



Updates to Credit Policy

April 2026

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AUGUST 2025





Credit Policy Updates – April 2026

Unacceptable Loan Purpose - MP46.04 - paragraph c)

Old Policy Any loan that may breach Australian Criminal laws (regardless of jurisdiction)

New Policy Any loan that may breach Australian laws (regardless of jurisdiction)

Rationale Any breach of Australian law (criminal or civil) should be an unacceptable purpose.



Credit Policy Updates – April 2026

Unacceptable Borrowers - MP46.06 - paragraph c)

Old Policy Applicants with credit score (including any credit scoring tool implemented by Community First), that is less than the minimum acceptable credit score for the acceptable scoring tool, as determined by ALCO from time to time

New Policy Applicants with an unacceptable credit score (including any credit scoring tool implemented by Community First), as determined by ALCO from time to time, unless an approved exception applies (refer MP46.15.1 below)

Rationale **Modification to minimum credit score rules to allow specific overrides to minimum credit score for existing members and family of long-term members (e.g. members children)**



Credit Policy Updates – April 2026

LVR Guidelines- MP46.10

Old Policy Refer to Credit Services for location categories

New Policy Post Code classification now available on the Credit Services intranet page ([https://cfcazurehome.sharepoint.com/SiteAssets/SitePages/Credit-Services/Post-Code-List v4.0.xls?web=1](https://cfcazurehome.sharepoint.com/SiteAssets/SitePages/Credit-Services/Post-Code-List_v4.0.xls?web=1))

Rationale Any breach of Australian law (criminal or civil) should be an unacceptable purpose.



Credit Policy Updates – April 2026

Funds to Complete and Genuine Savings - MP46.14.2

Old Policy A minimum of 5% genuine savings is required for all applications where LVR is >90% Housing Australia application deal, regardless of LVR (note 2% for Family Guarantee applications).

New Policy A minimum of 5% genuine savings is required for all LMI applications where LVR is >90% or for any Housing Australia application, regardless of LVR (note 2% for Family Guarantee applications).

Rationale **Additional clarity on when Genuine Savings is required vs funds to complete**



Credit Policy Updates – April 2026

Minimum Acceptable Credit Score - MP46.15.1

Old Policy Not applicable

New Policy Community First will not consider any application where the applicants and/or guarantors have a credit score less than 600, except where an applicant meets the following criteria:

- Applicant with a credit score less than the minimum score has been a long term (e.g. > 2 years), active member of Community First or has significant existing borrowings via any Community First entity;
- Applicant with a credit score less than the minimum score is a joint borrower, where the co-borrower has a minimum credit score of 735;
- Applicant with a credit score less than the minimum score due to a new credit report (Community First is first listed lender) and the applicant is a direct relation (e.g. child) of a long-term, active member of any Community First entity;
- Provide flexibility to support long term members, joint borrowers with applicants with a strong credit score or children of long-term members who have a new credit report with a low initial credit score.

Rationale Allows support of preferred applicants without the need to raise an exception.





Credit Policy Updates – April 2026

Unacceptable Findings - MP46.15.2

Old Policy The following credit bureau listings are considered “unacceptable” and will not be considered under any circumstances:

- Bankruptcy (regardless of status)
- Judgement
- Court Writs or Summons
- Defaults not paid in full (Unpaid / Settled Defaults)
- Paid Defaults >\$500
- Paid Defaults listed by the Community First
- Defaults paid less than 12 months prior
- Clear-outs
- Winding up or liquidation proceedings



Credit Policy Updates – April 2026

Unacceptable Findings - MP46.15.2

New Policy Where an applicant's credit score exceeds the minimum acceptable credit score (refer MP46.15.1 above) but contains any of the following features, applicant will be deemed "unacceptable" and will not be considered under any circumstances:

- Bankruptcy (regardless of status)
- Judgement
- Court Writs or Summons
- Defaults not paid in full (Unpaid / Settled Defaults)
- Paid Defaults >\$500
- Paid Defaults listed by the Community First
- Defaults paid less than 12 months prior
- Clear-outs
- Winding up or liquidation proceedings
- Current Hardship assistance from existing lenders

Rationale Clarification that even if the credit score is acceptable, if any of the above features are evident, the application will be deemed unacceptable and the application declined.



