightly
- Monthly

Maximum Loan Term

- 30 Years (LVR <90%)
- 25 Years (LVR 90.01% - 94.99%)
- 20 Years (LVR 95% -100%)

Interest Only Conditions

Interest-only terms are available on the following basis:

Overall Lending Value Ratio (LVR)	Interest-only terms
Less than or equal to 85%	Up to the full term of the loan
85 to 90%	5 years
Over 90%	5 years (conditions apply)

Mortgage Product Repayment Conditions

Fixed Rate Repayment Conditions

- Cost/benefit calculation used for early repayment and lump sum reductions. Benefits not payable. Minimum cost \$300.
- Can increase regular payments up to a maximum of 20% of minimum repayment and/or reduce back to minimum during fixed rate period
- Can set **initial** loan payments as far above minimum as desired with no penalty
- Repayment holidays can be taken if a buffer has been created through paying more than the minimum amount
- Security can be changed without breaking the rate if sale and purchase of properties are concurrent (with no changes to existing loan structure)
- Client can take a Rate Lock Agreement (RLA) to hold a rate for up to 60 days at no cost, the settlement date however must be stated and a \$250 break fee will apply if the loan(s) are not drawn on the set settlement date.

Floating Rate Repayment Conditions

- Lump sum / full repayments allowed without penalty.
- Repayments can be altered at any time.
- Repayment holidays allowed when a buffer has been created through either setting limit higher than required initially or through extra instalments being made during the term.

Capped Rate Repayment Conditions

- Lump sum / full repayments allowed without penalty
- Repayments can be altered at any time
- Repayment holidays allowed when a buffer has been created either through setting limit higher than required initially or through extra instalments being made during the term
- Capped rate is available for 1 year term
- Customer pays the lower of:
 - The floating rate or
 - The capped rate (less applicable package discounts).
 - No penalty to swap to another rate or to move loan to a new property

Employee Packages

Westpac has a number of special employee packages available, offering benefits to eligible customers. Please contact your local Broker Development Manager for more details.

Debt Servicing Calculation

- Applicant's ability to meet all loan repayment obligations must be assessed.
- Applicants must have an acceptable amount of surplus income available to meet usual living costs.
- Applicants must receive income from an acceptable source, on a regular basis.
- Debt servicing capacity is based on the minimum monthly net cash surplus (MMNS).

Calculating Cash Surplus

- Determine the customer's cash surplus by subtracting total expenses from net income.

Income

- Determine the net of the total income, including:
 - income tax
 - any salary package benefits.
- Wage and salary earners – confirmation to be by either letter from employer less than 30 days old OR payslip showing gross per annum base income OR three consecutive payslips OR one payslip showing year to date income providing this covers at least three month period OR direct credits to the account OR tax assessment for last financial year.
- Boarder income at 50% with evidence provided via direct credit to the account or signed agreement between parties.
- Overtime and allowances – use 100% as long as it has been received on a regular basis
- Commission – last 12 months tax assessment
- Self Employment – last 12 months financials or tax assessment.
- Benefits - only applicable if there is formal confirmation that it is a permanent source of income.
- ACC or sickness benefit will require formal confirmation of long term disability.
- Rental income at 75%
- Family assistance benefits
- Serviced apartment income cannot be included.
- Child support payments cannot be included

Note: Do not gross up income with non-cash benefits such as car, loans, travel, etc. Income from child support payments are not used for loan servicing

Expenses

Calculate expenses to be deducted. Include:

- Loan repayments for this request.
- Repayments for other loans, including hire purchase and other bank debt(s).
- Overdraft repayment (@2.5% of approved limit).
- Rent, board for own situation.
- Credit card(s) @3% of revolving balance (the unpaid balance from the last statement).
- Child support payments. (as liable parent)

Once you have calculated the customer surplus, this needs to be compared to Westpac required surplus for the customer's situation using the Cash Surplus Matrix.

Use the Westpac Cash Surplus Matrix

Assess the customer against the Cash Surplus matrix

Round the proposed debt level to nearest \$5,000, including other Bank Term Loans

Identify on the following table the surplus requirement for Single (e.g. \$900) or Couple (e.g. \$1300).

Single Adult	\$ 900
Couple	\$1300
Joint Adults	\$1800
Family	\$2200
Per child	\$ 120

Add debt margin - calculations are based on the following:	
Add	Per \$1,000 of debt
\$3	Between \$100,000 and \$499,999
\$0	Over \$500,000

An example of a couple borrowing \$600,000.

