



QBE

LMI Guide

April 2026

Contents

1. How to use this LMI Guide	3
2. Applying for Lenders' Mortgage Insurance	3
3. Product Fast Facts	4
4. LMI for new and additional lending	5
5. Unacceptable for LMI	7
6. LMI Premium Rates	8
7. Additional loans – premium calculation	8
8. Capitalisation of Premium	8
9. LMI Premium Refunds	8
10. Terminated LMI Policies	9
11. Stamp Duty	9
12. Policy Variations	9
13. Policy changes for endorsement by QBE LMI	10
14. Glossary of Terms	11

1. How to use this LMI Guide

The LMI Guide is designed to be used as a guide to assist in completing applications for and relating to LMI. It contains information on some common underwriting questions that we receive from time to time. Whilst it is not a comprehensive list of QBE LMI's requirements, each application for LMI must at a minimum satisfy these requirements.

QBE LMI will consider any LMI application that does not meet these parameters, unless labelled "unacceptable for LMI". QBE LMI reserves the right to accept and approve, request additional information, or decline LMI applications in its absolute and sole discretion notwithstanding the LMI application may comply or appear to comply with these guidelines.

QBE LMI reserves the right to vary our products, terms and conditions and our underwriting criteria from time to time without notice.

Capitalised terms have the meaning defined in section 14 ([Glossary of Terms](#)).

Visit www.qbe.com/lmi for more information.

2. Applying for Lenders' Mortgage Insurance

QBE relies on the Lender to conduct a complete and thorough credit assessment for all loan proposals in accordance with the principles of responsible lending, Applicable Laws and the Lender's own Home Lending Policy.

2.1 Documentation

When applying for QBE Lenders' Mortgage Insurance, the following documentation may include:

- Copy of the borrowers' Home Loan Application form.

Evidence obtained to support the application must be retained on file, in a retrievable format, for the life of the loan and made available to QBE LMI upon request.

IMPORTANT NOTE: When submitting documents to QBE LMI, Lender's must ensure all government identifiers (e.g. Tax file numbers) have been removed.

3. Product Fast Facts

QBE LMI offers 3 products supporting borrowers who are buying their first owner-occupied home to those investing in residential property.

- ImiFirst Home™ - for borrowers purchasing or building their first owner-occupied home.
- ImiHome™ - available for owner-occupied home lending.
- ImilInvest™- available for residential investment lending.

The total of a Lenders' QBE LMI mortgage insured loans to any one borrower is \$5,000,000.

The maximum LVR is 95% excluding premium capitalisation and 100% including premium capitalisation.

3.1 ImiFirst Home™

Feature	Guidelines
Loan purpose	Purchase or construction of a borrowers first owner-occupied home.
Rate discount	<ul style="list-style-type: none">• A rate discount may apply to customer pricing where Lenders have verified that the borrower has not previously owned either an owner-occupied or investment home.• If the premium payable is calculated to be below the minimum premium, the minimum premium will apply.• For a construction loan, where the rate discount has not already been applied (i.e. the purchase of the vacant land did not qualify for the rate discount), the rate discount will be applied to the 'total loan amount insured'.
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 unless for the construction of the owner-occupied dwelling.
Maximum term	<ul style="list-style-type: none">• 30 years.

3.2 ImiHome™

Feature	Guidelines
Loan purpose	<ul style="list-style-type: none">• Any acceptable loan purpose.
Property / security	<ul style="list-style-type: none">• Owner-occupied – any acceptable property.
Maximum term	<ul style="list-style-type: none">• 30 years.

3.3 ImilInvest™

Feature	Guidelines
Loan purpose	<ul style="list-style-type: none">• Any acceptable loan purpose.
Property / security	<ul style="list-style-type: none">• Investment - any acceptable property.• A 70% LVR applies to a property located in a ImilInvest™ Restricted Location (see 4.3.2).
Borrower exposure	<ul style="list-style-type: none">• The maximum number of investment properties a borrower can own is four including those unencumbered or without LMI.
Maximum term	<ul style="list-style-type: none">• 30 years.

4. LMI for new and additional lending

Loans requiring mortgage insurance need to comply with the Lender's Home Lending Policy, be approved by an authorised authority holder, adhere to all Applicable Laws, and relevant Regulatory Standards and Guidelines.

