

# OPTIMISER PROGRAM INCOME VERIFICATION



Incomes covered in this section include:

<a href="#">Permanent Full Time</a>	<a href="#">Bonus/Commission</a>	<a href="#">Shift/Overtime</a>
<a href="#">Car Benefits</a>	<a href="#">Allowances</a>	<a href="#">Salary Sacrifice</a>
<a href="#">Salary Packaging</a>	<a href="#">Rental Income</a>	<a href="#">Self-Employed</a>
<a href="#">Permanent Part-time</a>	<a href="#">Second Job</a>	<a href="#">Contract Income</a>
<a href="#">Casual Employment</a>	<a href="#">Family Tax Benefit</a>	<a href="#">Child Maintenance</a>
<a href="#">Veterans Affairs/War Widows/Carers Pensions</a>		<a href="#">Overseas Income</a>

<p><b>Local Income</b></p>	<p>Permanent Full Time / Part Time (100%)</p>	<p>Minimum 3 months with current employment; <b>OR</b></p> <p>Minimum 12 months in a similar role/ industry utilising a similar skill set. Must be supported by:</p> <p><b>Evidenced by</b> 2 computerised payslips (2 of the last 3) no older than 60 days; and must include employer’s name; Must include employee’s name; Deduction amounts for pay cycle including Super; YTD totals including super deductions.</p> <p><b>Applicants that cannot provide a comprehensive credit report that shows a credit Score above 600 and an overall NSI above \$500 and DTI less than 6 require the following supplementary supporting documents:</b></p> <ul style="list-style-type: none"> <li>• 3 months bank account statements showing regular salary credits OR</li> <li>• Last Financial year’s Income statement from ATO (via MyGov).</li> </ul> <p><b>For SMSF - Applicants that cannot provide a comprehensive credit report that shows a credit Score above 600 require the following supplementary supporting documents:</b></p> <ul style="list-style-type: none"> <li>• 3 months bank account statements showing regular salary credits OR</li> <li>• Last Financial year’s Income statement from ATO (via MyGov).</li> </ul>
<p><b>Foreign Income</b></p>	<p>Permanent Full Time / Part Time (100%)</p>	<p><b>Evidenced by</b> the latest 3 months for regular income employee and 6 months for irregular income employee personal bank account statements showing a regular salary credit; <b>And</b> Employer letter or employment agreement on company letterhead</p> <p>As a minimum the employer letter or agreement should show the borrower’s name, employer’s name and address and business identifier.</p> <p>Additional supporting documentation confirming employment may be requested at the discretion of the DLA Holder.</p>

<b>Local Income</b>	Casual (100%)	<p>Minimum 12 months in current employment; <b>OR</b></p> <p>Minimum 2 years in the same role/industry utilising a similar skill set.</p> <p>Income for assessment purposes is based on 12 months historical earnings or if YTD annualised 46 weeks of the year to allow for unpaid leave (i.e. 2 weeks sick leave and 4 weeks annual leave).</p> <p>Must be supported by of the following;</p> <ul style="list-style-type: none"> <li>• Most recent pay slip or employment agreement on company letterhead, <b>AND</b></li> <li>• 12 months Bank Statements <b>OR</b></li> <li>• Income statement from ATO (via MyGov)/ Individual Tax return and Notice of Assessment to evidence 12 months income</li> </ul> <p>Caution should be exercised where casual income is the sole source of income</p>
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<b>ALL</b>	Bonus/ Commission (80%)	<p>When expected to be a regular component of a borrower’s salary, bonus income can considered:</p> <ul style="list-style-type: none"> <li>• Regular monthly/quarterly basis, income to be evidenced for 12 months.</li> <li>• Annual/irregular payments, income to be evidenced over 2 years.</li> </ul>
<b>ALL</b>	Shift/Overtime (80%)	<p>When expected to be a regular component of a borrower’s salary and if evidenced over most recent 12-month payment cycle (all types of industries).</p> <p>***Employees working as an essential service OR can evidence that overtime is a condition of employment, can consider as <b>100%</b> of income as part of servicing. Permanent Full Time income verification to apply.</p> <p>Satisfactory evidence that may be used to evidence shift/overtime is a condition employment are the Employment Contract or an Employment Letter.</p>
<b>ALL</b>	Car Benefit:	<p>If the applicant’s employer is providing a fully maintained car (not part of packaged income ) then a maximum of \$3,500 per annum (post tax) can be included in loan serviceability calculations. This benefit must be evidenced by an Employment contract.</p>
<b>ALL</b>	Allowances- PAYG income (80%)	<p>Allowances are acceptable however when utilising allowances for servicing purposes, care must be exercised to identify allowances that are associated with reimbursement of expenses (e.g., tool, uniform, entertainment), where generally these allowances would be 100% offset against an expense versus allowances to compensate for specialties of the occupation. (e.g., remote living allowance)</p> <p>***Employees working as an essential service, can consider as <b>100%</b> of income as par of servicing. Permanent Full Time income verification to apply.</p>

<p><b>ALL</b></p>	<p>Salary Sacrifice</p>	<p>Some occupations e.g., Clergy, Health, Charity workers can elect to have only a portion of their income “salary sacrificed” i.e. deducted before tax. The “deducted” payments can be allocated for mortgage payments, utility bills or the like. If a borrower presents with a portion of their income “salary sacrificed”, this portion can be inserted into the Family Tax Benefit box of the servicing calculator so as not to be included in the income to be taxed.</p> <p>Care must be taken to obtain confirmation of the amount, either from documentation already held (e.g., Payslip, etc.) or a letter from the employer. Many PAYG employees are also able to salary sacrifice amounts for superannuation – if a borrower says he can cease doing this to be able to meet servicing criteria, this must then be added to the taxable portion of their income with confirmation.</p>				
<p><b>ALL</b></p>	<p>Salary Packaging</p>	<p>Total package excluding the compulsory employer superannuation contributions can be used as the gross income. Unless clearly indicated on documentation already held (e.g., Voluntary Superannuation on Payslip etc.) all non-cash components of the package are subject to confirmation via letter from the employer that the borrower has the option to convert these items to cash.</p>				
<p><b>Foreign Income</b></p>	<p>Self-Employed Full Doc (100%)</p>	<ul style="list-style-type: none"> <li>• Latest 2 years' Financial Statements (including Profit &amp; Loss Statement and Balance Sheet);</li> <li>• Latest 6 months Personal Bank Account Statements.</li> <li>• Where applicable, latest 2 years' Company Tax Returns</li> </ul>				
<p><b>Foreign Income</b></p>	<p>Self-Employed Alt Doc 100%</p>	<ul style="list-style-type: none"> <li>• latest 6 months personal bank account statements;</li> <li>• Accountant declaration confirming applicants' income:                             <ul style="list-style-type: none"> <li>○ as declared in the application form; or</li> <li>○ such other amount that is verifiable by the accountant;</li> </ul> </li> <li>• where there is a variance in the amounts the lesser figure is to be utilised for serviceability assessment;</li> </ul>				
		<ul style="list-style-type: none"> <li>• Signed Self-Declaration of income by Borrower/ Guarantor</li> <li>• Plus, one of the options below</li> </ul> <table border="1" data-bbox="492 1308 1489 1619"> <tr> <td data-bbox="492 1308 675 1465"> <p>≤80% LVR</p> </td> <td data-bbox="675 1308 1489 1465"> <ul style="list-style-type: none"> <li>• Accountant's Letter confirming income</li> <li>• 12 months BAS statements from ATO Portal</li> <li>• 12 months business bank statements serviceability assessment.</li> </ul> </td> </tr> <tr> <td data-bbox="492 1465 675 1619"> <p>≤80% LVR</p> </td> <td data-bbox="675 1465 1489 1619"> <ul style="list-style-type: none"> <li>• Accountant's Letter confirming income</li> <li>• 6 months BAS statements from ATO Portal</li> <li>• 6 months business bank statements serviceability assessment.</li> </ul> </td> </tr> </table>	<p>≤80% LVR</p>	<ul style="list-style-type: none"> <li>• Accountant's Letter confirming income</li> <li>• 12 months BAS statements from ATO Portal</li> <li>• 12 months business bank statements serviceability assessment.</li> </ul>	<p>≤80% LVR</p>	<ul style="list-style-type: none"> <li>• Accountant's Letter confirming income</li> <li>• 6 months BAS statements from ATO Portal</li> <li>• 6 months business bank statements serviceability assessment.</li> </ul>
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<p><b>Local Income</b></p>	<p>Self-Employed Alt Doc 100%</p>	<p>Any supporting document should be in line with the declared income. Ensure to make further enquiries should discrepancies appear.</p> <p>BAS statements can be issued Annually, Quarterly and Monthly. (Note Annual BAS should not be used without support of recent trading statements or accountant certification). The most recent BAS must be obtained and prior copies covering the most recent 6/12 months. Please see <a href="#">ATO website</a> for current BAS due dates to ensure you have the most recent copy. BAS must be issued from the ATO portal and will have identifier numbers on the top right and a receipt ID.</p> <p><b>BAS Calculation as follows:</b>                  Total Sales (G1)                  Less Owed by ATO (1B) – must be multiplied by 11 before subtracting                  Less wages paid (W1)                  Equals Income for each period, add total 6/12 months and obtain annual figure.</p> <p>Income used in servicing must not exceed declared income.</p> <p><b>Trading statements Calculation guideline as follows:</b>                  Add total revenue credited to the account for last 6/12 months                  Annualise to a yearly figure and review, if 40% of total revenue is in line with declared income then income is acceptable. It is important to note that 40% is only a guideline and will vary on industry especially service vs goods.</p> <p>Please use judgement and review income and expenditure from trading statements and note any consistent debits and credits and identify what looks to be standard trade is in line with declared income.</p> <p>Trading statements are typically used as a support function of BAS or Accountants certification where questions may be raised about the validity of the income source. Approach a DLA holder for guidance where inconsistencies arise.</p> <p><b>Accountant certification guideline as follows:</b>                  Ensure all steps are followed as part of verifying <b>9.1.2 Accountant verification call</b>. 100% of the figure verified can be used.</p>
<p><b>ALL</b></p>	<p>Second Job (100%)</p>	<p>As per Permanent Full-Time income earners, when their term with the current employer is 12 months or greater.</p>
<p><b>Near Prime, Specialist &amp; Specialist Plus</b></p>	<p>Casual Employment (100%)</p>	<p>If employed for a minimum 6 months and prior employment can be verified for at least another 6 months. NOTE: Income for assessment purposes is based on 46 weeks of the year to allow for unpaid leave (i.e. 2 weeks sick leave and 4 weeks annual leave). Must have minimum 2 years work experience.</p>
	<p>Shift/Overtime (100%)</p>	<p>When expected to be a regular component of a borrower’s salary and if evidenced over the most recent 6-month payment cycle (all types of industries).</p>
	<p>Permanent Part time / Second Job</p>	<p>Acceptable if employed for a minimum of 6 months. Supported by 2 current pay slips and 3 months bank statements or current income statements from ATO portal.</p>