Couple		\$1300
Amount between \$100,000 and \$499,999,	$(\$400,000 * \$3 = \$1200)$	\$1200
Amount above \$500,000	$(\$100,000 * \$0 = \$ 0)$	\$ 0
Total requirement		\$2500

Borrower Definition's

A 'couple' (i.e. surplus \$1,300) as different from a 'joint' application (i.e. surplus \$1,800) is defined as any two people (regardless of relationship) who live in the same property and where responsibility for the property (either owned or rented) is a joint responsibility.

Joint applicants (i.e. surplus \$1800) who do not share the same property are to be counted as two single applicants for the purposes of debt servicing assessment.

Note: Where a group of borrowers **all live** in the same property and where responsibility for the property (either owned or rented) is a joint responsibility then a maximum of \$2,200 plus dependents can be applied.

Westpac Cash Surplus Matrix

Proposed Debt Level	Single	Couple	Joint	Family	Proposed Debt Level	Single	Couple	Joint	Family	Proposed Debt Level	Single	Couple	Joint	Family
\$5,000	\$900	\$1,300	\$1,800	\$2,200	\$205,000	\$1,215	\$1,615	\$2,115	\$2,515	\$405,000	\$1,815	\$2,215	\$2,715	\$3,115
\$10,000	\$900	\$1,300	\$1,800	\$2,200	\$210,000	\$1,230	\$1,630	\$2,130	\$2,530	\$410,000	\$1,830	\$2,230	\$2,730	\$3,130
\$15,000	\$900	\$1,300	\$1,800	\$2,200	\$215,000	\$1,245	\$1,645	\$2,145	\$2,545	\$415,000	\$1,845	\$2,245	\$2,745	\$3,145
\$20,000	\$900	\$1,300	\$1,800	\$2,200	\$220,000	\$1,260	\$1,660	\$2,160	\$2,560	\$420,000	\$1,860	\$2,260	\$2,760	\$3,160
\$25,000	\$900	\$1,300	\$1,800	\$2,200	\$225,000	\$1,275	\$1,675	\$2,175	\$2,575	\$425,000	\$1,875	\$2,275	\$2,775	\$3,175
\$30,000	\$900	\$1,300	\$1,800	\$2,200	\$230,000	\$1,290	\$1,690	\$2,190	\$2,590	\$430,000	\$1,890	\$2,290	\$2,790	\$3,190
\$35,000	\$900	\$1,300	\$1,800	\$2,200	\$235,000	\$1,305	\$1,705	\$2,205	\$2,605	\$435,000	\$1,905	\$2,305	\$2,805	\$3,205
\$40,000	\$900	\$1,300	\$1,800	\$2,200	\$240,000	\$1,320	\$1,720	\$2,220	\$2,620	\$440,000	\$1,920	\$2,320	\$2,820	\$3,220
\$45,000	\$900	\$1,300	\$1,800	\$2,200	\$245,000	\$1,335	\$1,735	\$2,235	\$2,635	\$445,000	\$1,935	\$2,335	\$2,835	\$3,235
\$50,000	\$900	\$1,300	\$1,800	\$2,200	\$250,000	\$1,350	\$1,750	\$2,250	\$2,650	\$450,000	\$1,950	\$2,350	\$2,850	\$3,250
\$55,000	\$900	\$1,300	\$1,800	\$2,200	\$255,000	\$1,365	\$1,765	\$2,265	\$2,665	\$455,000	\$1,965	\$2,365	\$2,865	\$3,265
\$60,000	\$900	\$1,300	\$1,800	\$2,200	\$260,000	\$1,380	\$1,780	\$2,280	\$2,680	\$460,000	\$1,980	\$2,380	\$2,880	\$3,280
\$65,000	\$900	\$1,300	\$1,800	\$2,200	\$265,000	\$1,395	\$1,795	\$2,295	\$2,695	\$465,000	\$1,995	\$2,395	\$2,895	\$3,295
\$70,000	\$900	\$1,300	\$1,800	\$2,200	\$270,000	\$1,410	\$1,810	\$2,310	\$2,710	\$470,000	\$2,010	\$2,410	\$2,910	\$3,310
