



## CCCFA changes are coming

**The government says it is going to get easier to get a home loan and other lending, and strengthen customer protections.**

The government has started its changes to the Credit Contracts and Consumer Finance Act (CCCFA) by repealing some parts of it. It comes as part of the National-ACT Coalition agreement to update the CCCFA.

Commerce and Consumer Affairs Minister Andrew Bayly stated that previous regulations created unnecessary compliance costs and barriers to lending, particularly citing the burden of affordability regulations introduced in December 2021.

“The overly arduous checks meant the time it took to process loans dramatically increased. Lenders told me that a small loan that used to take two hours to process suddenly took up to eight hours.”

He said it became very difficult for people to borrow \$500 to fix their car, forcing them to go to high-interest loan sharks.

### The proposed changes

- Changes aim to simplify the home loan application process for borrowers. They aim to remove overly prescriptive checks, enabling easier access to finance while still requiring lenders to act responsibly. “The changes would still require lenders to act responsibly, but they would not have to follow a prescriptive, one-size-fits-all process”, Bayly said.
- Additional reforms include improving dispute resolution, exempting councils from CCCFA for offering low-risk financial products, and removing duplicate reporting requirements.
- New role for Financial Markets Authority. Responsibilities for overseeing CCCFA will transfer from the Commerce Commission to the Financial Markets Authority.

## Insights from Tony Alexander Monthly Survey: April Trends in NZ Residential Real Estate Market

- Buyer interest in residential property remains but has slightly eased recently, indicating a more cautious approach among potential buyers.
- Bit by bit banks are slowly easing their lending criteria.
- Borrowers overwhelmingly only want to fix their interest rate for a period of one year or less.
- Positive changes in bank lending to first-home buyers include 60-day preapprovals and the inclusion of boarder income for low-deposit lending and First Home Loan products.
- 20% of brokers indicate banks are becoming more willing to advance funds, though this is down from earlier in the year.
- Refinancing trends continue to rise, driven by cost-of-living pressures and concerns over job security, with inquiries increasing for the fourth consecutive month.
- The property market is adapting to economic pressures, with both buyers and lenders making strategic decisions based on anticipated changes in the economic landscape.
- Tony Alexander suggests it may be another 12 months before the worst of the downturn is behind us.

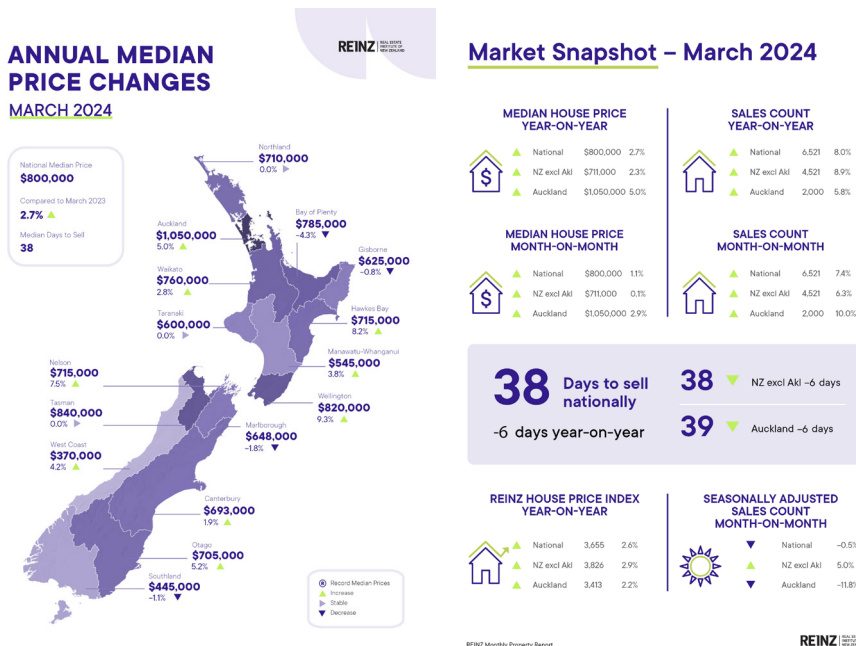
# Update April 2024

## REINZ's New Zealand Property Report - March 2024

The March 2024 figures show the market is more active compared to a year ago, with high listings numbers, increased stock levels, higher sales counts, and higher median sale prices.

- Listings increased by 23.9% nationally compared to March 2023, indicating a trend of more properties coming to market since the beginning of 2024, according to REINZ CEO Jen Baird.
- Sales activity has increased across most of the country, with significant growth noted in 13 out of 16 regions compared to March 2023. Gisborne led with the highest year-on-year increase in sales (+27.8%).
- The national median sale price has risen by 2.7% year-on-year to \$800,000, marking the second consecutive month of such increase, suggesting a positive shift in the market cycle.
- REINZ CEO Jen Baird remains cautiously optimistic about the future of the real estate market as it adapts to current economic conditions. While some buyers may remain cautious due to higher interest rates and job market uncertainty, growing numbers are acting now.
- Upcoming changes in regulations are expected to attract more investors, potentially increasing competition and further driving market activity in the coming months.

[Read the full report here](#)



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