



Rob Lomdahl | Head of Government & Regulatory Affairs | Group Corporate Affairs

31 May 2017

Mr Mark Fitt
Committee Secretary
Senate Economic References Committee
PO Box 6000
Parliament House
Canberra ACT 2600

By email: economics.sen@aph.gov.au

Dear Mr Fitt

Inquiry into consumer protection in the banking, insurance and financial sector

Thank you for your letters dated 12 May 2017 notifying ANZ of the submissions by Holt Normal Ashman Baker Action Group and Ms Naomi Halpern. I note that ANZ has met with and corresponded with HNAB-AG and Ms Halpern over a number of years.

ANZ, together with other lenders, provided wholesale funding to the Timbercorp Group, including Timbercorp Finance. ANZ did not provide advice to customers to borrow to invest in Timbercorp.

Loans by Timbercorp Finance to investors were not secured by mortgages over borrowers' homes. This means that Timbercorp Finance does not have the right to sell/foreclose on a borrower's home if the loan advanced by Timbercorp Finance has not been repaid.

Loan collection undertaken by the Timbercorp Liquidator, KordaMentha, relates to loans between Timbercorp Finance and the individual borrower/investor. These are not loans with ANZ. The Liquidator must act independently of creditors such as ANZ and questions about recovery should be directed to KordaMentha.

ANZ and Parliamentary representatives encouraged the Liquidator to put in place an accessible, transparent and empathetic hardship program for Timbercorp Finance borrowers experiencing financial difficulty with additional time and flexibility, and options to resolve their debt. The Liquidator also appointed an Independent Hardship Advocate and offers borrowers both financial counselling and legal advice (paid for by the Liquidator).

We are advised by KordaMentha that as of last week settlement agreements have been reached with 435 borrowers in hardship to date, and applications by another 135 borrowers are currently underway.

If you have any questions, please do not hesitate to contact me [REDACTED]

Yours sincerely

Rob Lomdahl
Group Head of Government and Regulatory Affairs