<u>Responses to written questions – Inquiry into financial regulatory framework and home ownership</u>

Question 1: What proportion of total home loans do loans to first home buyers constitute for your organisation, in terms of their total value?

NAB response: As at 31 March 2024 (NAB's half year), 11.9% of NAB's new home lending was to first home buyers.

Question 2: What proportion of home loans to first home buyers go to those in the regional metro centres, as compared to capital cities?

NAB response: Within the six months to 31 October 2024, 76% of NAB's home loans to first home buyers were in capital cities. 24% were to first home buyers in regional Australia.

Question 3: What is the average size of home loans to first home buyers your organisation issues?

NAB response: The average borrowing amount for first home buyers is $410,000.

Question 4: What is the average interest rate your organisation grants for a first home buyer's home loan, both in fixed and variable terms?

NAB response: Currently the lowest available fixed rate loan product available for first home buyers is the 3-year term Tailored Fixed Rate Home Loan. For owner-occupiers paying principal and interest with a loan-to-value ratio (LVR) over 70.01%, the advertised rate offered on this product is 5.94%.

The lowest variable rate loan product available to first home buyers is the Base Variable Rate Home Loan. For owner-occupiers paying principal and interest with a LVR over 70.01%, the advertised rate offered on this product is 6.84%.

Question 5: What is the average age of first home buyer your organisation grants a home loan to?

NAB response: Within the last six months to 31 October 2024, the mean age of first home buyers is 33 years old.

Question 6: What proportion of home loans to first home buyers go to singles and how many go to couples?

NAB response: Within the last six months to 31 October 2024:

- 61% of loans to first home buyers were issued to more than one applicant (noting this includes couples, as well as other joint borrowers e.g. parent and child, siblings or friends purchasing together).
- 39% of loans to first home buyers were issued to individuals.

Question 7: What proportion of home loans to first home buyers go to those who receive a guarantee or security from a family member who is not a spouse?

NAB response: Within the last six months 0.2% of loans issued to first home buyers had a guarantor. It is not possible at an aggregate level to categorise the relationship of the guarantor for each of these loans. Policy changes regarding guarantors were made in August 2018 and again in May 2020, which restricted the circumstances in which guarantees would be accepted for personal banking customers. These changes were informed by updates to regulatory guidance and risk appetite.

Question 8: Of the first home buyers granted a home loan by your organisation, how many of these customers:

a. **Used a government scheme to assist with paying their deposit?**
b. **Made use of another government scheme or incentive to assist in the purchase of their property, such as the First Home Buyers Guarantee?**

NAB response:

a. Due to the different ways that a loan application can be received, it is not possible to accurately determine where a government scheme (such as a first home buyer grant) has contributed to a deposit at an aggregate level.
b. In the 12 months to March 2024, 59% of loans issued to first home buyers were supported by the Home Guarantee Scheme.