



NATIONAL CONSUMER CREDIT PROTECTION ACT (NCCP)

GUIDE TO WHAT LOANS ARE CAPTURED UNDER THE NCCP

The following is a guide to the types of real estate loans which are regulated under the NCCP and those that are not. This is a guide only and does not purport to be definitive or provide advice.

Loans are captured by the NCCP when:

- A security property is owned in the name of one or more natural persons or strata corporation, **AND**
- The finance is being provided wholly or predominantly for:
 - Personal, domestic or household purposes; or
 - To purchase, renovate or improve residential property for owner occupation or investment purposes; or
 - To refinance credit that was previously provided wholly or predominantly to purchase, renovate or improve residential property for owner occupation investment purposes.

The NCCP will capture all borrowings where the proceeds are wholly or predominantly used for residential purposes and the ownership of the property is in the name of a natural person or persons.

For example, this will include the following properties where the ownership is in personal names:

- Owner-occupied home
- Investment house or unit
- Multiple units in one residential block
- Student accommodation
- Boarding house
- Bed & breakfasts
- Mixed use retail & residential where the residential value is greater than 50% of the overall value

- Please also note the NCCP may extend to include loans where the borrower is a company or trust but the security property is owned in the names of individuals and is used wholly or predominantly for residential purposes

Should you have a question about the applicability of the NCCP to a finance enquiry, please do not hesitate to contact our office on 1300 781 043.