

News Release

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ANZ to pause some lending to those with less than 20% deposit

ANZ Bank New Zealand today announced it was pausing some low-deposit loan applications for owner-occupiers wanting to buy existing homes.

However, its doors would remain open for other home lending, including lower deposit loans for new builds. Customers with existing home loan approvals and pre-approvals aren't affected.

ANZ Managing Director for Personal Banking Ben Kelleher said the bank was unable to accept new home-loan applications to buy existing homes where the loan-to-value ratio (LVR) was greater than 80%.

The change impacts a relatively small number of ANZ customers, around 10% of home loan applications.

"We want to assure customers this pause is a temporary measure and is necessary to help us meet the new LVR rules."

Mr Kelleher said the Reserve Bank of New Zealand (RBNZ) tightened LVR restrictions, which came into effect from 1 November, limit how much lending banks can do to customers with less than 20% deposit. The RBNZ capped this at 10% of all new loans to owner-occupiers.

"For those who may have been planning or in the process of applying and now won't qualify, we encourage them to talk to us about other options," Mr Kelleher said.

"It is very much business as usual for everyone else, as we head into the busy summer season we're committed to helping our customers achieve their home ownership goals."

He said new builds were exempt from the RBNZ restrictions and ANZ was still accepting applications from existing and new customers wishing to build their own home.

Earlier this year ANZ launched Blueprint to Build, which offers customers building a new home a 2.76% pa discount for two years on the current home loan floating rate. Eligibility and lending criteria, terms, and fees apply. Rate and offer subject to change.

Since June, ANZ has approved more than \$1.6 billion in new construction lending.

“In New Zealand we have a fundamental problem with supply and demand. Choosing to build, and making it affordable to fund new builds, helps contribute to increasing housing supply,” Mr Kelleher said.

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