Below are the requirements specific to mortgage insured home loans:

4.1 Servicing capacity

Borrowers must be able to demonstrate sufficient income to pay their financial commitments and living expenses without hardship.

It is the responsibility of the Lender to assess a borrower's capacity to pay in accordance with the Lender's serviceability methodology, Home Lending Policy, and relevant Regulatory Standards and Guidelines.

4.2 Valuations

The valuation method used should adhere to the requirements below and be less than 90 days old at time of submission.

The valuation should be kept for as long as the applicable Lenders' Mortgage Insurance Policy is active. The valuation should be made available to QBE LMI upon request.

4.2.1 PropertyPro Valuation (Short or Long Form)

Each valuation is to be:

- Completed by a registered or licensed valuer in that state or territory, who is also a member of the Australian Property Institute (API), Royal Institution of Chartered Surveyors (RICS), or an equivalent professional body, and
- Prepared in accordance with the API Property Pro template and adheres to the guidelines outlined in the API Residential Valuation and Security Assessment Pro-Forma Supporting Memorandum.

4.2.2 SMARTval™

The SMARTval™ is to be completed in accordance with the "In-Scope Properties" contained in the SMARTval™ Policies and Procedures.

Feature	Criteria
Loan Purpose	Purchase (verify Contract of Sale) and Refinance
Maximum LVR	95%
Maximum property value	\$2,000,000
Exclusions	<ul style="list-style-type: none">• Investment property in a ImilInvest™ Restricted Location (see 4.3.2).

4.2.3 Desktop Assessment

The desktop assessment is to be completed in accordance with the Australian Property Institute (API) Residential Desktop Assessment Supporting Memorandum.

Feature	Criteria
Loan Purpose	Purchase (verify Contract of Sale) and Refinance
Maximum LVR	95%
Maximum property value	\$2,000,000
Exclusions	<ul style="list-style-type: none">Investment property in a Imilvest™ Restricted Location (see 4.3.2).

4.2.4 Automated Valuation Model (AVM)

Our current approved AVM providers are CoreLogic, PropTrack, Insight Data Solutions, or Valocity.

Feature	Criteria
Loan Purpose	Purchase (verify Contract of Sale)
Maximum LVR	95%
Minimum & Maximum property value	\$250,000 - \$2,000,000
Forecast Standard Deviation (FSD)	<=15%
Variance to Contract of Sale	AVM mid-point within +/- 10% of purchase price
Exclusions	<ul style="list-style-type: none">Vacant LandTransactions that do not involve the intervention of an agentNew-To-Market or Off-The-Plan purchasesInvestment property in a Imilvest™ Restricted Location (see 4.3.2).

4.2.5 Minimum Assumed Condition

The property will be assumed to be suitable for habitation, marketability and in good state of repair at the time the SMARTval™, Desktop, or AVM is completed. This assumed condition will be utilised for all purposes associated with lenders' mortgage insurance:

Property Exterior - Lockable doors and windows, no structural damage or significant non-structural damage in the external walls, doors, roofing, fencing, driveway, and gutters

Property Interior – internal doors as appropriate, no structure damage or significant non-structural damage (e.g. only minor repairs required), to internal walls, doors, ceilings, floor coverings, wall tiling, functional kitchen including relevant PC items, functional bathroom including relevant PC items

Configuration – Key attributes such as number of bedrooms, bathrooms, and garage spaces as per the original assessment, and

Services – Connected to a drinkable water supply, all weather road access, and mains electricity.

Should the condition or configuration of the property at the time of a Mortgagee in Possession valuation differ from this Minimum Assumed Condition, then QBELMI reserves its right to make an adjustment to any claim to address the required remediation to restore the property to as near as possible to original Minimum Assumed Condition at time of origination, excluding any reasonable wear and tear.

4.2.6 Extended to QBE Lenders' Mortgage Insurance Ltd

Property Pro and SMARTval' s are to be addressed to QBE LMI as well as the Lender.

4.3 Security

The lender needs to hold a first charge registered mortgage over the property that is securing the home loan insured by QBE LMI.

4.3.1 Maximum LVR and loan amount

The maximum amount of QBE LMI mortgage-insured loans that a Lender can provide to a single borrower is \$5,000,000.