\$75,000	\$900	\$1,300	\$1,800	\$2,200	\$275,000	\$1,425	\$1,825	\$2,325	\$2,725	\$475,000	\$2,025	\$2,425	\$2,925	\$3,325
\$80,000	\$900	\$1,300	\$1,800	\$2,200	\$280,000	\$1,440	\$1,840	\$2,340	\$2,740	\$480,000	\$2,040	\$2,440	\$2,940	\$3,340
\$85,000	\$900	\$1,300	\$1,800	\$2,200	\$285,000	\$1,455	\$1,855	\$2,355	\$2,755	\$485,000	\$2,055	\$2,455	\$2,955	\$3,355
\$90,000	\$900	\$1,300	\$1,800	\$2,200	\$290,000	\$1,470	\$1,870	\$2,370	\$2,770	\$490,000	\$2,070	\$2,470	\$2,970	\$3,370
\$95,000	\$900	\$1,300	\$1,800	\$2,200	\$295,000	\$1,485	\$1,885	\$2,385	\$2,785	\$495,000	\$2,085	\$2,485	\$2,985	\$3,385
\$100,000	\$900	\$1,300	\$1,800	\$2,200	\$300,000	\$1,500	\$1,900	\$2,400	\$2,800	\$500,000	\$2,100	\$2,500	\$3,000	\$3,400
\$105,000	\$915	\$1,315	\$1,815	\$2,215	\$305,000	\$1,515	\$1,915	\$2,415	\$2,815	>\$500,000	\$2,100	\$2,500	\$3,000	\$3,400
\$110,000	\$930	\$1,330	\$1,830	\$2,230	\$310,000	\$1,530	\$1,930	\$2,430	\$2,830					
\$115,000	\$945	\$1,345	\$1,845	\$2,245	\$315,000	\$1,545	\$1,945	\$2,445	\$2,845					
\$120,000	\$960	\$1,360	\$1,860	\$2,260	\$320,000	\$1,560	\$1,960	\$2,460	\$2,860					
\$125,000	\$975	\$1,375	\$1,875	\$2,275	\$325,000	\$1,575	\$1,975	\$2,475	\$2,875					
\$130,000	\$990	\$1,390	\$1,890	\$2,290	\$330,000	\$1,590	\$1,990	\$2,490	\$2,890					
\$135,000	\$1,005	\$1,405	\$1,905	\$2,305	\$335,000	\$1,605	\$2,005	\$2,505	\$2,905					
\$140,000	\$1,020	\$1,420	\$1,920	\$2,320	\$340,000	\$1,620	\$2,020	\$2,520	\$2,920					
\$145,000	\$1,035	\$1,435	\$1,935	\$2,335	\$345,000	\$1,635	\$2,035	\$2,535	\$2,935					
\$150,000	\$1,050	\$1,450	\$1,950	\$2,350	\$350,000	\$1,650	\$2,050	\$2,550	\$2,950					
\$155,000	\$1,065	\$1,465	\$1,965	\$2,365	\$355,000	\$1,665	\$2,065	\$2,565	\$2,965					
\$160,000	\$1,080	\$1,480	\$1,980	\$2,380	\$360,000	\$1,680	\$2,080	\$2,580	\$2,980					
\$165,000	\$1,095	\$1,495	\$1,995	\$2,395	\$365,000	\$1,695	\$2,095	\$2,595	\$2,995					
\$170,000	\$1,110	\$1,510	\$2,010	\$2,410	\$370,000	\$1,710	\$2,110	\$2,610	\$3,010					
\$175,000	\$1,125	\$1,525	\$2,025	\$2,425	\$375,000	\$1,725	\$2,125	\$2,625	\$3,025					
\$180,000	\$1,140	\$1,540	\$2,040	\$2,440	\$380,000	\$1,740	\$2,140	\$2,640	\$3,040					
\$185,000	\$1,155	\$1,555	\$2,055	\$2,455	\$385,000	\$1,755	\$2,155	\$2,655	\$3,055					
\$190,000	\$1,170	\$1,570	\$2,070	\$2,470	\$390,000	\$1,770	\$2,170	\$2,670	\$3,070					
\$195,000	\$1,185	\$1,585	\$2,085	\$2,485	\$395,000	\$1,785	\$2,185	\$2,685	\$3,085					
\$200,000	\$1,200	\$1,600	\$2,100	\$2,500	\$400,000	\$1,800	\$2,200	\$2,700	\$3,100					

Lending Value Ratios

Westpac New Zealand Limited

This document contains confidential information for the Mortgage Broker and is not authorised for release to the public. This information is valid as at the 01/07/2008 and is subject to change at any time without notice.

