

PROCEDURES & DEFINITIONS

Loan to Value Ratio – Lending Position Data Collection

January 2026

Please contact the Reserve Bank Statistics Unit (statsunit@rbnz.govt.nz) to discuss these procedures and definitions if in any doubt about their meaning or if following them will produce an internal inconsistency with your available financial data.

Procedures

Group 1 and Group 2 deposit takers

Question 1

Complete columns G through to P for on-balance sheet residential housing loans, and column R for off-balance sheet residential housing loans at the end of the quarter.

Question 2

Complete Question 2 Residential housing loan breakdown by payment type (as at end of quarter). The closing position for Question 2 should equal that reported above in Question 1.

Group 3 deposit takers

Question 1

Complete column G for on-balance sheet residential housing loans at the end of the quarter.

Instructions

- Only residential housing loans are to be reported in this data collection.
- Report all values as positive numbers unless otherwise specified.
- Report in millions to three decimal points, i.e. to the nearest thousand New Zealand dollars. For example \$1,234,567.89 is reported as 1.235
- Report values in white cells only. The grey cells will derive from data entered in white cells.
- Report lending position according to the debtor's loan to value ratio at the end of the quarter.
- Resolve all validation errors prior to submitting the data collection template.

Definitions

Residential housing loans

Residential housing loan is defined in clause 3 of the Deposit Takers (Lending) Standard 2027 (**Lending Standard**).

Loan to value ratio (LVR)

Loan-to-value ratio = [loan value / property value] x 100

where:

“loan value” is the credit limit of a residential housing loan, where residential housing loan is defined in clause 3 of the Lending Standard; and

“property value” is the market value of the property, where market value is defined clause 3 of the Lending Standard.

Drawdowns

A drawdown occurs at the time money is transferred to the debtor’s account. This represents the gross increase in credit associated with newly originated loans (to new and existing debtors) as well as increases to existing fixed-term loans or facilities.

Revolving credit loans

Revolving credit loans are loans that have a fixed limit but no scheduled principal or interest repayment. Such loans can be redrawn and paid back repeatedly within approved limits without further credit approval. This does not include revolving credit loans that have a scheduled reducing limit.

Interest only loans

Loans that have no scheduled principal repayment, but may at a later date change to principal and interest. This includes reverse equity products. This does not include revolving credit loans that have a fixed limit or revolving credit loans that have a scheduled reducing limit.

Principal and interest loans

Loans that have scheduled principal repayment, e.g. table loans. This includes revolving credit loans that have a scheduled reducing limit.

Question 1

Opening position

Report the opening value of on balance sheet residential housing loans by LVR band. The opening position for this quarter is equal to the closing position of the previous quarter.

Drawdowns

Report all new loan amounts drawn down during the quarter and any increases (e.g. loan top-up amounts) drawn down on existing loans.

In the case of revolving credit loans (or similar facilities) report a net increase in the value of the loan as a drawdown during the quarter. See Guidance Notes (page 4 of this document) for a more in depth explanation.

Interest charged

Report the total interest charged on outstanding loan balances during the current quarter, whether or not it is actually received from the debtor.

Scheduled repayments

Report the total value of expected principal and interest repayments contractually due during the quarter. Report scheduled repayments whether or not the repayments were actually received from the debtor.

Repayment of loan in full

Report the value of loans that are repaid in full during the quarter.

Other excess repayments

For loans where actual repayments were greater than scheduled repayments, report the sum of the amount that actual repayments exceeded those that were scheduled. Exclude loans that were repaid in full.

In the case of revolving credit loans (or similar facilities) report a net decrease in the value of the loan as an excess repayment during the quarter. See Guidance Notes (page 4 of this document) for a more in depth explanation.

Repayment deficiencies

For loans where actual repayments were less than scheduled repayments, report the amount that actual repayments were less than scheduled repayments (interest and principal).

Net write-offs

Report the value of loans written-off during the period less the amount recovered from any previously written-off loans that were subsequently recovered during the period.

Report net write-offs as positive number, where loans written-off exceed loans recovered. Report net-write-offs as negative number, where loans recovered exceed loans written-off.