The maximum LVR is 95%, exclusive of premium capitalisation, and 100% when premium capitalisation is included.

4.3.2 ImilInvest™ Restricted Locations

For investment properties in these postcodes, the maximum LVR is 70%:

South Australia	5722	5725									
Western Australia	6225	6348	6429	6430	6432	6437	6442	6642	6713	6714	6721
	6722	6751	6753	6754	6760						
Queensland	4413	4415	4709	4715	4717	4720	4721	4722	4723	4737	4741
	4743	4744	4745	4746	4804	4824	4825				

5. Unacceptable for LMI

- Self-Managed Superannuation fund
- Reverse Mortgage
- Self-certified income or Low-Doc
- Second charge registered mortgage
- Dwellings with <40 square meters internal living area
- Land size >50 hectares
- Commercial, industrial, or retail property
- Specialist rural property (e.g. farm, vineyard etc)
- Unit which is part of a rental pool in a strata hotel/motel
- Unit in a retirement or Over 55's complex
- Resort style dwellings
- Mobile Homes
- Studios and Bedsitters
- Conversions (other than warehouse conversions)
- Time-share properties
- Company title, Stratum title, Moiety title and Purple title properties
- Properties affected by contamination
- Subject to resumption orders by State or Commonwealth authorities.

6. LMI Premium Rates

To obtain information about premium rates for lenders' mortgage insurance:

- Lender should contact QBE LMI
- Mortgage managers and originators should contact your funder.
- The minimum LMI premium amount is \$1,150 including GST, excluding state/territory Stamp Duty.

Note:

- ImiFirst Home™- A rate discount may apply to customer pricing when borrowers are purchasing or building their first owner-occupied home.

7. Additional loans – premium calculation

The premium calculation is as follows:

The LVR is calculated on the new total exposure (determined by adding the Additional Loan amount to the outstanding loan balance or scheduled balance if the existing loan is a Line of Credit or has a redraw option) and the total security value

The premium rate applicable to the new LVR and new total exposure amount is then applied to the new total exposure amount

The premium payable will be the premium calculated as above, less the premium previously paid (excluding stamp duty).

Note:

- If the premium payable ends up below the minimum premium, the minimum premium will apply.
- ImiFirst Home™ - For a construction loan, where the rate discount has not already been applied (i.e. the purchase of the Vacant Land did not qualify for the rate discount), the rate discount will be applied to the 'total loan amount insured'.

8. Capitalisation of Premium

QBE LMI will allow lenders to add borrower's LMI cost to the amount borrowed and will include it in the insured loan amount without any additional cost to the premium. The maximum LVR is 95% excluding premium capitalisation and 100% including premium capitalisation.

9. LMI Premium Refunds

Depending on arrangements between QBE LMI and Lenders, a partial refund of the LMI premium may be payable where the mortgage over the insured loan is discharged less than, or equal to, 12 months after settlement of the insured loan AND:

- All loans secured by the insured mortgage are repaid in full; and
- QBE LMI is advised within 30 days of the discharge.

A refund will not be payable where:

- The mortgage over the insured loan is discharged more than 12 months after the Settlement Date of the initial loan advance; or
- The mortgage over the insured loan is discharged more than 12 months after the Settlement Date of the last insured additional advance; or
- The insured loan was covered under QBE LMI's bulk insurance process; or
- The amount of the refund is less than \$500, excluding GST and / or Stamp duty.

It is the responsibility of the Lender to advise QBE LMI of the discharge of an insured mortgage and initiate any request for a refund. QBE LMI will then confirm any refund payable.

Borrowers should be advised to direct any premium refund enquiries to their Lender.

10. Terminated LMI Policies

It is the responsibility of the Lender to advise QBE LMI of the repayment of any insured loan within 30 days of the loan being terminated / repaid.

11. Stamp Duty

Stamp duty is payable on LMI premiums and varies depending on the state or territory the security property is located in. Where the insured mortgage is to be secured over two or more properties in different jurisdictions, the stamp duty will be calculated on the premium apportioned to the relevant state proportionally as to the respective security values.

