Teachers Mutual Bank Limited

Home Loan Lending Reference Guide – 3rd Party Channel

TEACHERS MUTUAL BANK LIMITED

Teachers Mutual Bank | Australian Mutual Bank | UniBank | Firefighters Mutual Bank | Health Professionals Bank

Current as at November 2026

Please refer to your Broker Development Manager for further details.

Applicant Types	**Individual**	Must be: – At least 18 years of age – A member of the Bank or eligible for membership of the Bank – Permanent resident or citizen of Australia	
	Guarantors	Must have one of the following relationships with the applicant: – Partner of the applicant (i.e. spouse/de facto) – Family member of the applicant (i.e. parents, child, sibling, grandparent or grandchild) Guarantor must: – Be a permanent resident or citizen of Australia – Be at least 18 years of age – Be acceptable to the Bank taking into account their financial position (i.e. income, expenditure, assets, liabilities) – Complete a 'Guarantor Information Form' Guarantee will be limited to a specified amount and must be supported by a first ranking charge over a security property acceptable to the Bank	
	Companies & Trusts	The Bank does not lend to these entities	
Verification of Mortgagors (& Guarantors where applicable)	**Face to Face**	Mortgagors original identification must be sighted 'Verification of Identity – face to face' form This form and associated identification details must be completed in its entirety by the accredited mortgage broker. Ensure listed INSTRUCTIONS on page 1 of the form are followed accurately with no variances. A photocopy of the original identification must be taken and each endorsed as true copies with "This is a true copy of the document I used to identify (insert full name of person being identified)". The accredited broker then needs to print their name, sign and date. InfoTrackID is available as a digital option (Note: Completion via IDyou is not accepted)	
	Non Face to Face	InfoTrackID is available as a digital option (Note: Completion via IDyou is not accepted)	
Acceptable Purposes	**Housing**	Purchase new or existing dwelling for owner occupation or investment Construct new residential dwelling for owner occupation or investment Extension or renovation of existing dwelling Refinance of an existing home loan from another financial institution	
	Personal	Debt consolidation Personal use (e.g. holidays, purchase car) Investment (e.g. purchase shares)	
	Cash Out	0 - ≤85% LVR >85% - ≤90% LVR >90% LVR	No limit applicable to cash out component Maximum LVR is prior to capitalisation of any LMI premium. Cash out component limited to up to 20% of the security value No cash out allowed

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Acceptable Income	Applicants Employed in Education and Essential Services *See below list for eligible Education and Essential Services occupations	Type of Income	% Allowable	Conditions to be met
		Full Time	100%	No minimum time in employment required
		Permanent/Regular Part Time	100%	No minimum time in employment required
		Irregular Casual	Nil	
		Regular Casual or Relief	100%	Minimum 3 months in employment
		Regular Shift Allowance	100%	Proven over three months as evidenced by taxation records, employment contract or payslips
		Irregular Part Time	Nil	
		Irregular Shift Allowance	Nil	
		Regular Overtime	100%	Proven over three months as evidenced by taxation records, employment contract or payslips
		Irregular Overtime	Nil	
		Fixed Term Contract	100%	Must be full time position under contract
		Temporary (Education)	100%	Must be employed full time for four weeks or more in one engagement or 1-4 days per week for two terms or more
		Allowances (relocation & rental subsidy, location allowance)	100%	Must be a condition of employment
		Commissions/Bonuses	80% of average of last 2 years	Proven over two years as evidenced by taxation records, employment contract or payslips
	*** Eligible Education and Essential Services occupations include:** **School Principal, Faculty Head, Commissioned Fire Officer, Commissioned Police Officer, Ambulance Officer, Intensive Care Ambulance Paramedic, Supervisor Police Officer, Police Officer, Senior Fire Fighter, Fire Fighter, Registered Nurse, Registered Midwife, Registered Mental Health Nurse, Registered Developmental Disability Nurse, Enrolled Nurse, Pre-Primary School Teacher, Primary School Teacher, Secondary School Teacher, Special Needs Teacher, Special Education Teachers, University Lecturer, University Tutor, Vocational Education Teacher, English as a Second Language Teacher.**			

