

4 June 2019

General Manager
Policy Development
Policy and Advice Division
Australian Prudential Regulation Authority
ADIPolicy@apra.gov.au

Dear Ms Richards,

CONSULTATION ON REVISIONS TO PRUDENTIAL PRACTICE GUIDE APG 223 RESIDENTIAL MORTGAGE LENDING

RACQ Bank welcomes the opportunity to provide feedback on your proposal for updating your guidance on serviceability assessment in Prudential Practice Guide APG 223 – Residential Mortgage Lending.

RACQ Bank supports the proposed draft revisions to APG 223 per attachment A in your letter dated 21 May 2019. This revision provides improved clarity on APRA's interest rate buffer expectations, whilst also providing the bank with flexibility to manage its own interest rate floor, commensurate with our portfolio mix and risk appetite.

Kind regards

Chris Cunnington
Acting Bank CRO