



# Latest News

Keeping you informed



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## LATEST NEWS

We're excited for a big year ahead for Connective Home Loan Essentials, and we continue to remain firmly anchored to our three core pillars: a simple proposition focused on core customer needs, straightforward and competitive pricing, and seamless service enabled by a fully digital end to end home loan experience.

As we step into 2025, we'd like to remind you about some key enhancements that you may have missed, including:

- **One-year lodged tax return to verify self-employed income for home lending 80% LVR or under:** We've updated our credit policy and will now require only a one-year tax return, accompanied by confirmation that it's been lodged to the ATO, to verify self-employed income for Connective Home Loan Essentials applications with an LVR 80% or under... [read more](#)
- **Connective Home Loan Essentials has updated its policy to allow the construction of granny flats:** To help support more customers with their construction goals, customers can now use the Connective Home Loan Essentials construction home loan offering to construct a granny flat, where there is an existing main residence on the premises...[read more](#)
- **SLAs are still under one day:** Speedy service can make all the difference, and our turnaround times are still at one business day for new applications, variations, supporting documents and construction progress payments... [read more](#)

### **One-year lodged tax return to verify self-employed income for home lending 80% LVR or under**

We've updated our credit policy and will now only require a one-year tax return, accompanied by confirmation that it's been lodged to the ATO, to verify self-employed income for Connective Home Loan Essentials applications with an LVR 80% or under.

<p><b>Applications with an LVR 80% or under</b></p>	<ul style="list-style-type: none"> <li>• You can submit a one-year tax return, accompanied by confirmation that it's been lodged to the ATO, to verify self-employed income for home lending applications with an LVR 80% or under.</li> <li>• From March, tax returns will be the only document we accept to verify self-employed income for these applications.</li> <li>• Until then, you can continue to provide two years of financial statements (profit &amp; loss) to verify self-employed income for applications with an LVR 80% or under until further notice.</li> </ul>
<p><b>Applications with an LVR over 80%</b></p>	<ul style="list-style-type: none"> <li>• There will be no change to the requirement to provide two years of financial information to verify self-employed income for home lending applications with an LVR over 80%.</li> <li>• However, you'll now be able to provide either two years' tax returns or two years' financial statements (profit &amp; loss).</li> </ul>

**For home lending where financial statements are used to verify income:**

- If you provide two years' financial statements and want these to be assessed based on the most recent year, this option is still available when you provide commentary outlining why recent performance is a more appropriate indicator of future performance – as you do today.

**Applications that are ineligible for the one-year tax return option**

- Where your customer's tax return is yet to be lodged or only financial statements (profit & loss) are provided, the one-year tax return cannot be used.
- For applications that are higher than an 80% LVR follow the existing process.

**What you need to do**

Start asking your self-employed customers for their most recent available tax return (2023 tax returns are acceptable under policy until 31 March 2025) and confirmation of lodgement for all eligible Connective Home Loan Essentials applications.

The confirmation of lodgement needs to be from either their accountant or the ATO.

**How to submit with one-year lodged tax return or using most recent years income from financials**

When submitting an application using the most recent year's income information, please enter the same figure in both years in your lodgement system, as you do today.

**Connective Home Loan Essentials has updated its policy to allow the construction of granny flats**

To help you support more customers with their construction goals, customers can use the Connective Home Loan Essentials construction home loan offering to construct a granny flat, where there is an existing main residence on the premises.

Here is some key policy information to consider when your clients are seeking to construct a granny flat:

- Construction of a granny flat where there is an existing main dwelling in place is acceptable.
- Construction of a main residence and granny flat simultaneously is unacceptable.
- To consider new or existing rental income derived from a granny flat on a property, the granny flat will need to be confirmed as independent to the main property with services connected. This can be confirmed via an Advantedge or external valuation report. The maximum 6% rental income cap applies per dwelling.
- Where a granny flat cannot be verified as independent, our shared spaces rental income policy will apply.

This is an exciting enhancement to our construction loan offering which is designed to help make the process simple and stress-free.

### Service levels still one business day!

Speedy service can make all the difference, and our turnaround times are still at **one business day** for new applications, variations, supporting documents and construction progress payments.

Stay up to date with our service levels anytime via the [Advantedge website](#).

### Further Support

If you have any questions, please speak to your Connective Home Loan Essentials Business Development Manager.



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📞 1300 300 989 | 🌐 [connectivehomeloans.com.au/essentials](https://connectivehomeloans.com.au/essentials)

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All applications are subject to normal credit approval criteria. Full terms, conditions and schedule of fees are set out in the relevant loan contracts. Fees, charges and government taxes may be payable. Fees and charges may be varied or introduced in the future.

### Important information

Interest rates, fees and charges are subject to change. Fees and charges apply to all

Advantagedge products. Refer to the Fees and Charges Booklet on your aggregator's software for full details. Fees and charges are current and may be introduced or varied in accordance with loan terms.

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