

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Commonwealth Bank of Australia

CBA90QW: Pension Loans Scheme

The Pension Loans Scheme (PLS) is a Government scheme that allows older Australians, who own real estate in Australia, to get a voluntary non-taxable fortnightly loan from the Government to supplement their retirement income.

(a) Do you allow customers to use a property that has an existing mortgage or reverse mortgage with your bank as security for the PLS? If not, why?

(b) Do you allow the Government to lodge a caveat for the PLS against the title of a property that has an existing mortgage or reverse mortgage with your bank? If not, why?

Answer: (a)-(b) The Commonwealth Bank does not have a specific policy in relation to these scenarios; however, we can consider on a case-by-case basis (noting CBA no longer offers reverse mortgages) while complying with responsible lending requirements.