	Allowances PAYG income (100%)	Allowances are acceptable however when utilising allowances for servicing purposes, care must be exercised to identify allowances that are associated with reimbursement of expenses (e.g. tool, uniform, entertainment), where generally these allowances would be 100% offset against an expense versus allowances to compensate for specialties of the occupation. (e.g., remote living allowance)
	Investment Income (80%)	Dividends, interest, or other investment income that can be verified assessed at 80% or as otherwise evidenced via bank statements or tax returns for last 12 months
	If employed by family	In support of validity of income, the latest tax return must be provided OR last 6 months bank statements
	Contract Incomes (100%)	If they have worked in the same role/industry utilising a similar skill set for a minimum of 2 years, as per Permanent Full Time.
	Family Tax Benefit (100%)	<p>Where an applicant is receiving a FTB payment (paid via the Family Assistance Office or the Australian Tax Office) for a dependent child / children, this payment may be used as supplementary income for the purposes of mitigating marginal serviceability where the following conditions are met:</p> <ul style="list-style-type: none"> <li>• The payment must be a FTB payment (Part A and Part B only) made by the Federal Government.</li> <li>• Maximum age of the dependent child / children to be 13 years old.</li> <li>• Evidence of the payment must be provided through provision of the statements issued by Family Assistance Office – fortnightly or annually.</li> <li>• FTB (Part A and Part B) should only be considered as supplementary income source to the application, where the mainstream of income is from any of the following:             <ul style="list-style-type: none"> <li>• PAYG</li> <li>• Self-Employed</li> <li>• Rental income</li> <li>• Investment income</li> </ul> </li> </ul>
<b>Local Income</b>	Child Maintenance Income (100%)	<ul style="list-style-type: none"> <li>• Verification that the maintenance agreement is registered with the Child Support Agency.</li> <li>• Maximum age of maintained child to be 13 years old and evidence that agreement has at least 5 years to run. (to age 18).</li> <li>• Evidence of consistent payments through the past six months bank statements.</li> <li>• Should be considered supplementary income and used to mitigate a marginal servicing position.</li> </ul>