Other adjustments

Report any other adjustments to the outstanding loan balance not covered above. This includes changes due to loan sales or adjustments due to the securitisation of loans, exchange rate valuation adjustments for foreign-currency-denominated loans, fees associated with the loan that are not paid by the debtor and which are instead capitalised against the loan balance during the current period, and changes in the purpose of the loan, etc.

Include also any adjustment for debtors migrating between LVR bands as the result, for example, of additional lending or paying down their housing loan (see Guidance Notes for reporting guidelines). Enter the adjustment as a positive or negative number as appropriate.

Closing position

Report the closing value of on balance sheet residential housing loans by LVR band. This total should be equal to the sum across the previous columns.

Off balance sheet residential housing loans

Report the value of off balance sheet residential housing loans at the end of the quarter. This includes existing undrawn facilities that can be drawn down by debtors, pre approvals, and commitments, and securitised residential housing loans off balance sheet.

Question 2

Where loans are split across multiple products, report each loan account separately. Report the value of loans as at the end of the quarter.

Revolving credit loans

- Include revolving credit loans that have a fixed limit.
- Do not include revolving credit loans that have a scheduled reducing limit.

Interest only loans

- Include any loans that are on interest only terms
- Include any reverse equity product loans
- Do not include revolving credit loans

Principal and interest loans

Include:

- Loans that have scheduled principal repayment, e.g. table loans
- Revolving credit loans that have a scheduled reducing limit.

Total

The total is derived by adding revolving credit, interest only and principal and interest loans. This value should equal the closing position reported in question 1.

Guidance Notes

How to record loans for new build finance

The debtor's LVR should be calculated as the total value of the loan being committed divided by the estimated valuation of the property on completion. Current valuation practice should be used to estimate property valuation on completion.

Only the drawn amount of a loan for new build finance appears in the opening and closing position columns. Undrawn commitments for loans for new build finance should be reported in 'off balance sheet', column R.

How to report revolving credit loans

Revolving credit limits are used when calculating a debtor's LVR.

Only the drawn amount of a revolving credit loan appears in the opening and closing position columns.

Interest charged on revolving credit loans should be included in the interest charged column (regardless of whether this is paid).

In the case that a revolving credit loan increases over the quarter, the net increase in the loan minus the interest charged should be recorded as a drawdown.

In the case that a revolving credit loan decreases over the quarter, the net decrease in the loan plus the interest charged should be recorded as an excess repayment.

The closing of a revolving credit loan should be recorded in the full repayment column.

How to report changes in LVR bands due to additional lending or repayments

The opening position is reported in the LVR band as at the beginning of the quarter.

The closing position is reported in the LVR band as at the end of the quarter.

Adjusting entries such as drawdowns, interest charged, scheduled repayments, etc. are reported in the LVR band attached to the closing position.

The 'other adjustments' column is used to ensure reconciliation of the opening and closing positions.

Examples

How to report:

- 1) A \$400,000 commitment is given to a new to deposit taker debtor on 4 December 2012 for the purchase of a house valued at \$505,000. The settlement date of the purchase is 8 Feb 2013.

December 2012 quarter return:

Calculate the debtor's LVR at the end of period

= $400,000/505,000$

= 79.2%

On row (f) report the following:

Off balance sheet residential housing loans = 400,000

March 2013 quarter return:

On row (f) report the following:

Opening position = 0

Drawdowns = 400,000

Closing position = 400,000

Total on and off balance sheet residential housing loans = 400,000

- 2) On 31 March 2013 an existing debtor with a \$120,000 housing loan secured on a \$400,000 house, sells their house and purchases a new \$800,000 house, requiring an additional \$400,000 loan. For simplicity of the example assume an interest only loan at 5% pa.

