

**Property ladder less steep in pricey cities – NewsTalkZB, 24 November 2009**

Budgeting Services says extension of Welcome Home Loan scheme will help people in expensive cities own homes

The Federation of Budgeting Services is welcoming changes to the Government's 'Welcome Home Loan' scheme.

As signaled in August, the amount that can be borrowed under the Crown-funded mortgage insurance scheme has increased for selected areas.

People living in more expensive regions, such as Auckland and Wellington, can now draw up to \$70,000 more. Someone wanting to borrow \$350,000 will only need to provide a deposit of \$22,500.

No deposit is required under a Welcome Home Loan if you are borrowing \$200,000 or less. Any amount over \$200,000 will need a deposit equal to 15 per cent of the amount over \$200,000.

Services CEO Raewyn Fox says it is a fantastic development as people in more expensive cities can find it very hard to try to get ahead.

Housing Minister Phil Heatley says the changes to the scheme reflect the fact that bank deposit requirements have increased over the past 12 to 18 months. However, borrowers still need to prove their ability to service a home loan before being accepted.

The Welcome Home Loan was introduced in 2003. The Government says between its inception and October 2009 a total of 5,402 Welcome Home Loans have been settled, translating into access to home finance of \$910.6 million.