



## Media Release

### FirstMac applauds Federal Government's RMBS investment as a 'first step'

Brisbane, Australia (29.09.08) – Australian, privately-owned, mortgage finance lender FirstMac Limited cautiously congratulated the Australian Federal Government's decision to buy \$4 billion of AAA-rated mortgage securities. However, the Company warned that this will only be the first step on the road back to a healthy and competitive mortgage market.

FirstMac welcomed the Office of Financial Management's announcement late last Friday of the Residential Mortgage Backed Securities (RMBS) purchase proposal, hoping the initiative would provide some much-needed stimulation to the non-bank lenders by freeing up liquidity.

The Company's Chief Executive Officer Kim Cannon said the scheme would reinvigorate competition as long as the funds reach participants who do not already benefit from accessing assistance of the Reserve Bank.

"Most importantly for the broader economy, this initiative will see a benefit to borrowers who have borne the brunt of tight liquidity via higher rates and tighter lending approvals," Mr Cannon said.

"I see this \$4 billion of AAA-rated mortgage securities as only the first step – the Government, both Federal and State, and other regulatory organisations need to consider further steps to ensure sustainable competition in the mortgage market," he said.

"There needs to be tighter regulation of non-bank industry participants – in order to ensure that lenders are not just in the market to make quick money at the expense of building stable long-term businesses and quality services built to weather difficult times.

"It is vital that for the sake of competition and consumers that the office of Financial Management ensures these funds make their way past the profit margins of the big banks and foreign owned companies – and to the level where it can make a positive impact for the average consumer.

"State governments and their agencies now need to follow the example of the Federal government.

"As an example, the Queensland Treasury and QIC should now be following their investments mandates which allow investment in good-quality bond paper, issued by organisations such as FirstMac, to create extra liquidity and competition and assist in easing the pressure on home owners in this state."

#### For more information:

Kim Cannon  
Chief Executive Officer  
FirstMac Limited  
(07) 3017 8888  
[kim.cannon@firstmac.com.au](mailto:kim.cannon@firstmac.com.au)

Anna O'Gorman  
Three Plus  
(07) 3503 5700  
0423 463 548  
[anna@threeplus.com.au](mailto:anna@threeplus.com.au)

#### About FirstMac Limited

FirstMac Limited is a leading Australian-owned mortgage finance lender with almost 30 years experience. It delivers a comprehensive range of loan funding, loan servicing and portfolio management services. FirstMac initially originated and managed home loans through major third party providers, but in 2002 entered the securitisation market and began self-funding its own loan business, by issuing AAA-rated bonds on global capital markets.

FirstMac's presence has been growing through the provision of wholesale funding via a national distribution network of mortgage originators and brokers.

FirstMac has an above average Standard & Poor's servicer rating.

-- ends --