

VT

VERTEXIT RESOURCE

Australia Mortgage Operations Glossary

50+ key terms and acronyms

A quick-reference glossary of key terms and acronyms used in Australian mortgage operations. From LMI to LVR, broker support terminology, and lending operations concepts — perfect for candidates entering Australian mortgage roles.

Free career resource from VertexIT — LEARN • APPLY
Educational content. Not legal or regulatory advice.

How to use this glossary

This glossary covers the most common terms you will encounter in Australian mortgage operations roles. Terms are grouped by category for easier reference. Use this alongside your training and as a desk reference when you start working.

Important note

Australian mortgage terminology differs from US mortgage terminology in several ways. This glossary focuses on Australian terms. If you are also training in US mortgage underwriting, be aware of the differences.

A

Term	Definition
APRA	Australian Prudential Regulation Authority — regulates banks and lenders
Application fee	One-time fee charged by lenders when processing a loan application
Approval in Principle (AIP)	Conditional loan approval based on initial assessment, before full documentation review

B

Term	Definition
Borrower	The person or entity taking out the loan
Broker	An intermediary who helps borrowers find and apply for loans from various lenders
Broker Support	Operational role supporting mortgage brokers — pipeline management, submissions, follow-up
BSB	Bank-State-Branch — a 6-digit code identifying Australian bank branches

C

Term	Definition
Comparison rate	Interest rate including fees and charges, for easier loan comparison
Conditional approval	Loan approval subject to certain conditions being met
Conveyancing	Legal process of transferring property ownership
Credit assessment	Evaluation of a borrower's creditworthiness and ability to repay

D

Term	Definition
------	------------

DTI (Debt-to-Income)	Ratio of total debt to gross income — a key affordability metric
Discharge	The process of paying off and releasing a mortgage
Drawdown	When loan funds are released to the borrower

E

Term	Definition
Equity	The portion of the property value owned by the borrower (value minus loan)
Exit fee	Fee for paying off or refinancing a loan early (less common now)

F

Term	Definition
Fixed rate	Interest rate that stays the same for a set period
Full documentation loan	Loan requiring full income and asset documentation (vs low-doc)

H

Term	Definition
HECS/HELP	Higher Education Loan Program — student debt that affects borrowing capacity
Honeymoon rate	Introductory low interest rate, usually reverting to a higher rate after a period

I

Term	Definition
Interest-only loan	Loan where only interest is paid for a set period, then principal + interest
IO	Abbreviation for Interest-Only

L

Term	Definition
Lender	The financial institution providing the loan
LMI (Lenders Mortgage Insurance)	Insurance protecting the lender if the borrower defaults — required for high-LVR loans
Loan administration	Post-settlement management of a loan — disbursements, statements, compliance
Loan submission	The process of submitting a loan application to a lender for assessment
Low-doc loan	Loan requiring less income documentation (for self-employed borrowers)

LVR (Loan-to-Value Ratio)

Loan amount divided by property value, expressed as a percentage — key risk metric

M

Term	Definition
Mortgage	A loan secured by property
Mortgage Broker Virtual Assistant	Remote operational support role for mortgage brokers

N

Term	Definition
Negative gearing	When rental income is less than loan expenses — common investment strategy in Australia
NAF (Net Advance to Finance)	The net loan amount after fees and charges

O

Term	Definition
Offset account	Transaction account linked to a loan — balance reduces the interest charged
Originator	Person or entity that originates (creates) a loan

P

Term	Definition
P&I (Principal & Interest)	Loan repayment type where both principal and interest are paid
Pre-approval	Conditional loan approval before finding a property
Processing	The workflow of collecting, verifying, and preparing loan documentation
Property settlement	The completion of a property transaction — funds and title are exchanged

R

Term	Definition
Refinancing	Replacing an existing loan with a new one (same or different lender)
Repayment	The regular payment made by the borrower toward the loan

S

Term	Definition
------	------------

Security	The property used as collateral for the loan
Serviceability	A borrower's ability to meet loan repayments — assessed via income, expenses, and debts
Settlement	The completion of a property transaction
Split loan	A loan split into portions with different rates (e.g., part fixed, part variable)

U

Term	Definition
Unconditional approval	Final loan approval with all conditions met
Underwriting	Assessment of loan risk and decision to approve or decline

V

Term	Definition
Valuation	Independent assessment of property value — ordered by the lender
Variable rate	Interest rate that can change with market conditions
Verification	Confirming the accuracy of borrower information and documentation

Disclaimer

This glossary is for educational purposes. Australian lending regulations and terminology may change. Always refer to current lender guidelines and ASIC regulations. VertexIT's Australia Mortgage program covers these terms in depth with practical scenarios.