	<p>Veterans Affairs/ War Widows/ Carers Pensions (100%)</p>	<p>Veterans Affairs/War Widows/Carers Pensions incomes are subject to:</p> <ul style="list-style-type: none"> <li>Satisfactory evidence from relevant Government Department.</li> <li>These payments should only be considered as supplementary income source to the application, where the mainstream of income is from any of the following:                         <ul style="list-style-type: none"> <li>PAYG</li> <li>Self-Employed</li> <li>Rental income</li> <li>Investment income</li> </ul> </li> </ul> <p>Other government payments such as unemployment (e.g. New Start) and sickness benefits are unacceptable for the purposes of determining serviceability.</p>
<p>ALL</p>	<p>Net Rental Income (80%)</p>	<p>Net Rental incomes are assessed (or 80% of anticipated gross/market rental if property is vacant or yet to settle). Acceptable evidence is:</p> <ul style="list-style-type: none"> <li>Current lease agreement supported by 6 months bank statements, or</li> <li>Current rental statement, or</li> <li>2 x Rental appraisal from licensed real estate agents, or</li> <li>Panel valuer's estimates of the likely rental income.</li> </ul> <p>When rent is derived from a share in an investment property then only the borrower's share of rental income is allowed.</p> <p>Where rent is earned through a serviced apartment or Airbnb equivalent, we must review the 12 months of actual earnings to consider. The shading may be increased to 60% at BC DLA holder discretion.</p> <p>Caution should be applied where rental guarantees are involved or when the rental income appears high when compared to the value of the property. We need to ensure the income is sustainable and not linked to a short-term venture (e.g.: mining, display homes)</p>
	<p>Investment Income (80%)</p>	<p>Dividends, interest or other investment income that can be verified assessed at 80% or as otherwise evidenced via long term average.</p>
	<p>Net Rental Income (80%)</p>	<p>Rental income taken at 80% from investment properties held in superannuation fund. Rental income for servicing not to exceed 6% of property valuation.</p> <ul style="list-style-type: none"> <li>Current lease agreement, or</li> <li>Rental statement, or</li> <li>Letter from licensed real estate agents, or</li> <li>Panel valuer's estimates of the likely rental income.</li> <li>NRAS taken at 60% from investment properties held in super fund.</li> <li>NDIS for existing rental can be considered at 80% of the valuation or current lease agreement (Must use the lower of the two)</li> </ul>
	<p>Investment income (100%)</p>	<p>Income from interest/ dividend earnings to be assessed using the lower of actual return capped at 3% Long term strategies that deliver a higher return may be considered. Should the surplus income be left in a CMA or similar – the CMA rate can be used for interest income purposes. Note: Should the proposal have an offset and it's the client's intention to offset the residual funds. The offset rate of return can be used for interest income purposes.</p>