	All Other Applicants – PAYG	**Type of Income**	**% Allowable**	**Conditions to be met**
		Full Time	100%	Minimum 6 months in the job or 12 months in the industry
		Regular Shift Allowance	100%	Acceptable for the following employee types: - Airline workers (e.g. pilots, flight attendants, baggage handlers) - Mining sector workers - Child Care workers - Aged Care and Disabled Care workers - Public transport operators (e.g. train drivers, bus drivers, ferry operators) - Medical practitioners (e.g. doctors, surgeons) - Construction trades workers (e.g. plumbers, electricians) - Protective Service workers (e.g. defence force members, prison and security officers) Proven over three months as evidenced by taxation records, employment contract or payslips
		Regular Shift Allowance	80%	Must be a condition of employment, or proven over 2 years as evidenced by taxation records, employment contract or payslips
		Irregular Shift Allowance	Nil	
		Regular Overtime	100%	Acceptable for the following employee types: - Airline workers (e.g. pilots, flight attendants, baggage handlers) - Mining sector workers - Child Care workers - Aged Care and Disabled Care workers - Public transport operators (e.g. train drivers, bus drivers, ferry operators) - Medical practitioners (e.g. doctors, surgeons) - Construction trades workers (e.g. plumbers, electricians) - Protective Service workers (e.g. defence force members, prison and security officers) Proven over three months as evidenced by taxation records, employment contract or payslips
		Regular Overtime	80%	Must be a condition of employment, or proven over 2 years as evidenced by taxation records, employment contract or payslips
		Irregular Overtime	Nil	
		Regular Part Time	100%	Minimum 6 months in the job or 12 months in the industry

		Irregular Part Time	Nil	
		Regular Casual	100%	Minimum 6 months in current employment
		Irregular Casual	Nil	
		Commission/Bonuses	80% of average of last 2 years	Proven over 2 years as evidenced by taxation records, employment contract or payslips
		Allowances	100%	Acceptable for the following employee types: - Airline workers (e.g. pilots, flight attendants, baggage handlers) - Mining sector workers - Child Care workers - Aged Care and Disabled Care workers - Public transport operators (e.g. train drivers, bus drivers, ferry operators) - Medical practitioners (e.g. doctors, surgeons) - Construction trades workers (e.g. plumbers, electricians) - Protective Service workers (e.g. defence force members, prison and security officers) Must be a condition of employment
		Allowances	80%	Must be a condition of employment
		Vehicle Allowance	100%	Added to gross taxable income. Note: If a fully maintained vehicle is provided with no reciprocal cash flow benefit, $5,000 can be added to the net income
	Self Employed (includes Sole Trader, Partnerships, Company and Trusts)	**Type of Income**	**% Allowable**	**Conditions to be met**
		Self employed (includes Sole Trader, Partnerships, Company and Trust)	100%	Proven over 2 years as evidenced by personal and business taxation records. Where income has increased over the last two years by ≤ 20% the latest year's income can be used. Where income has increased over the last two years by >20%, then maximum of 120% of previous year's income is to be used.
		Self Employed Allowable Addbacks	100%	Interest on loans being refinanced by the Bank Superannuation contributions in excess of the current superannuation guarantee levy (SGL) Non-recurring expenses
			Lesser of actual depreciation amount or 20% of NPBT	Business depreciation (exclude short term items such as computer equipment etc.)

	Company Director	**Type of Income**	**% Allowable**	**Conditions to be met**
		Company director	100%	Proven over 2 years as evidenced by personal and, if applicable, business taxation records
	Other Income Types	**Type of Income**	**% Allowable**	**Conditions to be met**
		Residential Rental	80%	Lower of actual gross or current market residential rental
		National Rental Affordability Scheme Properties	80%	Of actual rent paid by tenant
		Commercial Rental Property	50%	Lower of actual gross or current market rental, as per rental lease agreement or rental appraisal by real estate agent
		Employer Maternity Leave Payment/ Paid Parental Leave Payment	100%	Acceptable on the basis that applicant returns to work within 12 months and evidence of return to work date is supplied
		Investment (i.e. interest & dividend income only)	80% of average of last two years	Confirmation of current ownership of investment
		Government and Non-Government Pensions	100%	If considered permanent for the next 5 years
		Government Paid Parenting/ Family Allowance	100%	If considered permanent for the next 5 years, except for Family Tax Benefit where acceptable for dependents up to and including 15 years
		Other Income e.g. child support payments, workers compensation	100%	If considered permanent for the next 5 years
	Overseas Income	**Currency**		
		All currencies	70%	Overseas income is acceptable only from the following income types: - PAYG income -Rental income
	Guarantor Income	Not acceptable		
Verification of Income	**PAYG – Primary Verification Methods**	Verification of income may be satisfied by one or more of the following methods: – The applicants two most recent payslips showing, as a minimum, the members name, employers name and ABN and the applicants year to date income – The last 3 months of statements from the applicants financial institution showing the continuity of the applicants salary from the relevant employer (i.e. the name of the employer being evident on the statement)		

