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Bitcoin Mortgage Breakthrough: Block Earner Wins Legal Fight to Launch Crypto-Backed Home Loans

July 17, 2025

– Categories: Finance



Australia is on the verge of a financial innovation milestone as Sydney-based fintech firm Block Earner secures a major court victory that paves the way for the nation's first home loans backed by Bitcoin. In a decision that could reshape how Australians approach home ownership and digital assets, the Full Federal Court has ruled that Block Earner's crypto-collateralized lending services do not require an Australian Financial Services Licence (AFSL), clearing a long-standing regulatory hurdle.

The case arose when the Australian Securities and Investments Commission (ASIC) targeted Block Earner, arguing that its fixed-yield crypto products were, in effect, unlicensed financial products. Initially, the Federal Court sided with ASIC. However, in April, the Full Federal Court overturned that ruling, determining that Block Earner's services fell outside the definition of "financial products" under existing law. This landmark judgment confirms that the use of Bitcoin as collateral in a loan does not trigger the same regulatory burdens as traditional investment vehicles, a win for fintech, innovation, and financial freedom in Australia.

Block Earner now plans to launch the country's first Bitcoin-backed mortgage offering. The loans will enable crypto holders to leverage their Bitcoin (BTC) without selling it, preserving their digital asset exposure while unlocking property ownership. Loan-to-value (LVR) ratio will begin at 40%, with interest rates starting from 9.5% per annum. A higher-risk model up to 80% LVR will come with a comparison rate of 11.9% per annum. According to Block Earner CEO Charlie Karaboga, this model empowers Australians to "put their crypto to work" without sacrificing ownership, bridging the divide between emerging digital finance and the traditional mortgage sector.



This development signals more than a legal victory; it reflects a turning point in Australia's fintech evolution. It's a firm step toward modernizing outdated financial regulations and embracing the realities of decentralized finance (DeFi). While regulatory bodies like ASIC play a crucial role in maintaining financial integrity, their heavy-handedness often stifles innovation. Block Earner's victory underscores the need for laws to evolve in step with technology not against it. If Australia hopes to remain competitive globally, it must continue fostering responsible innovation while respecting consumer freedom and market evolution. Bitcoin-backed mortgages may just be the beginning.