



community
sector banking

Shared Equity Schemes:

Pathways to home ownership

“Unpack for Good”

real solutions. real impact.

Unpack for Good shared equity - homeownership

What is it?

Why are we doing this?

How does it work?

Why is the equity provider doing this?

Banks credit/risk attitude.

Challenges.

Performance.

“Unpack for Good” - shared equity home ownership pilot program.

CHP pilot partners around the country (working with CSB), providing equity to assist in partial and joint home ownership. Enabling rent to be swapped for home repayments with limited requirement for deposits.

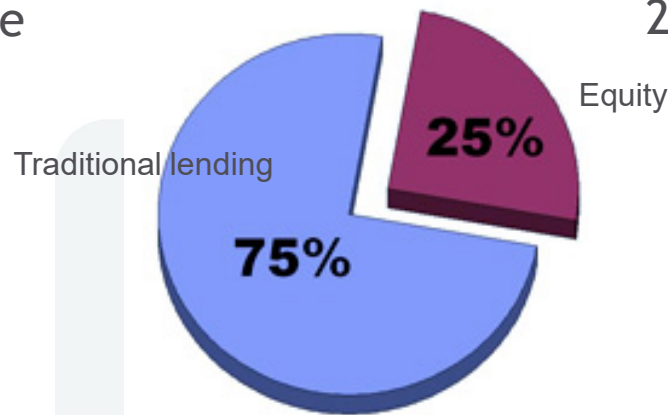
Shared Equity- What is it?



A Social Inclusion product assisting low to middle income earners into home ownership

To purchase the house there are 2 components

1. Traditional home loan



2. Shortfall: Equity component provided by CHP

Why are we doing this?

- Australia has a serious housing affordability problem.
- CSB - Joint Venture between Bendigo and Adelaide Bank and C21, shareholders include CHP's, Housing Peak Bodies, ACOSS - housing and homelessness is our “magnetic north”.
- To create a new housing option - social housing rent, market rent, **shared equity**, home ownership. Build trust and confidence.
- To provide secure long term housing options taking pressure off limited social housing.
- To assist in wealth creation via home ownership.

How does it work?



Traditional home loan

- Traditional 1st mortgage from CSB/Bendigo Bank
- Structured to allow individuals ability to service mortgage within their means

Equity component

- No interest payable on equity component, repayment at end of term or sale
- Equity component from CHP to cover shortfall in deposit funds and/or funding available from traditional mortgage eligibility

Why is the equity provider doing this?

- Provides a innovative finance solution for CHP customers. Recycling of capital for debt reduction or further leveraging



- At CHP's request - exit strategy for NRAS etc. Option for partnering with Developers -affordable housing inclusionary zoning requirements.
- Provides pathways into homeownership for affordable housing tenants.....leading to increased social outcomes and mobility for individuals.

Banks credit / risk attitude

- Playing with their ‘bread and butter’.
- Previous failures and reputational risks.
- A new equity provider - non government, due diligence to be conducted, ‘wind up clause’.
- NCCP Act compliance.
- Independent legal advice required.
- Responsible Lending at heart of program.
- Benchmarks - Equity Providers Experience
 - Home Purchasers Experience
 - Default Performance of Mortgages

Challenges

Trust and confidence!

CSB not known to consumers.

No action determination by ASIC.

Hayne Royal Commission.



Performance

- Review and reporting - credit/risk, ASIC, University Partner for public reporting.
- Success? - More banks.
 - Mainstream housing product.
 - Sustainable equity investment models.



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