

## New policy enhancements

Bright is pleased to announce from Tuesday, 6 February 2024 more than 15 policy enhancements designed to improve serviceability, streamline paperwork, and offer greater flexibility for both brokers and customers. These changes reflect our commitment to providing you and your customers with effective solutions in the continually evolving market environment.

## Resident policy changes

- Reduced servicing buffer (previously 2.5%):
  - New loans: 2% above the applicable rate.
  - Alternate Servicing for Refinance<sup>1</sup>: 1% above the applicable rate
- Rental allowance increased to 90%
- Streamlined Self-Employed Income Verification:
  - **100% of Company Wages Accepted** (only available to loans ≤80%LVR). This option can be used if the applicant(s) is paying themselves a regular salary or director wages for the last six months:
    - **Two consecutive payslips;**
    - Six months bank statements or ATO Income Statements noting YTD income declared; AND
    - An Accountant's Letter confirming that the company has sufficient profits to meet its business commitments and that the business has traded profitably for the last two years
  - **Removed the requirement for BAS** when the 1-Year financials provided are more than six months old.

- Streamlined PAYG Income Verification: removed the requirement for three months' bank statements
- A Certificate of Balance is now accepted as proof of funds to complete.

## Non-resident policy changes

- Reduced servicing buffer (previously 2.5%):
  - New loans: 2% above the applicable rate.
  - Refinance: The Non-Resident 'Easy Refinance' criteria remain unchanged.
- Additional PAYG income verification option:
  - **Two consecutive payslips; AND**
  - Three months bank statement
- Australian Trusts are now accepted as one of the acceptable borrower types.
- The validity of offshore credit reports has been extended to 90 days from the date of Formal Approval.
- For Off-The-Plan purchases with contracts older than 12 months, higher valuations up to the original contract price are accepted.
- Bankruptcy/Part IX criteria expanded to allow consideration two years after discharge

## Product changes

- **Category 2 locations** are now accepted for all Non-Resident products, i.e., Bright Evergreen & Bright Easy Builder - Non-Resident loans ≤60% LVR.
- Increased LVR, loan size, and expanded location for Bright Evergreen:
  - Max **\$2.5m** for loans ≤65% LVR in **Sydney & Melbourne** metropolitan areas

- Max **\$1.5m** for loans  $\leq 70\%$  LVR and **\$1m** for loans  $\leq 65\%$  LVR in **Gold Coast** metropolitan areas
- Max **75% LVR** for High Density Apartment Units

	Non-Resident - Bright Evergreen			
Location/LVR ( $\leq$ )	60%	65%	70%	80%
Sydney and Melbourne metropolitan	<b>\$2,500,000</b> ↑	<b>\$2,500,000</b> ↑	\$1,500,000	\$1,000,000
Brisbane and <b>Gold Coast</b> metropolitan	\$1,500,000	\$1,500,000	\$1,500,000	\$1,000,000
Other metro cities	\$1,500,000	\$1,500,000	\$900,000	\$750,000
<b>Category 2 postcodes</b>	<b>\$1,500,000</b> ↑	-	-	-
High Density Apartment Unit	<b>Max. 75% LVR</b> ↑			
Apartment Unit	40 - 45sqm: max 60% LVR   45 - 50sqm: max 65% LVR   >50sqm: Standard LVR Unit dwelling size must be greater than 40sqm, excluding balcony & car parking.			

- Risk Fee adjusted for Bright Elevate loans  $> 70\%$  LVR to 0.5%.

## Prime updates and Rate reduction

Bright has launched a few exciting product updates on Wednesday, 21 February 2024, to enhance their Prime offering.

### Boss prime

- Rate Reduction:
  - 0.15% - 0.30% rate reduction for Interest Only loans, applicable to both Owner Occupied and Investment loans and
  - A 0.15% - 0.30% rate reduction for loans  $> 75\%$  LVR.

AFG Home Loans Pty Ltd ACN 153 255 559 Australian Credit Licence 411913 (AFG Home Loans) is the promoter of the AFG Home Loans Bright products. Brighten Home Loans Pty Ltd ACN 620 839 983 is the credit provider for these loans which are managed and serviced by Brighten Financial Pty Ltd ACN 628 356 669 ACL 512386 (together, Brighten). The AFG Home Loans Bright information in this document was prepared and issued by Brighten in consultation with AFG Home Loans.

- The max loan amount for Boss Prime will be increased to \$2.5 million for Category 1 locations. Max 65% LVR for loans between \$2 million and \$2.5 million.
- High Density properties are acceptable under Boss Prime with a max 70% LVR.

**Empower Prime:**

- Increased the max loan amount to \$2.5 million for Category 1 locations. Max 70% LVR for loans between \$1.5 - \$2.5 million.
- Removed High Density loading.

All of these changes have been made effective from Wednesday, 21 February 2024.