	PAYG – Other Verification Methods	Verification may be satisfied by two or more of the following methods: – Employment contract – PAYG Payment Summary or Tax Assessment Notice or tax returns – Latest payslip – letter from the employer that is on the employer's letterhead and contains details of gross annual income (identifying any base income separately), role, or position, length of employment, the basis of employment (full or part time or casual) and breakdown of the salary package (if applicable)
	Rental Income	Verification of rental income may be satisfied by one of the following methods: – The last 3 months of statements from the applicants financial institution showing the continuity of the applicants rental income from the relevant property via narration on the statement – Valuation report (if undertaken) – Latest rental income statements – Rental appraisal from real estate agent, dated not more than one month old – Current signed tenancy agreement
	Maternity Leave	Letter from employer confirming date(s) and position when applicant commenced maternity leave and when they are returning to work
	Pension/Government Benefits	Verification of pension or government benefits income may be satisfied by one of the following methods: – The last 3 months of statements from the applicants financial institution showing the continuity of the income from the on the statement – Pension or government benefits statements – Applicants last two years tax returns
	Child Support Payments	Verification of child support payments may be satisfied by the following: – The Child Support Agency Assessment showing the amount payable and eligible children; and – 6 months worth of consistent payments as evidenced from statements from the applicants financial institution
	Self Employed (includes Sole Trader, Partnerships, Company Director) - Simplified Verification	This verification method can only be used where: - an applicant is paying themselves a regular salary for a minimum of six months from their business and income from the business is NOT required for servicing; and - an applicant is paying themselves a regular salary on a consistent frequency (e.g. weekly, fortnightly, monthly) and must be evidenced as salary from the business; and - the business has been trading for a minimum of two years Income for servicing may be verified from: - Six months salary credits to a financial institution account; or - At least two consecutive payslips showing >six months YTD income; or - At least two consecutive payslips showing <six months YTD income; and - Last financial year PAYG payment summary Salary credits/payslips must be accompanied by a letter from the applicant's accountant confirming: - The date the business began trading; and - That the business has made sufficient profits to meet the businesses commitments; and - The business can continue to pay the salary the applicant has declared

	Self Employed (includes Sole Trader, Partnerships, Company Director) - Standard Verification	Verification of income may be satisfied by the latest two full years of personal and business taxation returns. Latest years' Tax Assessment notice is required. Interim financials are unacceptable. For partnerships, company or trust a current balance sheet and profit and loss statements is required. For sole traders this may be waived if this information is contained in the personal taxation returns and/or application form.	
Expenditure		**Type**	**Calculation**
		Current Home Loan Repayments	Repayments for existing credit facilities are to be the **greater of either:** the actual home loan repayment stated by the applicant, or the repayment amount assessed by the Bank based on the current loan limit (i.e. current balance plus any redraw), the remaining P&I term and using the the loan interest rate stated by the applicant plus an appropriate buffer
		Proposed Home Loan repayments	Repayments for the Bank's proposed term loan facilities will be assessed using a standard assessment rate with an appropriate buffer above the actual loan interest rate
		Personal Loan	Actual repayment as stated by the applicant
		Credit Cards	Calculated over a three year term using the Bank's credit card benchmark rate
		Overdrafts	2% of the overdraft limit
		Margin Loans/Equity Loans	Calculate the monthly payment as: Margin Loan/Line of Credit limit x actual interest rate stated by the applicant, plus 3% buffer/12
		Buy Now Pay Later (BNPL)	3.8% of the BNPL limit. If the facility has no limit, the actual repayment amount stated by the borrower
		HELP debt	Minimum repayment as per ATO Study Repayment Calculator
		Notional Rental Expense	Where a borrower purchase/refinance investment property and is residing rent free or unusually low rental cost, household allocation is: - $650 per applicant if living in separate households - $650 only if applicants living in same household
		Other	Actual expense as stated by the applicant
Verification of Debt Commitments		All debt commitments of the applicant must be verified. The last 2 statements (i.e. minimum period 60 days from date of application) for each debt is required.	
Serviceability	**Monthly surplus**	All applications must demonstrate a positive monthly surplus as determined by the Bank. Monthly surplus is derived from gross income less tax and all outgoings (e.g. proposed loan payments, other loan payments, credit cards, rent paid, living expenses etc.)	