12. Policy Variations

Lender's may approve variations to a mortgage insured home loan in accordance with the Lender's policies, and need to adhere to all Applicable Laws, and relevant Regulatory Standards and Guidelines subject to the below:

12.1 Security Variation

QBE LMI requires notification of the following Security Variation within 45 days of settlement:

12.1.1 Partial Release of Security

Where an insured loan has multiple security properties, a security can be released when one or more of the properties is sold, provided either:

- Full net proceeds from the sale are applied to the insured loan by way of permanent reduction; or
- There is no increase in the scheduled LVR.

12.1.2 Substitution of Security

- Where a security property is being replaced with another acceptable security provided: There is no increase in loan amount or the scheduled LVR; and
- The scheduled LVR is not greater than 70% where the updated security is not an investment property located in a ImilInvest™ Restricted Location.

12.2 Exclusions to the Policy Variation Criteria

Variations meeting the specified criteria identified below must be submitted to QBE LMI for consideration:

- Any Security Variation including substitution of security where the loan amount increases or there is an increase to the insured scheduled LVR.
- Any substitution of security where the LVR is >70% and the updated security is an investment property located in a ImilInvest™ Restricted Location (see [4.3.2](#)).

12.3 Other Variations

QBE LMI do not need to be notified of any other variations, however, may require additional detail if there is any future claim for loss. There should be no impact on your claim for loss if you continue to consider all applications for variations within your lending policies and in accordance with any Applicable Laws ensuring that the variation is not unsuitable for the borrower.

In the event you approve a variation that fails to take reasonable care or reasonable action to avoid a loss or fails to comply with prudent lending policies and procedures or any applicable law or is unsuitable for the borrower QBE LMI may suffer prejudice. In such circumstances, QBE LMI reserves the right to adjust any claim to the extent of any prejudice suffered because of your actions.

13. Policy changes for endorsement by QBE LMI

Partners with a Delegated Underwriting Authority (DUA) must seek QBE LMI's written consent to Home Lending Policy changes, where the change could reasonably be expected to have a material effect on the approval decision of an LMI application.

QBE LMI requests that we are always provided with a current version of the Lender's Home Lending Policy.

14. Glossary of Terms

Term	Definition
Applicable Laws	Includes, but is not limited to, the National Consumer Credit Protection Act 2009 (Cth), the National Credit Code set out in Schedule 1 to that Act and any other applicable credit code.
AVM	Automated Valuation Model.
Delegated Underwriting Authority	Lenders have the authority to commit QBE LMI to provide LMI cover for home loans that comply with agreed underwriting standards.
First Home Buyer	Borrowers purchasing or building an owner-occupied home for the first time.
Guarantor	An individual or entity that promises to pay a debt if the Borrower defaults on their loan obligation.
Home Lending Policy	A Lender's residential lending policies and procedures.
Home Loan Application	Information disclosed by the borrower when applying for a home loan.
Investment Loan	The purchase or construction of a residential property to rent out. It may also include borrowing secured by a residential property for investment purposes.
Lender	Name of Lending Organisation / Wholesale Funder.
ImilInvest™ Restricted Location	An investment property in a postcode with a maximum LVR of 70% (see 4.3.2).
Loan to Value Ratio (LVR)	The value of the home loan divided by the lower of the property value or purchase price.
New-To-Market	Any property that is 'brand new', never been lived in, purchased in an arm's length On The Market transaction.
Off-The-Plan	The purchase of a property that is yet to be built.
On The Market	A property marketed and sold through a licensed real estate agent.
Policy Variation	Amendment to the information supplied in a Proposal.
Proposal	The information a lender provides to QBE at the time of applying for lenders' mortgage insurance.
Regulatory Standards and Guidelines	Includes, but is not limited to, Australian Prudential Regulatory Authority (APRA) Australian Prudential Guidance (APG) 223 and Australian Securities and Investments Commission (ASIC) Regulatory Guidance (RG) 209 and any other relevant obligations and guidelines.
Restricted Location	A postcode / suburb where the maximum LVR has been reduced.
Security Variation	Amendment to the security / property information supplied in a Proposal.



QBE Insurance (Australia) Limited
388 George Street, Sydney NSW 2000
www.qbe.com/lmi

ABN 70 000 511 071, ACL 393812

QM9331 - 0326