

BANKING SERVICES ALERT

ASIC RELEASES RESPONSIBLE LENDING GUIDANCE

ASIC has finally issued its Regulatory Guide for Responsible Lending Conduct, along with:

- Report 191 – Response to submissions on consultative paper 115 - Responsible Lending; and
- RG209 – Regulatory Impact Statement.

Links to the Regulatory Guide and other reports are set out below.

ASIC announced release of the Regulatory Guide in issue 11 of ASIC Credit Reform Update. In the words of ASIC:

“ASIC’s Regulatory Guide 209 Credit Licensing: Responsible Lending Conduct Obligations (RG 209) has been developed to help industry understand ASIC’s expectations in relation to their responsible lending obligations as credit licensees.

The release of this regulatory guide is part of ASIC’s effort to provide early guidance to assist credit licensees to comply with their responsible lending obligations on the commencement of the National Consumer Credit regime in July 2010.

The responsible lending obligations are key new requirements under the National Credit Act.

This guidance is designed to help credit licensees and credit licence applicants to:

- *develop arrangements and systems to meet their responsible lending obligations; and*
- *understand what ASIC expects when assessing whether licensees are complying with their responsible lending obligations.*

RG 209 recognises that the responsible lending conduct obligations in the Credit Act are designed to work in a flexible way and that it is the credit licensee’s responsibility to put in place arrangements to comply with the responsible lending conduct obligations. RG 209 is principles based guidance that is designed to apply to a wide range of scenarios. ASIC will continue to work with industry organisations and assess the need for further guidance following the commencement of the regime.

RG 209 takes into account feedback from individual industry participants, industry organisations and consumer representatives following the release of a consultation paper on responsible lending last year (Consultation Paper 115 Responsible lending).”

[LINK TO GUIDE IN PDF](#)

[LINK TO REPORT 191](#)

[LINK TO IMPACT STATEMENT](#)

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