

Deb Foskey MLA

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Dodgy home loans to continue?

ACT Greens MLA Deb Foskey had a partial win today on the issue of high-risk home loans, as the Attorney General agreed to take legislative action by the end of the year.

“The ACT has seen a dramatic rise over recent years in the number of homes being repossessed by the non-bank mortgage sector. My motion in the Legislative Assembly today gave recognition to this problem” Dr Foskey said.

“I called for the ACT Government to draft legislation requiring all home loan providers to assess a borrower’s capacity to pay their mortgage before they signed the dotted line.”

“Many low income earners, or people with poor credit histories, sign up for ‘no doc’ and ‘low doc’ home loans. These loans do not require a borrower to show their ability to meet repayments. They are high risk, and often fail, ending in a person losing their home and all their money.”

“While the ACT Government did not agree to implement mandatory income assessment at this stage, it did agree to introduce nationally uniform legislation, or its own, by the end of the year.”

“I am concerned about the manner in which the state and territory Labor governments plan to solve the problem of high-risk home loans. They appear to be focusing only on regulating finance and mortgage brokers. I don’t think they have included mandatory income testing, a crucial part of the policy solution.”

“We Greens have had a part win in the Assembly today, and we will hold the Attorney General to his promise of introducing legislation by the end of the year” Dr Foskey said.

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