	Debt to Income Ratio (DTI)	Maximum DTI ≤7 times
Interest Only Loans	**Serviceability Term**	All interest only loans will have their serviceability assessed over the remaining P&I term. e.g. Total loan term 30 years, IO term 3 years, serviceability assessment will be over 27 years
	Applicant Objectives	All applications for interest only loans must be accompanied by the reason why an applicant has chosen IO over P&I
Exit Strategy		An exit strategy is required when one or more borrowers meet the following criteria: - Borrower's age is ≥50 years as of the home loan application submission date - Borrower's age is ≥70 years at the maturity date of their home loan OR - Borrower states an intention to retire before the maturity date of their home loan. Downsizing - Any downsizing strategy must be detailed and include information such as time frame, approximate purchase price and location, and align with the applicant's requirements and objectives. We may also request any documents to verify the downsizing reasons provided
LMI	**Provider**	Helia. Note Helia may have some requirements or restrictions that are additional to this guide
	LMI Premium	Capitalised on all loans
Refinancing		Where a home loan or personal credit (e.g. personal loan, credit card) is being refinanced the last 2 statements (i.e. minimum period of 60 days from date of application) for each debt is required

Savings/Deposit Funds	**LMI Loans**	**When LVR ≤ 90%**	No evidence of savings/deposit funds required
		When LVR > 90%	Evidence of savings/deposit funds required
	General Savings	Savings/deposit funds must be held in the member's name and may include: - Funds held or accumulated in bank accounts, including term deposits - First Home Saver Account or First Home Super Saver Scheme (Australian government initiatives) - Equity in, or funds from, sale of residential property - Funds sourced from a superannuation account - Shares - Accelerated loan repayments – where savings have been sacrificed by making accelerated loan repayments, the amount of these excess repayments can be accepted - Gifts (if application requires LMI the gift must be from an immediate family member) - Employer paid bonus - Tax refund - Inheritance - Sale of assets e.g. motor vehicle - First Home Owner Grant (FHOG) Funds that are not acceptable as savings/deposit funds include: - Borrowed funds e.g. proceeds of personal loans	
	Australian Government 5% Deposit Scheme Loans	Evidence of savings/deposit funds required for all 5% Deposit Scheme loans - For the General Stream at least 5% genuine savings contributed by an applicant must be held or accumulated for a minimum of three months - For the Single Parent Stream at least 2% genuine savings contributed by an applicant must be held or accumulated for a minimum of three months Gifts from parents, sale of assets etc. (i.e. those not saved by the applicant) are not acceptable as part of the above minimum deposit contribution required for 5% Deposit Scheme loans Borrowers are able to retain a reasonable amount of funds for settlement costs and other costs as follows: - when purchasing an established dwelling – funds of up to $30-35k may be retained for settlement and moving costs, as well as purchase of essential items to furnish the home e.g. refrigerator, lounges, beds etc. - when purchasing a newly constructed dwelling, or constructing a new dwelling – funds of up to $40-45k may be retained for settlement and moving costs, completion of items on the property e.g. driveways and landscaping, as well as purchase of essential items to furnish the home e.g. refrigerator, lounges, beds etc.	
	Gifted Funds	Gifted funds to the applicant should be supported by a letter from the provider of the fund clearly stating that the funds are a gift and are not repayable	
	Loans with family guarantors	**When LVR ≤ 80%**	No evidence of savings/deposit funds required
		When LVR > 80%	Not available (the Bank does not generate this business)

Acceptable Securities	**All Properties**	Residential use properties only First ranking financial institution charge only Located in Australia Dwellings must be a private, self contained (i.e. includes bathing and cooking facilities) immobile structure Minimum size for two or more bedroom units, excluding car space and balconies, is 60m^2. Minimum size for studio or one bedroom units, excluding car space and balconies, is 30m^2 Must be serviced by power, water, utilities and vehicular access Maximum land area of 40 hectares (100 acres)
	Property Exclusions	Property : – Is contaminated – Has a known flood height above floor level – Is subject to land slip – Is subject to mine subsidence – Is a time share or serviced apartment which does not allow for permanent owner occupancy – Generates primary production income (hobby farms excepted) – Is an off the plan purchase
	Australian Government 5% Deposit Scheme Loans	A property is not acceptable where a tenant will be residing in the property after settlement, prior to occupation by the borrower.
	Acceptable Title *Contact us for any other land tenure or title query*	Freehold Title Strata, Group, Cluster or Community Title Survey Strata Company Title 99 Year Leasehold Stratum Title Residential Area Right and Residential Licence (only applicable in Victoria)
	Building Insurance	Required on all security properties, noting Teachers Mutual Bank Limited as mortgagee

