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### Banks tighten lending criteria to new investors

As investors flood back into the property market, the major banks are taking a cautious approach, tightening criteria for new customers even as they relax LVRs for existing clients. Over 35% of all mortgages written in March were for investors. Westpac recently changed its maximum LVR from 92% to 97% for existing clients and 87% for new customers. ANZ has made similar changes while CBA and NAB have tightened criteria for all investors. Yet mortgage brokers report that, since the GFC hit, banks have become increasingly difficult to deal with. "Banks are slow at responding or reticent to lend – getting finance is incredibly difficult," Firstfolio CEO Mark Forsyth said. "Credit officers rather than the marketing people are still running the banks." Forsyth was also concerned about the current lack of product innovation from the banks, although he expected conditions to improve over the next six months.