Security

A Home Loan may be secured by a registered first and exclusive mortgage over:

- Residential owner occupied property.
- Residential investment property(ies) (this may include multi unit properties where each unit is on a separate title - each unit would count as a property in terms of loan amount/LVR maximums).
- Vacant residential zoned land (inclusive or exclusive of services).
- Lifestyle blocks (as described in the Choices Home Loan Product Profile).
- Must be owned directly or indirectly by the borrower.

Note: the purchase price or value of security needs to be assessed as exclusive of GST. If the transaction is rated for GST and the borrower intends to claim the GST back then this will rank ahead of Westpac on resale hence overstating the purchase price.

With respect to security, the maximum LVR for the borrower is to be as follows:

No. of security properties	Max LVR
First two properties @	90%
Third or more property @	80%

i.e., if a customer had 4 properties worth \$200,000 each, they would have a combined security value of \$800,000. They could borrow \$680,000 (provided they meet all other lending criteria).

Residential property

The residential property type covers:

- Residential house/townhouse/unit (Freehold Title, Strata Title, Cross Lease, Leasehold in perpetuity, or Unit Title)
- Any property that is subject to a fixed term lease to a property management company or intermediary of any type, falls outside of this policy and is assessed on a case-by-case basis. This includes (but is not limited to): serviced apartments, student accommodation managed by a central body and properties leased back by the developer or seller

Westpac's approach to these types of property will be to reduce LVR and structure loan terms commensurate with lease term.

Lending value ratio - real estate

Type of property	Maximum LVR
Residential property	
• owner-occupied	100% (Note: • specific criteria applies)
• non owner-occupied	90%
Residential apartments or units: (Excluded decks and patio's)	
• >50sqmtrs	95%
• 40-50sqmtrs	75%
• 30-40sqmtrs	65%
• <30sqmtrs (where additional owner-occupied security is held)	50%
• <30sqmtres (where no additional owner-occupied security is held)	0%
Company share owned residential property/apartment - licence to occupy	74.9%
Serviced Apartments (includes Student accommodation managed by a central body AND properties leased back by the developer or seller)	65% (Note: • specific criteria apply)
Vacant land:	
• Residentially zoned with services, i.e. power sewerage, water reticulation and sealed footpaths (<2.2ha)	90%
• Residentially zoned with services, i.e. power sewerage, water reticulation and sealed footpaths (> or = 2.2ha)	80%
• Zoned other than residential and/ or not serviced	50%

Lifestyle Blocks

- Must be serviced from own income and not income from the land.
- Land under 20ha and zoned residential or residential/rural
- Residential amenities on hand (power, phone, access by sealed road)
- LVR up to 90% of the price excluding GST
- Residential rates apply.
- Location restrictions may apply. (e.g., within proximity to a major town or city, access by a sealed road)

Valuation Requirement

Full Registered Valuation reports - RV

For all types of real estate.

- For residential properties the value of 'standard' chattels can be included in the value. Standard is defined as those chattels that would normally be included in a contract of sale, such as; floor coverings, carpets, drapes, blinds, light fittings. Does not include furniture or other large value 'non-standard' items (e.g. spa pools). For non-residential properties the value of all chattels should be excluded.
- The valuation must be no more than 3 months old
- The original of the report must be provided and be addressed to the Bank and the valuation must be signed by a Registered Valuer.

Desktop (and electronic) Valuation Reports – DV

For residential properties only.

- To be obtained from a Registered Valuer or an online provider (such as Quotable Value “e-valuation”).
- Can include the value of chattels (if assessed).
- Estimated value is used if provided otherwise where the value is provided as a range then a midpoint or average is to be used
- The valuation must be no more than 1 month old.

Agreement for sale and purchase S&P

For residential properties only.

When using the agreement for sale and purchase as the form of valuation, obtain either:

- Full copy of the contract, or
- The three pages that confirm
 - Final agreed purchase price and possession date (front page)
 - Further or special terms and conditions, including signature of vendor(s) and purchaser(s)
 - Date of agreement, vendor, purchaser, solicitor details etc (back page).
- Ensure that the agreement for sale and purchase is:
 - Dated and signed by all parties and no older than 3 months, and handled by a licensed real estate agent
 - Not subject to any adverse terms and conditions that could affect the purchaser's or the Bank's position.

