

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

SUNCORP

SCB35QW:

What regulatory changes would be necessary to enable banks to lend to individuals with SMSFs, who are in the retirement phase, to allow them to seek credit for the purchase of assets (such as homes) or to address short-term cash flow issues?

Answer:

The *Superannuation Industry (Supervision) Act 1993* would need to change to allow the Trustees of SMSFs to borrow for the circumstances in this question.

While not requiring changes to pre-existing codes or regulations, any lending would need to meet the current responsible lending criteria, including the requirement that payments be serviced without causing hardship and loans are capable of repayment from surplus assets in the case of a short-term loan.