

05 JUN 2014

Shanna Reeder
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Dear Ms Reeder

NATIONAL OFFICE WELLINGTON

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PO Box 2628, Wellington 6140
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Thank you for your email of 23 May 2014 making the following request under the Official Information Act 1982:

I wish to request the total number of applications made to Housing New Zealand Corporation for a Welcome Home Loan, for the period 1 October 2012-1 May 2013. I request the same information for the period 1 October 2013- 1 May 2014.

I also wish to request the total number of application approved, and the total number of applications declined (if there are multiple applications by the same party this is to be counted as "per application." For the sake of clarity- I require this information for the period 1 October 2012-1 May 2013, and separately, 1 October 2013- 1 May 2014.

I also request a detailed description on what exact criteria the Housing Corporation of New Zealand uses in order to approve Welcome Home Loans.

I can advise that Welcome Home Loan is offered by lenders, supported by Housing New Zealand, and is designed for first home buyers who can afford to make regular repayments on a home loan, but have trouble saving for a large deposit. Answers to your questions are provided below.

Total number of applications for the period 1 October 2012 – 1 May 2013

Housing New Zealand received 782 Welcome Home Loan applications in this period. Of these, seven were declined, and 775 were approved.

Total number of applications for the period 1 October 2013 – 1 May 2014

Housing New Zealand received 1,353 applications for a Welcome Home Loan in this period. Of these, 16 applications were declined and 1,337 applications were approved.

Welcome Home Loan criteria

An application for a Welcome Home Loan must meet the following criteria.

- a cash deposit of at least 10 percent
- be buying a property at a price under the relevant House Price Cap (set regionally)
- have an income not exceeding \$80,000 gross per annum for one borrower, or \$120,000 gross per annum for two or more borrowers
- be a first home owner, or be eligible as a second chance applicant (realisable assets of no more than 20 percent of the relevant regional House Price Cap – refer below)
- applicant must not own any other residential or commercial property, or bare land
- be a New Zealand citizen or permanent New Zealand resident (hold a permanent resident visa)
- be buying a property for owner occupation.

Regional house price caps

- Auckland – \$485,000

- Wellington City and Queenstown Lakes – \$425,000
- Christchurch City and Selwyn District – \$400,000
- Thames/Coromandel, Hamilton City, Western Bay of Plenty, Tauranga City, Kapiti Coast, Porirua City, Hutt City, Upper Hutt, Tasman/Nelson and Waimakariri – \$350,000
- Rest of New Zealand – \$300,000.

There are other credit criteria that apply to Welcome Home Loan applications in accordance with the scheme's credit policy. However, I am withholding detailed credit criteria information under the following sections of the Act:

- Section(9)(2)(b)(ii) *"would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information."*
- Section 9(2)(k) *"prevent the disclosure or use of official information for improper gain or improper advantage."*

You have the right to ask the Ombudsman to review my decision to withhold some information.

Yours sincerely



Sharon Girvan
Manager Government Relations (Acting)