Residential valuation requirements - Real Estate

The following tables show the acceptable forms of real estate for security and the type of valuation that may be used to determine their current market value.

Where security property is new to Westpac.

Properties subject to an acceptable Sale and Purchase agreement (S&P) are valued by the sale price or Registered Valuation (RV) or Desktop Valuation (DV) or Government/Rateable Valuation (GV) in terms of the following table:

Note: the table describes the minimum requirement (RV, DV, GV). If a higher level of valuation is held than is required then that is acceptable and the lower level (if held) can be ignored. In all cases if the S&P valuation is lower then it overrides all other types.

Property type	Acceptable valuation for LVR					
	90% and above	89.99%-85%	84.99%-75%	74.99%-65%	64.99%-51%	50% and below
Any property type sold by Private Treaty	Lesser of RV and S&P	Lesser of RV and S&P	Lesser of RV and S&P	Lesser of DV and S&P	Lesser of GV and S&P	Lesser of GV and S&P
Any property type where value is < \$1.0m (excluding Apartments, Company Share, Vacant Land)	Lesser of RV and S&P	Lesser of DV and S&P	S&P	S&P	S&P	S&P
Any property type where value is \$1.0m or higher (excluding Apartments, Company Share, Vacant Land)	Lesser of RV and S&P	Lesser of RV and S&P	S&P	S&P	S&P	S&P
Any apartment or unit that is part of a larger development that is first time on the market, or sold off plans	Lesser of RV and S&P	Lesser of RV and S&P	Lesser of RV and S&P	Lesser of RV and S&P	S&P	S&P
Apartment >50sqmtrs	Lesser of RV and S&P	Lesser of RV and S&P	Lesser of DV and S&P	S&P	S&P	S&P
Apartment 40-50sqmtrs	n/a	n/a	n/a	Lesser of RV and S&P	S&P	S&P
Apartment 30-40sqmtrs	n/a	n/a	n/a	n/a	S&P	S&P
Apartment <30sqmtrs	n/a	n/a	n/a	n/a	n/a	S&P
Company Share or License to Occupy	n/a	n/a	n/a	Lesser of RV and S&P	S&P	S&P
Vacant (serviced) residential land	n/a	Lesser of RV and S&P	Lesser of RV and S&P	S&P	S&P	S&P
Vacant (un-serviced) residential land	n/a	n/a	n/a	n/a	n/a	S&P

Where security property is an existing security held by Westpac or no Sale and Purchase is available

Properties not subject to a S&P are valued by RV, DV or GV in terms of the following table.

Note: the table describes the minimum requirement (RV, DV, GV). If a higher level of valuation is held than is required then that is acceptable and the lower level (if held) can be ignored:

Property type	Acceptable valuation for LVR					
	90% and above	89.99%-85%	84.99%-75%	74.99%-65%	64.99%-51%	50% and below
Any property type where value is <\$1.0m (excluding Apartments, Company Share, Vacant Land)	RV	DV	DV	GV	GV	GV
Any property type where value is \$1.0m or higher (excluding Apartments, Company Share, Vacant Land)	RV	RV	DV	DV	GV	GV
Apartment >50sqmtrs	RV	RV	DV	DV	GV	GV
Apartment 40-50sqmtrs	n/a	n/a	n/a	DV	GV	GV
Apartment 30-40sqmtrs	n/a	n/a	n/a	n/a	GV	GV
Apartment <30sqmtrs	n/a	n/a	n/a	n/a	n/a	GV
Company Share or License to Occupy	n/a	n/a	n/a	RV	RV	RV
Vacant (serviced) residential land	n/a	RV	DV	GV	GV	GV
Vacant (un-serviced) residential land	n/a	n/a	n/a	n/a	n/a	GV

Equity contribution

- LVR of 90% and above deposit must not be borrowed
- LVR of 90% or below deposit can be borrowed however at least 10% of the equity should come from customers own savings and be evidenced.

100% LVR Home loans - Criteria for all loans with LVR of above 90%

Description

There are different approaches to writing 100% loans:

- >90% -94.99% over a 25 year total term P&I
- 95% -100% over a 20 year total term P&I
- 90/10 with rapid amortisation.
- 90/10 with surety – 90% in applicants name 30 year term (max 5 years interest only option) and the 10% equity (in applicants name joint with surety) 5 year total term P&I. Both applicants and surety must be able to service this loan.

