

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Division/Agency: National Housing Finance and Investment Corporation (NHFIC)

Question No:

Topic: Request for information

Reference: Written

Senator: Kimberley Kitching

Question:

I also request that NHFIC officials table any work done on the following issues broken down by region and/or electorate:

- the number of first home buyers in last financial and calendar year; and
- the number of applications made under the Scheme compared to the number of applications granted under the Scheme so far.

Answer:

NHFIC has not undertaken any analysis at electorate level.

The number of first home buyers in last financial and calendar year

In the 2018 calendar year there were 105,000 loan commitments made to first home buyers (FHBs) in Australia, according to the latest Australian Bureau of Statistics data (5601.0 – Lending Indicators). The ABS publication also provides a breakdown of FHBs across States and Territories.

The number of applications made under the Scheme compared to the number of applications granted under the Scheme so far

NHFIC does not accept or grant applications for the Scheme. FHBs must apply through a participating lender.

A FHB can seek to Reserve a Scheme place with a participating lender (provided there are places available to be used by that lender) for up to 14 days while the lender assesses their finance application. This provides the lender time to assess the FHB's eligibility for the Scheme and collect and assess the relevant FHB financial information to allow a finance pre-approval.

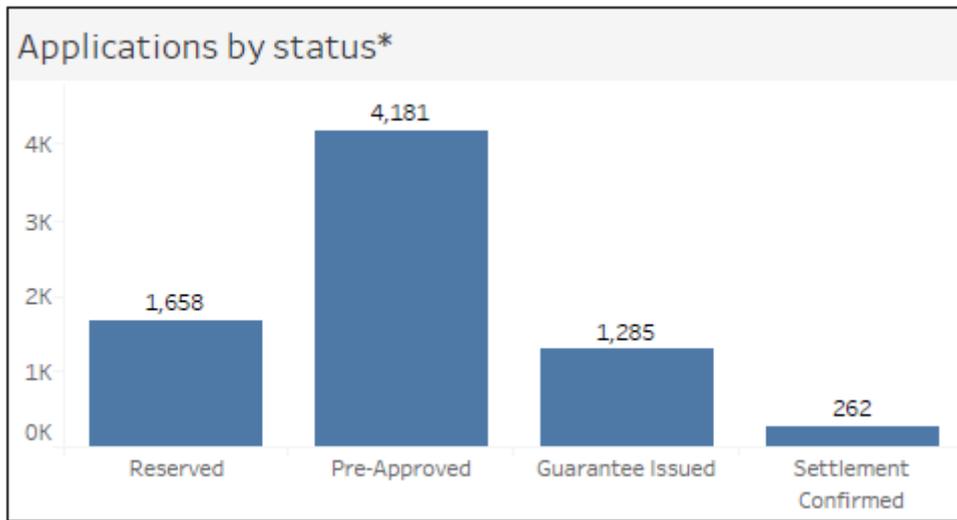
If the lender provides finance pre-approval, the FHB then has 90 days from the date they have been first Pre-Approved under the Scheme to find a property and enter a contract of sale.

Once the FHB has signed a contract of sale to purchase a property, been provided unconditional finance approval and entered into a loan agreement, provided that all eligibility requirements are met, the participating lender will be issued with a Guarantee Certificate as evidence of the registration of a Scheme-Backed Loan by NHFIC (Guarantee Issued).

Participating lenders are required to confirm settlement has taken place on the property within 100 days of the issuance of a Guarantee Certificate (Settlement Confirmed).

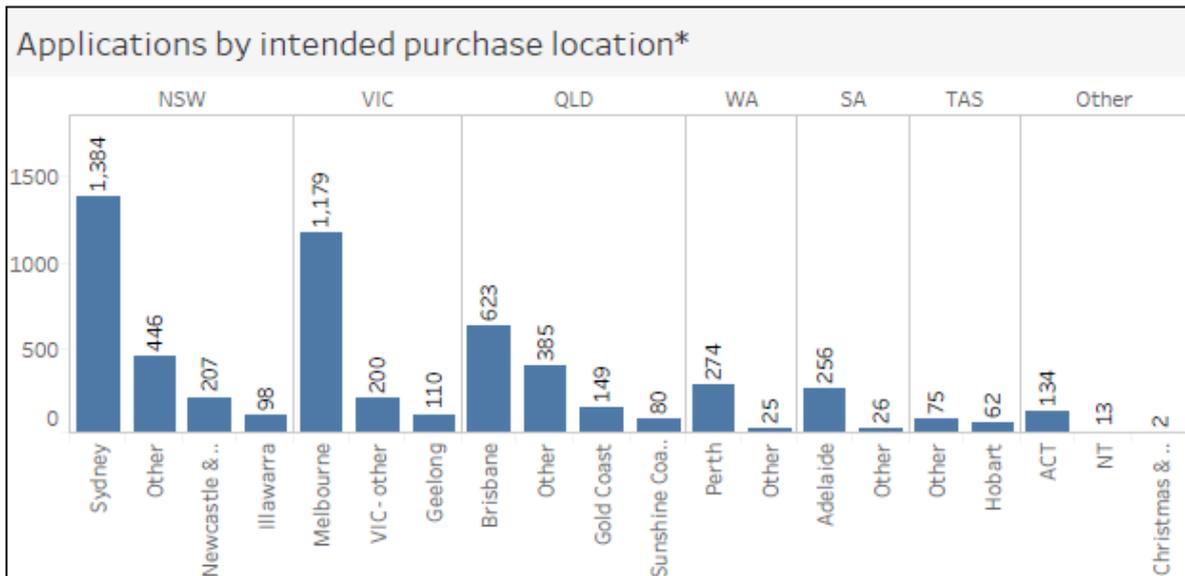
FHBs can make multiple applications with different panel lenders (at the Reserved and Pre-Approved stages). However, multiple applications by the same FHB will only take up one Scheme place or guarantee.

All numbers in charts below are as of 2 March 2020.



*Includes multiple applications by the same FHB(s) with different panel lenders.

Data collected at Pre-Approved stage:



*Includes multiple applications by the same FHB(s) with different panel lenders.

Data collected at Guarantee Issued stage:

