



OBPR ID 21302

20 December 2017

Mr Chris Toyne
Acting Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Mr Toyne

Regulation Impact Statement — final assessment second pass: residential mortgage reporting requirements for authorised deposit-taking institutions

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for residential mortgage reporting requirements for authorised deposit-taking institutions. The regulatory burden to business, community organisations and/or individuals has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in your letter of 6 November 2017. Specifically, APRA has made a number of changes to the RIS as noted in the attachment to this letter.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Pat Brennan'.

Pat Brennan
Executive General Manager
Policy and Advice Division

RESPONSE TO ISSUES RAISED IN THE OBPR LETTER OF 6 NOVEMBER 2017

Problem

- Further information is provided on both the implications of poor reporting and the administrative cost of *ad hoc* requests and restatements.
- Estimates are provided on the costs for ADIs in responding to *ad hoc* requests.

Impacts

- More description is given to demonstrate the benefits of addressing the limitations of existing reporting.
- Clarity is included on the impacts of options 2 and 3 on the *ad hoc* requests. It is expected both options will have the same impact on these requests. The basis of cost estimates is provided.
- More information on the assumptions and sources of costs and benefits are included.
- Costs have been agreed with the OBPR, noting that the preferred option will incur costs of less than \$2 million.

Conclusion

- More information on the limitations of existing reporting, and the source of these limitations, is provided earlier in the RIS.

Implementation and review

- The review process and timeframes are now described in the RIS.
- The feedback mechanisms to identify the need for more urgent change have been included in the RIS.
- The sun-setting period has been included.