

Understanding our Personal Loan decision

Personal loans should make life easier, not harder

Our personal loans are designed to help you achieve your goals without taking you out of your financial comfort zone. As a responsible lender, we must make sure you don't commit to a loan that will become a burden. So when you apply for a loan, we need to be sure you're not taking on something that you'll find difficult to repay.

We base our decision on the information you have provided. If there's anything you may have forgotten to tell us or anything you think we may have misunderstood, please feel free to contact us on **13 1431**, between 8am to 8pm, 7 days a week or visit any branch.

Due to security reasons, the Bank is not always able to provide specific details regarding a decline decision; however the following are some of the most common reasons why we may decline an application.

Reason	Explanation	What you can do
Your ability to make repayments	Your current income will not support the proposed personal loan repayments on top of your existing commitments.	<ul style="list-style-type: none">• Consider making an application with another person as a joint applicant. The joint applicant must be someone who will directly benefit from the loan.• Use our online calculator at www.commbank.com.au/tools/ to get an idea of how much you may be able to borrow and the most affordable repayment schedule
Your account conduct	You have overdrawn an account or had insufficient funds to meet a payment in a previous or existing Commonwealth Bank account.	<ul style="list-style-type: none">• Make sure you keep sufficient money in all your bank accounts to meet your commitments.• Make loan repayments and pay all your bills on time.• Arrange with your employer to have your salary paid into your bank account.
A report from a credit reporting body	We could not approve your loan application due to information obtained from a credit reporting agency. (If this applies to you, you will have been notified of this reason in your letter).	<ul style="list-style-type: none">• Contact the relevant credit agency to obtain a detailed credit report:<ul style="list-style-type: none">– Equifax Pty Ltd www.equifax.com.au– Dun & Bradstreet (Australia) Pty Ltd www.checkyourcredit.com.au• Make loan repayments and pay all your bills on time.
Your financial situation	Your personal financial situation does not meet our lending criteria. It is likely that you will have difficulty meeting repayments.	<ul style="list-style-type: none">• Make sure you keep sufficient money in all your bank accounts to meet your commitments.• Start a regular savings plan. Visit www.commbank.com.au/savings to find out how.• Consider making an application with another person as a joint applicant. The joint applicant must be someone who will directly benefit from the loan.

Some tips to improve your chances of getting your application approved in the future

Display a good account history

If you already have a Commonwealth Bank account, use it regularly. An account which was opened but has not been used for a few years gives us no indication of your financial situation.

It is important not to overdraw your account. Not only will that help you avoid fees, it will also create a good account history showing you are able to manage your existing finances effectively.

It isn't only your account history with us that is important. You need a good account history with any organisations that have given you credit, from phone companies to furniture shops. Missed payments, arrears or debt collection activities could be recorded at a credit reporting body.

Deposit your salary into your account

If you have a job, regardless of how much you earn, have your salary paid into your bank account. If you are paid in cash, deposit it into your account as this is a good way of establishing a transaction history with us.

Show you can save regularly

Another way to demonstrate you're good with money is to contribute regularly to your savings. If you show you're used to saving a set amount of money every week or month, you're also showing that you may be able to manage regular loan repayments.

If you need help finding ways to save regularly, visit one of our Commonwealth Bank Savings Specialists. We have over 3,500 Savings Specialists – at least one in every branch – who will help you get your savings on track by setting up a budget and a regular savings plan.

Avoid making multiple applications

Applying to several lenders at the same time may help you to find the best deal, but could also be a factor in why your loan was declined.

Things to consider before your next application

How much can I borrow?

The main factors are how much you earn after tax and how much you spend each month. Usually, the more spare income you have, the more you may be able to borrow.

Things you need to know:

In addition to the advice outlined in this document, all applications for finance are subject to the Bank's normal credit approval. Full terms and conditions will be included in our offer of finance. Fees and charges are payable. Commonwealth Bank of Australia. ABN 48 123 123 124.