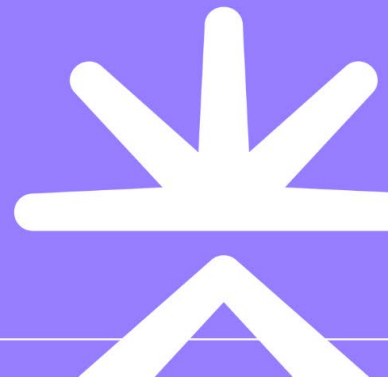


Lenders Mortgage Insurance. Underwriting guidelines bulletin.



Summary of changes effective 29 May 2023

The following sections have been updated:

- **Section 2.1 Standard LMI**
 - Updated maximum base LVR from 90% to 95% including LMI Premium Capitalisation for investment
- **Section 4.1 Acceptable loan purpose**
 - Updated maximum base LVR from 90% to 95% including LMI Premium Capitalisation for investment. Purchase of new or existing residential dwelling (investment)
 - Updated maximum base LVR from 90% to 95% including LMI Premium Capitalisation. Refinance dollar for dollar plus reasonable costs (investment)
- **Section 4.2.1 Purchase of new or existing residential dwelling**
 - Included additional underwriting requirements
 - Maximum LVR**
 - 95% plus LMI Premium Capitalisation where security is wholly owner-occupied property
 - 95% including LMI Premium Capitalisation where security is wholly or partially investment property
 - Repayment type**
 - For loans where security is investment and greater than 90% LVR, the repayment type can only be P & I (i.e. interest only is not allowable)
- **Section 4.2.3 Refinance of and existing loan**
 - Added 95% (or product limit if lower) including LMI Premium Capitalisation if dollar for dollar and investment property
- **Section 4.2.4 Off-the-plan strata purchase**
 - Updated maximum LVR 90% to 95% including LMI Premium Capitalisation if investment property
- **Section 4.2.8 Equity release (cash out)**
 - *95% LVR including LMI Premium Capitalisation is the maximum allowable where security is investment property.
- **Section 7.1 Deposit funds**
 - Deleted the wording 'source of funds'
- **Section 7.1.2 Unacceptable sources of deposit funds**
 - Wording has changed around 'borrowed funds'

- **Section 8.1 Acceptable security**
 - High density apartment/unit/townhouse (or similar security type)
 - Removed the word 'resales' from new apartment/unit/townhouse
 - Increased LVR from 80% to 90% for new apartment/unit/townhouse for standard product
 - Increased LVR from 80% to 85% for new apartment/unit/townhouse family pledge product
 - Removed restricted post codes
 - Added (including LMI Premium Capitalisation) to single industry postcodes
 - Security property characteristic – increased LVR from 90% to 95% (including LMI Premium Capitalisation)
- **Section 8.3.3 High Density apartment/unit/townhouse**
 - Add townhouse to the security type
 - Updated maximum LVR from 90% to 95%
 - Updated high density postcodes
 - Removed restricted postcodes
- **Section 8.3.4 Single Industry Postcodes**
 - Included additional wording for maximum LVR (including LMI Capitalisation if investment)
- **Section 8.3.5 Investment/rental property Investment/rental property**
 - Increased LVR from 90% to 95% and added including LMI Capitalisation if investment
- **Section 14 Top Ups**
 - Increased Maximum LVR from 90% to 95% including LMI Premium Capitalisation