

New South Wales Division

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25 January 2016

Ms Toni Matulick, Secretary
Inquiry into Impairment of Customer Loans
Parliamentary Joint Committee on Corporations and Financial Services

By email c/- corporations.joint@aph.gov.au

Dear Ms Matulick,

Impairment of Customer Loans – Further Questions on Notice

I refer to your letter of 17 December 2015 to Mr Stephen Child NSW Member Services Manager of the Australian Property Institute (API) which has been referred to me for a response. I note the Committee has asked if an answer could be provided to the following further two Questions on Notice arising from my attendance on behalf of the API at the Committee's Public Hearing held on Wednesday 19 November 2015. A response to each question is provided beneath the two questions contained in the body of your letter, as follows:

- 1. Please provide examples of instructions given by banks to valuers, including typical and any unusual example?*

Response

The content of banks' instructions to valuers is a matter of policy for the bank in question and within the private contractual arrangement between the bank and the valuer which the API would not be aware of, and the API expresses no view in this regard.

- 2. The form of words used in instructions to valuers following the GFC.*

Response

The API is unaware of the form of words used in private instructions to valuers by banks either before the GFC or following the GFC. Property valuations are subject to the instructions provided to the valuer by the instructing party, and to be adopted the instructions necessarily have to fall within the professional practice guidelines of the API.

I trust that the above responses adequately address the Questions on Notice referred to in your letter of 17 December 2015.

Yours sincerely,

Professor John Sheehan LFAP
Chair Government Liaison
Past President NSW Division

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