<p><b>SMSF</b></p>	<p>Super Guarantee and Contributions</p>	<p>The minimum SGC is 11.50% for FY25 and can vary by employer if they provide an increased SGC package. This must be evidenced via employment letter and supported by pay slips.</p> <p>Superannuation contributions to be included and taken at 100%. Superannuation contributions will be considered (up to the allowed ATO limits), however contributions in excess of this will be allowed if evidenced in line with policy. Additional taxation applicable will need to be factored in and this taxation will need to be added to the annual running cost.</p> <p>Additional contributions can be accepted if regular over a 6-month period, evidenced to super records (Employer or SMSF). Regular is defined as: At least monthly). Irregular contributions can be accepted if evidenced over 2 financial years (lower amount to be used)</p> <p><b>Servicing below the line:</b> If self-employed customers have not paid additional super contributions and have the capacity, these can be accepted, subject to the members ability to service personal borrowings outside of super. The additional contribution will need to be added as an additional liability for servicing purposes. PAYG customers that do not meet the additional contribution requirements above, servicing must be demonstrated below the line.</p>
<p><b>Local Income</b></p>	<p>Self-Employed Full Doc (100%)</p>	<ul style="list-style-type: none"> <li>• Latest 2 years financials (personal and company) Individual Tax returns and Notice of Assessments and if applicable; Company Tax Returns, Trust Tax and Accountant generated financials with full Profit and Balance sheet.</li> <li>• ABN search must be completed</li> </ul> <p>Alternative: The most recent years tax assessment &amp; financials can be accepted stand alone for servicing, if the ABN has been registered for 2 years or greater and the clients individual credit score is <math>\geq 700</math>.</p> <p>GST must be registered for at least 12 months.</p>
<p><b>ALL</b></p>	<p>Self-Employed Full Doc (Variance in income)</p>	<p>BCS reserves the right to request interim financials, tax statements from the ATO portal and/or Business Activity Statements if the need arises. An average of the last two years income will be the default position for use in serviceability calculation.</p> <p>A credit assessor will need to consider the following when making their credit assessment to determine whether the default position is appropriate given the circumstances presented by the borrower.</p> <p>Where the variance between the last two years is <math>\leq 20\%</math> it is acceptable to consider the most recent year's income figure in servicing if required.</p> <p>Where the income has decreased from the previous year without satisfactory explanation, it is appropriate to adopt the most recent year's income in your servicing assessment. Additional supporting documentation may be requested at the discretion of DLA Holder.</p> <ul style="list-style-type: none"> <li>• Note: Where the business/company's income has increased/decreased substantially over the last 2 financial years (i.e. variance of greater than 20%), an explanation of the cause(s) should be obtained and retained on file to support the treatment of income used in the serviceability calculation.</li> </ul>

<p><b>ALL</b></p>	<p>Self-Employed Full Doc (Add Backs) (100%)</p>	<p>The following add-backs are permitted in loan serviceability calculation:</p> <ul style="list-style-type: none"> <li>• Incomes/Salaries (not already included in calculation of personal gross incomes);</li> <li>• Interest paid (as evidenced within the Profit and Loss Statement) can be used as an add-back where the associated debt repayments are included in the applicants servicing position (i.e. Include repayment/commitment on debts and allow add-back of interest on the same debts);</li> <li>• Superannuation contributions in excess of statutory level;</li> <li>• Depreciation (where underpinning the replacement cost of an “essential asset that assists in the generation of business income”, an appropriate haircut may be considered on a case by case basis) ;</li> <li>• Non-recurring expenses (explanation required from company accountant as to the nature of the expenses).</li> </ul> <p>Note: When adding back “excess Superannuation”, “interest paid on debts no longer current” and other “non-recurring expenses”, these should be added back as “Taxable Income” for the company in the servicing spreadsheet.</p> <p>The following are examples of add-backs not permitted under these underwriting guidelines:</p> <ul style="list-style-type: none"> <li>• Rentals paid for leased assets that the company does not own;</li> <li>• Revaluation of assets;</li> <li>• Research and Development.</li> </ul>
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