Target customers

- Able to maintain permanent full-time employment and steady income.
- Sufficient income must be available to comfortably demonstrate serviceability within underwriting standards.
- Borrower characteristics (including credit history, employment stability, and financial position) must be exemplary.

With regard to the two different approaches, the following additional target market criteria will apply:

90/10 with a surety

The surety(ies) statement of position confirms that in the event of default they are financially secure enough to either repay the 10% 'equity loan' in full, or over the documented loan term without causing any undue hardship to their personal circumstances.

90/10 with rapid amortisation

Borrower's with significant servicing margin, to easily fully repay the >90% portion within 5 years.

100% LVR Home Loan Specific requirements

90/10 with a surety

- Available for the purchase/funding of an owner-occupied property. Borrowers to have no financial interest in any other residential property.
- The primary loan (i.e. up to 90% of lesser of purchase price or valuation) to be in the borrowers' names only. Loan term to be a maximum 30 years, but can be interest only for an initial maximum 5 year term or until the equity is fully repaid.
- The equity loan (i.e. the remaining 10%) to be in the name of the borrowers, joint with the surety(ies). Loan to be fully amortising over a maximum 5 year term.
- The borrowers must demonstrate ability to service both loans. The sureties must demonstrate ability to service the equity loan and/or have assets that could be used to repay the same without undue hardship or material negative impact on their financial position.
- Security provided by the surety(ies) to be a first and exclusive mortgage over residential property (either owner-occupied or investment) or cash security, i.e. term deposit, with Westpac, owned by the surety(ies). The surety security will not be discharged until the 'equity loan' has been repaid in full.
- Security documentation for the surety(ies) are to be prepared by a solicitor independent of the solicitor acting for the primary borrower(s)

90/10 with rapid amortisation

- Only available for the purchase/funding of an owner-occupied property.
 - Any portion over 90% LVR must be on an amortising basis sufficient to clear the >90% within maximum 3 years. In need remaining the loan can be on an interest only basis for a maximum 3 year period. This could be structured in either of the following ways
- Loan Structure:**
- **LVR of 90.01% -95%**
 - Option 1. entire loan over a 25 year term P&I
 - Option 2. 90% of the loan over a 30 year term (int only 5 years) & 10% over 5 year term P&I
 - **LVR of 95.01- 100%**
 - Option 1. entire loan over a 20 year term P&I
 - Option 2. 90% of the loan over a 30 year term (int only 5 years) & 10% over 5 year term P&I
 - Allowing for repayments, borrowers must have sufficient surplus to meet the serviceability requirements with a significant margin for adversity.

Lo-Doc

Westpac Lo-Doc loans are available to customers who are:

- Self-employed or have most of their income derived from a business they have an ownership interest in
- And are using the loan for residential purposes only and for not business purposes.

For eligible customers we will lend up to 65% LVR, with the following criteria:

- The Lo-Doc Income Declaration form must be completed and signed by the customer and submitted with the loan application
- Minimum loan value \$200,000 and maximum \$1.5 million
- Minimum equity the greater of \$75,000 or 15%
- \$400 Establishment fee is mandatory
- Latest 3 months GST returns to be provided for lo-doc applications where business is not a Limited company

Low Equity Margin (LEM)

Customers with LVR greater than 85% will have a Low Equity Margin (LEM) of 0.15% added to the interest rate.

This applies.

- To all loans where the total lending for customers is greater than 85% LVR
- Until such time as the LVR reaches 85% or lower. Once customers provide Westpac with a valuation showing that the LVR has reached this level (85% or less), the LEM will then be removed from their floating loans immediately and removed from their fixed loans upon maturity.
- The LEM will apply immediately to new loans and existing floating loans, and will be applied to any existing fixed / capped loans upon maturity of the current term.

Construction Policy

Where construction is by way of full turn key contract the following is required;

- Copy of a registered valuation addressed to Westpac from an approved valuer advising the value of the property upon completion, with property details based on the customer's plans and specifications.
- Copy of full turn key contract confirming that **all** work is to be completed, including landscaping, driveways, fencing etc as detailed in the schedule of work, specifications and contracted payment schedule
- Under no circumstances are any amendments or variations to be made to the contract, either prior to or during the construction process without prior consultation with Westpac & subsequent approval for the changes from Westpac. This includes items within the contracted price being paid for from the clients own funds.
- Sale and purchase agreement for section (if applicable)
- Copy of local authority consents/permits and full builders risk insurance policy/details
- The loan is assessed in the first instance, for affordability purposes only based on the total loan facilities and is not formally approved for construction until such time as the Bank's full construction policy is met.

