

ANZ, ASB and Westpac have now pulled the shutters down now on lending to investors over 60% LVR ahead of introduction of new RBNZ rules

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ANZ and ASB have joined Westpac in quickly dropping the shutters on lending to property investors at over 60% of LVR ahead of the Reserve Bank's implementation of a nationwide limit on September 1.

And ANZ has also tweaked its maximum LVR for all owner-occupied lending too.

The ANZ changes are: A maximum LVR of 85% applies for all owner-occupied home lending across NZ (previously 85% Auckland and 90% rest-of-NZ).

A maximum LVR of 60% applies for Residential Investment Lending (RIL) across NZ (previously 70% in Auckland).

ANZ said it intended to honour all existing pre-approvals, but any renewals of pre-approvals that might have expired would then be subject to the new policy.

"While the Reserve Bank has announced it will be consulting on new LVR restrictions, we have made changes in the spirit of the RBNZ announcement. We believe the changes are a sensible and responsible response to market conditions. As a responsible lender we want to make sure people are in a position to comfortably repay their home loans," ANZ said.

ASB said it will no longer provide new approvals for lending with an LVR greater than 60% that is solely secured by non-owner-occupied residential properties.

Existing approvals and pre-approvals greater than 60% LVR issued before July 21 will be honoured until their documented expiry date.

These moves followed Westpac earlier saying it was not taking any new loan applications from investors above 60% LVR as of 4.30pm Wednesday - well ahead of new RBNZ restrictions coming into place on September 1.

In **announcing on Tuesday the forthcoming new 60% nationwide LVR limit** for residential property investors, RBNZ Governor Graeme Wheeler said: "We expect banks to observe the spirit of the new restrictions in the lead-up to the new policy taking effect."

Westpac has done that.

A short advisory from the bank noted that there was a shorter transition period allowed for banks to meet the RBNZ's requirements than in 2013 and 2015 when there was a six month period to make all the necessary adjustments and comply.

"The new regulations announced yesterday are expected to come into effect in less than six weeks on 1 September with the RBNZ asking banks to act within the spirit of the new regulations immediately," Westpac said.

"Westpac has already signalled it will work in the spirit of the new regulation.

"To do so, and given the period allowed for adjustment, we will not take new loan applications, beyond the revised 60% LVR restriction, from property investors from 4.30pm today. Those with pre-approvals will still be assessed as per the usual process."