

At Bank Australia, we take Responsible Lending seriously, meaning that we are very careful in making sure that our customers have the capacity to repay a proposed loan.

If you are a first time borrower, or have not obtained credit in a few years, then it is essential to have an understanding of the information that we will need from you to progress your loan application in a timely and responsible manner.

Please take the time to read and familiarise yourself with the information contained in this Guide prior to attending or submitting your loan application.

1. We will need to verify your identity

- The law requires that we verify your identity when you are opening up a new bank account or taking out a new mortgage.
- In most cases, you can prove your identity by bringing along your Australian Drivers Licence and Passport, coupled with a secondary form of ID such as your Medicare Card.
- If you cannot supply these documents, or you are applying on-line or over the phone, then we will discuss with you how we can verify your identity electronically.

2. We will need to understand and verify your income

- If you receive a PAYG salary or wage, then we will need to see your last two payslips, PLUS your bank statements for the past three months that show matching salary credits.
- If you are Self-Employed, we will require your two most recent tax returns (both personal & business) along with the corresponding ATO official notice of assessments.
- If you receive other types of income, such as rental income from an investment property, company dividends, or receive regular overtime or bonus income on top of your PAYG salary, then a copy of your most recent tax return will also be helpful.

3. We will need to understand your current liabilities

- We will need to know about all your existing debts, even small ones such as those provided for interest free purchases through services like Zip-pay or afterpay.
- Verifying these debts may involve having to provide a current statement.
- If you intend to refinance any of these debts to us, then we would require three months of statements for each loan being refinanced (See the TIPS section on providing these).

4. We need to understand the level of your household expenditure

- We will also be asking you some detailed questions about your household expenditure, such as the cost of your regular grocery shop, your utility bills, your entertainment and transportation expenses
- We will provide you with our Cost of Living Estimator during your loan interview to work out these costs, however completing it beforehand can save a lot of time, so ask your Loans Consultant for a copy before you apply

5. We will need to know about any pending changes that could affect your capacity to repay your loan in the future

- Examples of such changes could be maternity leave, a pending pay increase or promotion, or that you intend to sell property where those sale proceeds would be used to reduce or clear existing debt.
- If you are aged 55 plus, and your requested loan term will extend out beyond the normal retirement age of 67, then we would also require details on your existing superannuation balances to enable us to assess your capacity to repay post retirement.

6. We need to know about the asset that you intend to purchase

- For a property purchase, we will need a copy of your signed Contract of Sale, or if you are building, a copy of your signed Fixed Price Building Contract.
- If you do not know these details yet, or you are still negotiating, then you can still apply for Conditional Approval (also known as pre-approval) which will allow you to know your maximum borrowing limit.
- If you are looking to purchase a motor vehicle, then we would need a copy of the Contract of Sale/Dealers Invoice, or a copy of the current owners rego papers if purchasing privately.

Tips on providing your bank and loan statements

- Ask us about a faster and more convenient way of providing your bank statements electronically through our Account Aggregation service. If you prefer to provide us with your own statements instead, then they need to be for the current statement period.
- Internet banking statements can be provided, but if they do not contain your name, your banks name and your account number, then we will also need an accompanying original statement that does.