Loan drawdown requirements where construction is by way of full turn key contract are;

- Customers own funds are to be utilised before any loan funds are drawn.
- Drawdown's will be against invoices as per scheduled payments contained in the contract for all transactions.
- For all loans where final LVR exceeds 90% drawdown's will be against invoices as per scheduled payments contained in the contract and supported by receipt of registered valuers certificate confirming cost expended to date, value of work completed and cost to complete.
- Value of remaining undrawn finance is not to exceed the cost to complete figures as shown in the full turn key contract.

Where construction is by way of fixed price contract the following is required;

- Maximum LVR is 90%
- Copy of a registered valuation addressed to Westpac from an approved valuer advising the value of the property upon completion, with property details based on the customer's plans and specifications.
- Copy of full fixed price contract confirming that **all** work is to be completed, including landscaping, driveways, fencing etc as detailed in the schedule of work, specifications and contracted payment schedule
- Under no circumstances are any amendments or variations to be made to the contract, either prior to or during the construction process without prior consultation with Westpac & subsequent approval for the changes from Westpac. This includes items within the contracted price being paid for from the clients own funds.
- Sale and purchase agreement for section (if applicable)
- Copy of local authority consents/permits and full builders risk insurance policy/details
- The loan is assessed in the first instance, for affordability purposes only based on the total loan facilities and is not formally approved for construction until such time as the Bank's full construction policy is met.

Loan drawdown requirements where construction is by way of fixed price contract are;

- Customers own funds are to be utilised before any loan funds are drawn.
- Drawdown's will be against invoices as per scheduled payments contained in the contract for all transactions.
- Value of remaining undrawn finance is not to exceed the cost to complete figures as shown in the fixed price contract.

Where construction is by way of customer managed project (i.e. labour only) the following is required;

- Maximum LVR is 80%
- Copy of a registered valuation addressed to Westpac from an approved valuer advising the value of the property upon completion, with property details based on the customer's plans and specifications.
- Full budget costings, supported by quotes and/or invoices confirming **all** work to be completed, including landscaping, driveways, fencing etc as detailed in the budget costings.
- Schedule of projected drawdown requirements.
- Details of applicants experience to complete and/or manage the project.
- Sale and purchase agreement for section (if applicable)
- The loan is assessed in the first instance, for affordability purposes only based on the total loan facilities and is not formally approved for construction until such time as the Bank's full construction policy is met.

Loan drawdown requirements where construction is by way of customer managed project (i.e. labour only) are,

- Customers own funds are to be utilised before any loan funds are drawn.
- Where LVR is between 65% - 80% drawdown's will be against interim registered valuation on value as is and assessed cost to complete.
- Drawdown's to be in terms of scheduled progress payments.
- Maximum drawdown will be no greater than 80% of interim valuation.
- Value of remaining undrawn finance is not to exceed the cost to complete figures as shown in the interim valuation.
- Where LVR is below 65% drawdown's will be against invoices for major construction items.

Non Residents

- Case by case, however general guidelines maximum LVR 80% and minimum \$50,000 equity per property.
- Refer SBC for non residents who hold work permits and have applied to NZ immigration for permanent NZ residency

Credit Check

- To be supplied where possible - if not sufficiently current, will be completed by Westpac also.
- If items appear must have good written explanation.
Requirement for most customers to pass the credit check there must be:
- No bankruptcies in last 5 years.
- No judgements/legal action/collections/defaults/repossession's or write offs in the last four years.

Specialist Banking Centre

- **Open Ended bridging.**
- Loans for up to 6 months to allow clients to purchase a new owner occupied property when they have not yet sold existing owner occupied property (excludes investment property sale and purchases)
- 6 months worth of interest capitalisation; a separate loan will be provided
- Existing Westpac customers only
- **Non residents policy up to 95% LVR**
- Where customers hold a NZ work permit and have already applied to NZ immigration for permanent residency (evidence to be provided)
- Min equity from own funds \$25,000