

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2011-12 Budget Estimates Hearings

Outcome Number: 7

Question No: 242

Topic: IBA's Home Ownership Program

Hansard Page: Written

Senator Payne asked:

The IBA Home Ownership Program fact sheet states that a high proportion of new loans are to first home buyers (comprising 92% in 2009-10). This program is designed to provide affordable entry into home ownership by tailoring assistance to borrowers who cannot obtain, or have difficulty in obtaining home loan finance from mainstream lenders. In what circumstances do you lend to existing home owners? What is the value of loans to existing home owners, year by year?

Answer:

Loans may be considered for current or previous home owners in the following circumstances:

- 1) Home Improvements / Repairs and Maintenance loans. When the improvement is required to:
 - accommodate changes in the number of family members;
 - for medical, or related health reasons;
 - assist a family cope with local environmental conditions such as heat or cold;
 - repair or replace worn-out or obsolete items of domestic infrastructure; or
 - prevent harm or danger to the family members.
- 2) Replacement homes. A loan to buy a replacement home where circumstances have made it necessary for a previous home owner to sell their home and their financial situation precludes them from borrowing from a mainstream lender.
- 3) Refinance loans. Refinancing of home loans from other lenders where, due to unforeseen or other circumstances (e.g. death or invalidity of a spouse resulting in a significant reduction in income), the home owner may lose their home if assistance is not provided. People adequately housed and repaying loans without difficulty are not eligible.
- 4) Property Settlement loans. Where there has been a permanent relationship break-down and there is a formal agreement for the Indigenous party to buy the other party's equity interest in the home.

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The value of approved loans to previous home owners since 2006, when IBA took carriage of the Home Ownership program, is as follows:

Year	Amount (\$Million)
2006-07	\$24.94
2007-08	\$13.97
2008-09	\$6.76
2009-10	\$4.24