

FINANCIAL REVIEW

Information

Banks revive e-mortgage push

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Signs of life have emerged from a stalled plan to give millions of Australian mortgagees a national electronic conveyancing system to replace archaic, paper-bound processes.

Banks, lenders and state governments have finally restarted stalled negotiations in earnest to create an industry-wide processing utility similar to BPay and card transaction clearing houses.

The establishment of a national electronic scheme is a long-held ambition for the domestic mortgage industry, which is worth close to \$1 trillion in outstanding loans.

Apart from sparing consumers the misery of cumbersome and error-prone paperwork, it offers big potential for lenders and governments to reduce costs.

The renewed push has come in the form of the recently formed National e-Conveyancing Development Limited. The company has secured the support of the Australian Bankers' Association to thrash out data standards and cut through red tape needed to create standardised electronic processes.

The participation of the banking lobby is crucial to the success of any attempts to automate mortgages because institutions need to agree on, and embed, uniform data standards to ensure system compatibility.

The state governments of NSW, Victoria and Queensland have all financially backed NECDL, however the total amount of funding is yet to be disclosed. The contribution of state funds is a substantial improvement over previous quarrels between the governments whose standards would be used.

Westpac Banking Corporation had previously led industry efforts to create a national utility service, however its participation faltered late last year after a wave of management changes at the bank.

Progress on the national scheme is a filip for collaborative industry group LIXI which has sought to create consistent lending industry data standards for a decade.

LIXI's efforts mirror those of similar groups established in the airline, customs, telecommunications and financial services sectors that have enabled international transactions and systems interoperability.

Speaking on a panel at the LIXI annual conference in Sydney yesterday, chief information officer of non-bank lender Resimac, Pierre de Villecourt, cautioned that even simple data such as names and addresses need more consistency. Mr de Villecourt said that names and addresses had been "bastardised" by a lack of adherence to standards.

Westpac general manager for service delivery applications, Clive Whincup, said that although consensus could be achieved on data standards, experiences in other sectors indicated that better progress was made when they were centrally managed.

This had included more "coercive" measures adopted by the Society for Worldwide International Telecommunications in its management of data standards previously left to European governments.

KEY POINTS

The recently formed NECDL is leading the push for a national electronic conveyancing system.

State governments back the plan.

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