Credit Policy Updates – April 2026

Adverse Findings - MP46.15.3

Old Policy The following credit bureau listings are considered “adverse” and may be considered under exceptional circumstances:

- Paid defaults < \$500
- Evidence of Hardship assistance provided by existing lenders

New Policy Where an applicant’s credit score exceeds the minimum acceptable credit score (refer MP46.15.1 above) but contains any of the following features, the applicant will be deemed “adverse” and may be considered under exceptional circumstances:

- Paid defaults < \$500
- Evidence of Hardship assistance provided by existing lenders

Rationale **Additional clarity on when explanations are required.**



Credit Policy Updates – April 2026

Comprehensive Credit Reporting - MP46.15.4

Old Policy Following a review of the applicant's CCR data, if any of the following are evident, an acceptable explanation for the missed repayments is required:

- Any RHI (Repayment History Indicator) of 2 or greater
- 3 or more RHI 1 in 24 months
- Any RHI within 6 months of the open date
- Any RHI on more than one Credit facility

New Policy Following a review of the applicant's CCR data, if any of the following are evident, an acceptable explanation for any of the following is required:

- Any RHI (Repayment History Indicator) of 2 or greater
- 3 or more RHI 1 in 24 months
- Any RHI within 6 months of the open date
- Any RHI on more than one Credit facility
- Previous Hardship assistance (as evidenced by any FHI listing on any credit facility)

Rationale Additional clarity on when explanations are required.



Credit Policy Updates – April 2026

Acceptable Income Verification - MP46.17 (Overtime)

Old Policy Application **submitted** prior to 1st November annually - 2 most recent YTD payslips confirmation of previous years taxable income (YTD income from 30th June payslip / NOA / PAYG Payment Summary)

Application **submitted** on or after 1st November annually - Annualised YTD from most recent YTD payslips.

New Policy Application **submitted** prior to 1st October annually - 2 most recent YTD payslips confirmation of previous years taxable income (YTD income from 30th June payslip / NOA / PAYG Payment Summary)

Application **submitted** on or after 1st October annually

Rationale Bring forward dates for acceptance of annualised income from November to October.



Credit Policy Updates – April 2026

Acceptable Income Verification - MP46.17 (Allowances)

Old Policy Bonuses, Commission and Overtime all accepted at 80%.

New Policy Allowances paid as a Condition of Employment now accepted at 100%. If payment of allowance is not a condition of employment, still accepted at 80%

Rationale Policy enhancement to support applicants who are paid allowances as part of their ongoing income, such as airline staff, First Responders and ADF personnel.

Acceptable Income Verification - MP46.17 (Private Maintenance / Child Support Agreements)

Old Policy Not accepted

New Policy Accepted provided non-custodial parent provides written confirmation of arrangement and evidence is held of payments via bank statements for applicant's bank account showing payments.

Rationale Acceptance of non-CSA maintenance income, with supporting evidence.



Credit Policy Updates – April 2026

Acceptable Income Verification - MP46.17 (Acceptable Addbacks)

Old Policy Not applicable

New Policy The following addbacks are allowed for self-employed applicants:

- Depreciation/amortisation
- Interest paid on debts being refinanced by transaction under consideration (disclosed on the profit and loss statement)
- Interest on any loan which is now repaid in full or to be repaid within the next 6 months.
- Hire Purchase / Lease costs if now repaid in full or to be repaid within the next 6 months.
- Superannuation paid to company owners in excess of minimum legislated Superannuation Guarantee Levy payment.

Rationale Clarification of acceptable addbacks.



Credit Policy Updates – April 2026

Acceptable Income Verification - MP46.17 (Applicants employed by Family)

Old Policy Not applicable

New Policy Income used in affordability assessment to be verified using:

- Minimum 6 months bank statements showing salary credits **PLUS**
- Last financial year tax return and NOA, profit and loss statement)
- 100% of income can be accepted if evident from bank statements for 3 months prior to application date.

Rationale Clarification of policy for lending to applicants employed by family.



