

January 2018

Feature	Guidelines		
	Purchase or construction of a residential owner occupied home for first home buyers.		
Type of LMI cover	Full documentation loans - 100% cover.		
Eligible borrowers	Individuals who are purchasing or building a residential property for owner-occupation who have a clear credit history (i.e. no defaults or poor payment history) and are either: <ul style="list-style-type: none"> • Eligible to receive the first home owners grant, or • Eligible to receive stamp duty concessions or exemptions, or • Able to demonstrate* that they haven't or do not currently own a home. 		
Maximum LVR and loan amounts by location classification			
Full income documentation: Improved security (LVR excludes premium capitalisation)	Location	90% LVR	95% LVR
	Metropolitan	\$1,200,000	\$900,000
	Regional	\$900,000	\$600,000
	National	\$550,000	\$275,000
Security	<ul style="list-style-type: none"> • Subject to security type and loan purpose parameters. • The property must be in good condition in an active property market and be acceptable to QBE LMI. • Vacant land is acceptable as part of a house and land construction package. • 2nd Mortgages are unacceptable. 		
Maximum policy term	30 years.		
Loan purpose	<ul style="list-style-type: none"> • Purchase or construction of an owner occupied residential property. • Additional or top-up loans are ineligible for first home buyer discount unless part of a house-land construction package. 		
Borrower exposure	<ul style="list-style-type: none"> • One policy per Borrower. • Additional loans or subsequent top-up loans will be assessed under ImiHOME™ guidelines and pricing. 		
Loan Payment Type	<ul style="list-style-type: none"> • Principal & Interest (P&I); or • Where the loan purpose is construction, loan type maybe interest only converting to P&I once the property is complete. 		
Genuine savings	<ul style="list-style-type: none"> • Where the LVR is above 90%, at least 5% of the purchase price must be provided by the borrower from genuine savings. • Where 3 months savings account history is not available, QBE LMI will accept a Borrowers rental history for the past 6 months. One of the following options must be provided along with the savings account history that is available: <ul style="list-style-type: none"> – The past 6 consecutive months rental statements, from the real estate agent managing the property, evidencing rent paid in the name of at least one borrower; or – The past 6 consecutive months transaction account statements, of an account in the name of at least one of the borrowers, showing clearly identified rental payments being paid. • Rental history must show consistent and timely payments. Any payment overdue by 7 days or more is unacceptable. The latest rental statement must be less than 30 days at the time of the home loan application. and include the: <ul style="list-style-type: none"> – Full name of the tenant or tenants (one or more of which must be the borrower or borrowers); and – Address of the property; and – Commencement date of the tenancy; and – Amount of rent paid per cycle. 		

*Lenders must search a borrowers home loan application and supporting documentation for home ownership.

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Servicing capacity calculation	<p>Based on calculation of net servicing ratio (NSR) using QBE LMI assessment interest rate. For loan amounts:</p> <ul style="list-style-type: none"> • Up to and including \$750,000: maximum NSR is 100%. • Greater than \$750,000: maximum NSR is 95%. 						
Employment	<p>Permanent full-time employed and contract PAYG A borrower must have completed probation in their current role and have had no more than 2 jobs in the past 12 months.</p> <p>Self employed borrowers: Minimum 2 years in the same business verified by an online ABN / ACN search.</p> <table border="1" data-bbox="421 589 1540 707"> <thead> <tr> <th data-bbox="421 589 770 627">Documentary evidence</th> <th data-bbox="770 589 1540 627">Requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="421 627 770 665">Full income documentation</td> <td data-bbox="770 627 1540 665">Last 2 years tax returns and ATO assessment notices</td> </tr> <tr> <td data-bbox="421 665 770 707">Self certified</td> <td data-bbox="770 665 1540 707">Not available</td> </tr> </tbody> </table>	Documentary evidence	Requirements	Full income documentation	Last 2 years tax returns and ATO assessment notices	Self certified	Not available
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