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## NAB Eases Home Loan Rules for First-Time Buyers with Student Debt

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In a move poised to reshape the lending landscape for young Australians, National Australia Bank (NAB) will soon stop factoring in lower-tier student loan debts when evaluating mortgage applications. Specifically, the policy will disregard HELP (Higher Education Loan Program) debts of \$20,000 or under in the bank's borrowing assessments. This change, effective July 31, is aimed at improving access to home loans for first-time buyers weighed down by educational debts.

Matt Dawson, NAB's executive for home ownership, said this adjustment addresses a major hurdle that has prevented many would-be buyers from entering the housing market. "For too long, HELP debt has been a roadblock for many Australians looking to buy a home," Dawson said in a public statement. "From July 31, some HELP repayments won't be part of NAB's home lending assessment, so customers can hit the real estate market sooner."

The practical effect is clear: young Australians with moderate student loan burdens may now qualify for larger home loans, helping them purchase property sooner or in more competitive suburbs. Many in this category are full-time workers with strong savings records, who have previously been penalized for having education-related debt, even if they were otherwise financially responsible.

While this step is a win for prospective homeowners, it comes as part of a broader push by the federal government to address housing access and affordability issues. Treasurer Jim Chalmers recently announced changes to mortgage serviceability guidelines related to HELP debt. However, the effectiveness of such policies will depend on how they are applied and whether they align with real market conditions. Calls for deeper reform remain, especially from sectors concerned about over-regulation and limited housing supply.

Dawson acknowledged that broader housing challenges won't be solved overnight. "It is critical to address both demand and supply-side measures together to help more Australians buy a home," he said. "There's no simple fix; solving Australia's housing challenges will take collaboration across the board."

The demand for property in outer metropolitan areas continues to climb. According to NAB lending data, suburbs like Truganina, Roxburgh Park, Point Cook, Cranbourne East, and Tarneit, all located in Melbourne's outer corridors, are among the nation's most sought-after markets in 2025. Key drivers include affordability, improved transport infrastructure, and demand for larger living spaces.

Since 2020, NAB has supported more than 45,000 first-home buyers through the federal Home Guarantee Scheme, which helps eligible buyers secure a home loan with a reduced deposit requirement. This latest policy move signals NAB's ongoing intent to support younger Australians working toward homeownership.

Mortgage brokers and financial advisers are encouraged to reassess borrowing capacities for clients with modest HELP debts. Under the new rules, many may now qualify for higher

loan amounts, making their homebuying journey more attainable than it has been in recent years.

While the measure offers some immediate relief, it is clear that long-term housing stability will require more than marginal tweaks. Strategic planning, local development, and genuine supply-side solutions remain critical. For now, though, many first-time buyers may finally find themselves closer to unlocking the front door.