

For immediate release
7 March 2016

Time to stop keeping mum on single parent disadvantage

As the world celebrates International Women's Day on 8 March, a prominent housing commentator has called for more to be done in the home finance sector to help women find independence after life-changing events.

Chief Executive Officer for South Australian lender HomeStart Finance, John Oliver, said in healthy relationships, the family home was the backbone of family relationships.

In dysfunctional or broken relationships, he said a home played an even more important role in providing family stability, emotional support and financial security.

However, he said that too often after an event such as divorce or separation, women struggled to maintain home ownership for financial and affordability reasons, particularly when taking on the role of primary caregivers to children, which is often the case.

"In family relationships, the home is the key to stability providing both financial strength and a place where the family, and in particular children, feel safe and nurtured," he said.

"In the event of divorce or separation, many women feel their lives have been thrown into limbo as they struggle to provide for the needs of their children, but also provide the safe haven of a home.

"In many cases, it's impossible for a newly divorced or separated woman to remain in the family home on a single income or Government benefits as income, combined with the demands of childcare fees, school expenses and household costs, all with limited money coming in.

"Instead of feeling safe and secure when they most need it, a place to call home can instead be a source of financial and emotional stress."

Mr Oliver called on the industry to adopt some of the measures for single or newly single women that had been implemented by HomeStart Finance, such as low deposit loans, providing an alternative to Lenders' Mortgage Insurance, loan options that boost the amount they can borrow - in some cases up to 30% more - and recognising a broader range of incomes for eligibility, such as family tax benefits or Centrelink payments.

He said these loan options had resulted in more females coming to HomeStart, with more than a third (33%) of its total loan portfolio made-up of single females. Of these loans, almost half (40%) are non first-home buyers, many of who may be finding their feet after divorce or break-up.

HomeStart makes home ownership a reality for more South Australians in more ways. We are a statutory authority that reports to the Minister for Housing and Urban Development. We were created in 1989 and since then have helped over 66,000 households into home ownership.

“Many of the home loan options we offer help women remain in their family home after divorce or break-up,” he said.

“They reduce the amount of money they need upfront and, most importantly, they can reduce regular repayments so there is room in the budget for all of the family’s needs.

“Owning a home enables single parents to move out of the rental cycle, which can be particularly unsettling on the family due to the disruptions of moving home.

“Over time they are generally able to find their feet and establish financial independence. Often, it’s just the helping hand they need to get over the first financial hurdle and set them and their family on the right path.

“There’s no reason that some or all of the measures that HomeStart Finance currently has in place couldn’t be adopted more broadly across the financial services sector.”

According to Australian Bureau of Statistics (ABS) data, single parent families make up one in six Australian households.

HomeStart makes home ownership a reality for more South Australians in more ways. We are a statutory authority that reports to the Minister for Housing and Urban Development. We were created in 1989 and since then have helped over 66,000 households into home ownership.