Maximum LVRs with LMI	**Owner Occupied Home Loans**	**Product**	**Conditions**
		All Home Loan Products	Up to 95% including the capitalisation of LMI and any bank fees, where applicable, EXCEPT where the purpose is for construction of an owner occupied dwelling, then up to 90% prior to the capitalisation of LMI and any bank fees, where applicable
	Investment Home Loans	**All Home Loan Products**	Up to 95% including the capitalisation of LMI and any bank fees, where applicable, EXCEPT where the purpose is for construction of an investment dwelling, then up to 90% prior to the capitalisation of LMI and any bank fees, where applicable
Maximum LVRs without LMI or Australian Federal Government Scheme loans	**Owner Occupied Home Loans**	**All Home Loan Products**	Up to 98% (depending on scheme type) including the capitalisation of bank fees, if applicable EXCEPT where the purpose is for construction of a dwelling, then up to 90% prior to capitalisation of any bank fees, where applicable

Maximum LVRs without LMI or 5% Deposit Scheme	**Owner Occupied Home Loans**	**Location**	**Security Value**			
			≤$1m	>$1m - ≤$2m	>$2m - ≤$4m	>$4m
		Metro	80%	80%	80%	70%
		Regional	80%	80%	70%	60%
		Rural	80%	80%	70%	60%
		Not Elsewhere Classified	80%	70%	60%	50%
		The maximum LVR is based on the individual value of each acceptable security property. Where more than one security is taken for a loan no single security can exceed the maximum LVR for that security location.				

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	Investment Home Loans	Location	Security Value			
			≤$1m	>$1m - ≤$2m	>$2m - ≤$4m	>$4m
		Metro	80%	80%	80%	70%
		Regional	80%	80%	70%	60%
		Rural	80%	80%	70%	60%
		Not Elsewhere Classified	80%	70%	60%	50%
		The maximum LVR is based on the individual value of each acceptable security property. Where more than one security is taken for a loan no single security can exceed the maximum LVR for that security location.				
LVR Restrictions	**Four or more dwellings on one title**	Maximum LVR is 60%				
	Company Title	Maximum LVR is 80% when the security property is located >10kms outside a capital city CBD				
	Time Share - which allows for permanent owner occupancy	Maximum LVR is 80%				
Valuations	**Valuation Types**	- Contract of Sale - if security property is being purchased and LVR ≤60% - Valuer General/Council Rates Notice - if security property is already owned and LVR ≤60% - Automated Valuation Model (AVM) - Desktop Valuation - Full (Short Form) Valuation				
	Contract of Sale	Contracts of Sale must be signed and dated by the vendor and show sale price				
	Valuer General/ Council Rates Notice	The Unimproved Value (i.e. Land Value) will be used for LVR purposes. Capital improvements are to be excluded				
	Non Arms-Length Transactions	A Full Valuation is required for all non-arms length transactions				

	Residential Developments with Split Contracts	The Bank will only accept the security once the development is fully complete, and the subject property can be occupied and individual titles issued
Construction Loans	**Acceptable Purpose**	Construction of a residential dwelling on vacant land Structural alterations/extensions to an existing residential property
	Exclusions	Owner builders undertaking construction of new loans Owner builders undertaking structural alterations/extensions where costs exceed more than 50% of the land value of the property Refinance of security properties where construction is in progress Properties that have been strata titled Kit home or relocatable dwellings Construction of more than two properties on one title
	Conditions	An 'on completion' valuation is undertaken upon provision of plans and building tender Progress inspections are undertaken at 'slab' and 'completion' inspection stages. More frequent progress inspections may be undertaken if warranted The Bank will manage funding of progress payments directly to the builder All building contracts must be fixed price building contracts Borrowers must contribute any money they have agreed to contribute towards the construction prior to the Bank making any progress payments to the builder. Payment percentages per stage, for progress payments, must be made as follows: - base/foundation/slab (inc deposit) - maximum 20% (cumulative cannot exceed 20%) - frame – maximum 25% (cumulative cannot exceed 45%) - lock up/enclosed/external lining – maximum 35% (cumulative cannot exceed 70%) - fixing/internal lining – maximum 35% (cumulative cannot exceed 90%) - practical completion - minimum 10% (cumulative cannot exceed 100%)