December 2012 quarter return:

Calculate the debtor's LVR at the end of period

= $120,000/400,000$

= 30%

On row (j) report the following:

Opening position = 120,000
 Drawdowns = 0
 Interest charged = 1,500
 Scheduled repayments (interest and principal) = 1,500
 Repayment of loan in full = 0
 Closing position = 120,000
 Total on and off balance sheet residential housing loans = 120,000

March 2013 quarter return:

Calculate the debtor's LVR at the end of period
 = $520,000/800,000$
 = 65%

On row (j) report the following:
 Opening position = 120,000
 Repayment of loan in full = 120,000
 Closing position = 0
 Total on and off balance sheet residential housing loans = 0

On row (i) report the following:
 Opening position = 0
 Drawdowns = 400,000
 Other adjustments = 120,000 (due to migration across LVR buckets)
 Closing position = 520,000
 Total on and off balance sheet residential housing loans = 520,000

- 3) An existing debtor with an interest only housing loan (for simplicity) of \$260,000 (at 1 January 2013) at 5% pa secured on a \$402,000 house, makes a one off \$10,000 lump sum repayment on 31 March 2013.

March 2013 quarter return:

Calculate the debtor's LVR at the end of period
 = $250,000/402,000$ (260,000-10,000)
 = 62.2%

On row (i) report the following:
 Opening position = 260,000
 Interest charged = 3,250
 Scheduled repayments (interest and principal) = 3,250
 Other excess repayments = 10,000
 Closing position = 250,000
 Total on and off balance sheet residential housing loans = 250,000

- 4) On 25 March 2013 an existing debtor with a \$250,000 housing loan secured on a \$400,000 house is given a loan top-up for kitchen renovations of \$50,000. For simplicity of the example assume an interest only loan at 5% pa.

December 2012 quarter return:

Calculate the debtor's LVR at the end of period

$$= 250,000/400,000$$

$$= 62.5\%$$

On row (i) report the following:

Opening position = 250,000

Drawdowns = 0

Interest charged = 3,125

Scheduled repayments (interest and principal) = 3,125

Repayment of loan in full = 0

Closing position = 250,000

Total on and off balance sheet residential housing loans = 250,000

March 2013 quarter return:

Calculate the debtor's LVR at the end of period

$$= 300,000/400,000$$

$$= 75\%$$

On row (i) report the following:

Opening position = 250,000

Other adjustments = -250,000

Closing position = 0

Total on and off balance sheet residential housing loans = 0

On row (g) report the following:

Opening position = 0

Drawdowns = 50,000

Other adjustments = 250,000 (due to migration across LVR buckets)

Closing position = 300,000

Total on and off balance sheet residential housing loans = 300,000

- 5) A debtor has a revolving credit facility of \$100,000. On 1 January the drawn amount is \$57,000. By 31 March the drawn amount is \$50,000. Their property is valued at \$400,000. For simplicity of the example assume an interest only loan at 5% pa.

March 2013 quarter return:

Calculate the debtor's LVR at the end of period

$$= 50,000/400,000$$

$$= 12.5\%$$

On row (j) report the following:

Opening position = 57,000

Interest charged = 670 (approx.)
 Other excess repayment = 7,670
 Closing position = 50,000
 Off balance sheet residential housing loans = 50,000
 Total on and off balance sheet residential housing loans = 100,000

- 6) A debtor has a revolving credit facility of \$100,000. On 1 January the drawn amount is \$50,000. By 31 March the drawn amount is \$57,000. Their property is valued at \$400,000. For simplicity of the example assume an interest only loan at 5% pa.

March 2013 quarter return:

Calculate the debtor's LVR at the end of period
 = $57,000/400,000$
 = 14.25%

On row (j) report the following:

Opening position = 50,000
 Interest charged = 670 (approx.)
 Drawdown = 6,330
 Closing position = 57,000
 Off balance sheet residential housing loans = 43,000
 Total on and off balance sheet residential housing loans = 100,000

Appendix 1: Document change log

Version	Date	Comment
V1.1	Apr 2016	Last issued reporting guide document
V1.2	Sept 2018	Clarification on 'interest only' definition (pg.2)
V1.3	Oct 2021	BS2A and BS2B replaced by new 'Banking Prudential Requirements' (BPR). Updated BS19 document issued October 2021
V2.0	Jan 2026	Data collection introduced for Group 3 deposit takers BS19 replaced by the Deposit Takers (Lending) Standard 2027