

Senate Finance and Public Administration Legislation Committee
Additional Estimates Hearing – February 2010
ANSWER TO QUESTION ON NOTICE

Topic: Green Loans – Loan Advice

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Question: (Senator Birmingham)

Senator BIRMINGHAM—Is that loan advice at a point at which the bank is undertaking due diligence on an application or when a bank or financial institution is telling you, ‘We have a prospective green loan customer here’, or is it literally just that they have received an application? What is the difference there?

Mr Thompson—You are asking for a specific definition of what that loan information means. So that we can give you a technically correct answer, I would prefer to take that on notice. As I understand it, we are asking the financial institutions, and there is a range of them. They are banks, building societies, credit unions and so on. We are asking them similar questions, but they use different processes for approving loans. We would prefer to take that on notice.

Answer:

When the loans component of the Program was open, the Department contacted the financial institutions on the Friday of each week and requested details on the number of Green Loan applications they had received and were assessing against their lending criteria, and the number of Green Loans approved.

Information was provided to the Department on the following Monday.

At the end of each month the financial institutions provided the Department with an invoice for the interest subsidy and fee subsidy for each Green Loan approved in that month.