Australian
Finance
Industry
Association

10 November 2025

AFIA WELCOMES EXPANSION OF LENDER PANEL FOR GOVERNMENT DEPOSIT SCHEME

The Australian Finance Industry Association (AFIA) today welcomed Housing Australia's move to expand lender access to the Australian Government's 5% Deposit Scheme, a step that will increase competition and give home buyers greater access and choice.

AFIA CEO Diane Tate said the change will strengthen competition across the housing finance market, broaden access and choice for borrowers, and help more Australians buy their first home.

"This is a positive step that will help more people realise their dream and the financial security of home ownership; no matter whether they want a loan with a bank or a non bank lender," Ms Tate said.

Residential non-bank lenders (RNBLs) are regulated financial institutions that play a vital role in expanding access to credit and supporting financial inclusion. Like banks, they must meet a wide range of laws and regulations and uphold strong governance, conduct and consumer protection standards.

"By opening the Scheme to a wider range of lenders, the Government is giving home buyers more options and fostering a more dynamic, competitive housing finance market."

The expanded Scheme now includes unlimited places, higher property price caps and no income thresholds – changes that will make it easier for many Australians to enter the residential property market.

Ms Tate said expanding lender participation would help the Scheme reach more people and deliver better outcomes for borrowers.

"When more lenders can take part, borrowers have greater flexibility, access to more competitive products and services, and a better chance of finding a solution that fits their financial needs and personal circumstances offered through a range of different business models, channels and platforms," Ms Tate said.

"Our members are at the forefront of innovation, developing specialised products and digital tools that help customers build financial capability, manage money better and achieve home ownership."

Consumer attitudes research completed last year by Pyxis Polling & Insights for AFIA found that Australians want the finance industry to help make housing more affordable, such as offering lower rates to first home buyers and customers who have a strong track record of loan repayments, and to work with governments on housing affordability programs and initiatives, such as availability of housing for key workers, social housing projects, and incentivises for the development of sustainable communities.

AFIA said the Australian Government's 5% Deposit Scheme is a strong step forward, but called for a broader, coordinated effort between government, industry and the community sector to address the nation's housing challenges.

"Australia's housing crisis demands a shared response combining financial innovation with planning and affordability reforms," Ms Tate said.

"AFIA has long advocated for a national housing plan that brings together all parts of the economy to address both supply and demand pressures."

AFIA looks forward to continuing to work with Housing Australia and the Australian Government to ensure the Scheme remains inclusive and effective, and to strengthen collaboration across the finance industry to support more Australians into home ownership.

"As the only peak body representing the entire finance industry, including over 150 bank and non bank lenders, AFIA strongly supports initiatives that promote greater access, choice, competition and innovation in the housing finance market," Ms Tate said.

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ABOUT AFIA

AFIA is the only peak body representing the entire finance industry in Australia.

We represent over 150 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry.

We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators, and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future.

We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.