

MEDIA RELEASE



25 September 2020

Relaxing lending rules will drive home ownership and the economy: HIA

The Government's plan to improve access to finance is necessary and the move will not only help thousands of new home buyers get into their first home sooner but will also help steer Australia out of the economic problems brought on by Covid-19, Managing Director HIA Graham Wolfe said today.

"HIA has repeatedly called for better access to finance and a relaxation of the rules around home loans. Access to finance and lending practices of banks is the biggest problem identified by builders in a survey undertaken by HIA in August - not COVID

"It's a pity that it has taken a recession for these rules to change, this plan does not solve all the problems around access to finance and credit however HIA believes it is a move in right direction.

"Currently it is three times harder for a first home buyer to get a loan, despite low interest rates making it being easier to service a mortgage.

"It's only fitting that lenders and customers have their hands untied to work together to appropriately assess the risk and the loan.

"By allowing rules to be eased the government is also allowing millions of dollars to be injected into the economy at a time when Australia needs it most.

"The support the government is already giving with HomeBuilder and the First Home Loan Deposit Scheme will provide incentive for customers to buy a new home. Today's announcement will allow banks to work with customers to ensure they get into a home faster.

"Easing access to finance pulled us out of the 1990s recession and it will do the same now.

"Banks will still have to maintain appropriate application procedures and there is a mutual responsibility on the customer to supply accurate and truthful information when applying for a loan.

HIA is pleased that Government is moving to address one of the main thorns in the side of potential home owners, it's a step forward for homeownership and a step forward for our recovering economy," concluded Mr Wolfe.

Contact:

Graham Wolfe, Managing Director HIA 0419 751 188

Tim Reardon, Chief Economist HIA 0423 141 031