

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Commonwealth Bank of Australia

CBA66QW: In the context of first home buyers, can you please advise the following:

- (a) The number and percentage of applications utilising a guarantor.
- (b) The number and percentage of applications that come with declared financial support from family members towards the deposit.
- (c) The number and percentage of applications where the ongoing financing of the loan is expected to be assisted by family members.
- (d) Any other relevant data on the number and percentage of applications where the ongoing financing of the loan and/or deposit for the loan is assisted by/expected to be assisted by family members.

Answer: (a) In the five financial years to 30 June 2020, CBA approved the following first home buyer owner-occupied applications with a guarantor:

Financial year	Number of first home buyer owner-occupied approved applications with a guarantor	Percentage of all first home buyer owner-occupied approved applications
2019/20	1,671	7%
2018/19	1,642	8%
2017/18	2,096	9%
2016/17	1,672	10%
2015/16	1,980	9%

(b) – (d) Home loan customers may receive financial assistance (i.e. a gift) from family members towards the formation of a deposit. However, customers are still required to demonstrate a minimum 5 per cent of genuine savings where the total deposit is less than 10 per cent.

When assessing a home loan customer's ability to meet loan repayments, CBA does not include income from family members.

Customers do not always disclose that a portion of their deposit came by way of a gift, and we do not generally identify gifts that were not received in the month leading up to the application. Customers are also not required to disclose gifts or contributions from a family

member received or expected during the life of their loan. As such, we are unable to provide reliable data on the number and proportion of loans where a gift or gifts were received.