

Equity Release Industry Body Warns Government Against Poorly Considered Regulation

In announcing the “Delivering for Seniors” package, Prime Minister Gillard has confirmed that a re-elected Labor Government would provide greater protection for older Australians with a Reverse Mortgage.

Kevin Conlon, Chief Executive of SEQUAL, the peak industry body for the Equity Release market, has responded in support of the initiative announced by the Prime Minister but warns that any regulatory change needs to be carefully considered and proper regard given to the extensive industry self-regulatory initiatives that already exist. He stated that, “SEQUAL is committed to the development of an efficient and ethical Seniors Equity Release market in Australia”.

Conlon has called on Government and Regulators to acknowledge the meaningful consumer protection measures that have been delivered by SEQUAL and provides a warning should this message be ignored.

“Equity release is likely to emerge as a significant part of retirement funding and the current debate around advice and regulatory review needs to be carefully considered against that growing demand to ensure choices and legitimate strategies in retirement funding are not extinguished through unnecessary regulatory change”, warned Conlon.

The Prime Minister’s statement included a commitment to provide greater consumer protection for reverse mortgage customers. However, SEQUAL’s Chief Executive pointed out that, “The two initiatives identified by the Prime Minister today are already market practice for SEQUAL Members”. Conlon added that, “effective product disclosure is delivered through the SEQUAL Key Facts guideline and a mandatory obligation to provide a No Negative Equity Guarantee is a condition of SEQUAL Membership”.

SEQUAL’s role as the peak industry body for the Australian Senior’s Equity Release market is well established and there is wide support for market practitioners to gain industry accreditation with SEQUAL. The various Industry Associations representing Finance Brokers and Financial Advisers such as the Financial Planning Association and the Mortgage & Finance Association of Australia, have endorsed the significance of SEQUAL’s contribution towards professionalism in this market.

“It is only through mutual respect that Government, Regulators and Industry will deliver on the common goal of ensuring that consumers are well-placed to make fully informed decisions about their retirement funding”, warned Conlon.

ENDS

Kevin Conlon SEQUAL CEO, is available to discuss:

- Asset-rich cash-poor retirees
- The financial stress those approaching and deep in retirement are facing
- The financial options available to retirees
- SEQUAL research which found the majority of retirees wealth is tied up in their home, but they rely on the aged pension to fund retirement
- SEQUAL's commitment to ensuring retirees can easily identify and access properly-trained market practitioners to assist them to carefully consider all the options

Note to Editor:

A reverse mortgage is a loan to senior homeowners that allows them to access a portion of the equity value in their home. No repayments are required whilst the borrower(s) remains in their property. Interest and fees accrue on the loan and the loan is repayable in full when the last surviving borrower permanently vacates the home or the home is sold.

Kevin Conlon is highly regarded for his ability to combine technical knowledge with strong communication skill. He holds a Master of Finance degree and has broad experience in both domestic and international financial markets. Kevin is an acknowledged expert in Australia's rapidly-growing Equity Release market.

To arrange an interview

Please contact Kevin Conlon on 0411 094 495 or Pauline Negline at SEQUAL Media on 0407 700 653

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Chief Executive -SEQUAL

