

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

#### SUNCORP

#### SCB38QW:

##### Home loan approval timeframes

For all home loan applications you have received in the quarter ending 31 March 2021 (regardless of whether the application was settled):

(a) What is the average and median time from receipt of application by the bank to final approval, for applications received directly through your branch network?

(b) What is the average and median time from receipt of application by the bank to final approval, for applications received through a mortgage broker?

(c) If there is a difference in average and median time from receipt by the bank to approval for applications received through the branch network compared to the those received through a mortgage broker:

(i) What is the reason for the difference?

(ii) How might this impact the competitiveness of mortgage brokers?

(iii) What is the bank doing to equalise the difference in times?

(d) Is an application received through the branch network processed differently from an application received through a mortgage broker? If so:

(i) What is the reason for the difference?

(ii) Is this difference informed by bank policy? If so, why?

#### Answer:

(a) The time from receipt of application to final approval for our direct branch network is a median of 16 days and an average of 18.3 days.

(b) The time from receipt of application to final approval for our broker network is a median of 17 days and an average of 20.73 days.

(c)

(i) There is a small difference in the approval time between our direct branch network and broker network. This is attributed to variances in the mix of business between the broker and branch networks, for example loan types, loan complexity and risk characteristics of the loans. Broker applications make up a much larger proportion of the Suncorp's overall applications.

- (ii) There are no differences in the process and approach between the two channels. The difference in time to approval is marginal and should have no impact to the competitiveness of mortgage brokers.
  
- (iii) The bank utilises the same process for direct and broker applications. To ensure a smooth process and timely approval, the bank regularly provides communications, training, and tips to brokers and direct lenders on how to avoid any delays or deferrals to their application.
  
- (d) An application received through the branch network is processed in the same way as an application received through a mortgage broker.