Credit Policy Updates – April 2026

Unacceptable Income Verification - MP46.18 (Non-CSA child support payments)

Old Policy Unacceptable

New Policy Acceptable, subject to requirements within paragraph MP46.17

Rationale **Income now acceptable, so removed from Unacceptable list**



Credit Policy Updates – April 2026

Unacceptable Income Verification - MP46.18 (Non-CSA child support payments)

Old Policy Unacceptable

New Policy Acceptable, subject to requirements within paragraph MP46.17

Rationale **Income now acceptable, so removed from Unacceptable list**



Credit Policy Updates – April 2026

Affordability Assessment - MP46.22 (Net Surplus)

Old Policy Living expenses were to be fully assessed for all loan applications

New Policy Where the ARA is less than \$200 ***and*** Declared Living Expenses exceed HEM by less than \$500, full review and analysis of applicant's bank statements are required to confirm living expenses

Rationale Provides guidance and clarity on when a full deep dive of an applicants living expenses are required.



Credit Policy Updates – April 2026

Affordability Assessment - MP46.22 (Investment Loan Buffer)

Old Policy For each investment property (not dwelling), an Investment Property Buffer of \$600 per month is to be added to an applicant's HEM, to cover the additional costs associated with owning an Investment property which are not included in HEM.

New Policy For each investment property (not dwelling), an Investment Property Buffer of **\$300** per month is to be added to an applicant's HEM, to cover the additional costs associated with owning an Investment property which are not included in HEM.

Rationale **Reduction in Investment Buffer proposed to improve affordability but maintaining a prudent approach to assessment of investment property expenses.**



Credit Policy Updates – April 2026

Affordability Assessment - MP46.22 (Buy Now Pay Later (BNPL) facilities)

Old Policy Applicants financial commitments to BNPL facilities were added to their Living Expenses.

New Policy Where an applicant has Buy Now / Pay Later facilities, the facility limit is to be assessed at an assessed repayment of 10% per month of the facility limit. The facility limit is calculated using the balance outstanding plus available credit from the applicant's statement.

Rationale **Proposing a simplified approach to BNPL facilities (10% per month of facility) which also aligns with the assessment methodology in NIMO platform (treats BNPL as a credit card, but we set the assessment rate)**



Credit Policy Updates – April 2026

Credit Bureau Reports - MP46.34 (What is to be verified)

Old Policy All credit enquiries for the past 3 years had to be checked to confirm if application proceeded.

New Policy Requirement no longer required given implementation of Comprehensive Credit Reporting (CCR)

Rationale Most live credit enquiries can now be verified using CCR. However, where a credit application is evident from a lender who does not participate in CCR, relevant enquiries should still be made.



Credit Policy Updates – April 2026

Account History- MP46.38.2 (Verification Methods)

Old Policy Account statements had to be electronic statements.

New Policy Account statements may now be electronic or PDF. Account history may also be verified using Repayment History Indicators (RHI) from the applicant's comprehensive credit reports

Rationale As lenders continue to discourage customers from sharing data via Bankstatements.com, this will provide more options available to confirm repayment history or account conduct.

However, please note that where verification of living expenses are required and PDF bank statements are required, manual verification and assessment of living expenses will still be required.



Credit Policy Updates – April 2026

PAYG income- MP46.41 (PAYG Income verification)

Old Policy Verification of all PAYG income may be satisfied by one or more of the following methods:

- a) The two most recent payslips (not exceeding the last two paydays) for the member showing, as a minimum, the member's name, employer's name and ABN, and the member's year-to-date income

New Policy Verification of all PAYG income may be satisfied by one or more of the following methods:

- a) The two most recent payslips (not exceeding the last two paydays) for the member showing, as a minimum, the member's name, employer's name and ABN, and the member's year-to-date income.
- b) *Identifiable salary credits to acceptable bank account for a minimum of 3 months*

Rationale This will provide more options available to confirm repayment history or account conduct.



Credit Policy Updates – April 2026

PAYG income- MP46.41 (PAYG Income verification)

Old Policy Verification of all PAYG income may be satisfied by one or more of the following methods:

- a) The two most recent payslips (not exceeding the last two paydays) for the member showing, as a minimum, the member's name, employer's name and ABN, and the member's year-to-date income

New Policy Verification of all PAYG income may be satisfied by one or more of the following methods:

- a) The two most recent payslips (not exceeding the last two paydays) for the member showing, as a minimum, the member's name, employer's name and ABN, and the member's year-to-date income.
- b) *Identifiable salary credits to acceptable bank account for a minimum of 3 months*

Rationale This will provide more options available to confirm repayment history or account conduct.



Questions

- The Credit Services Settlements Team can assist with any enquiries. FMS are also available to help if required.