

From: Shirish Mahashabde [s9(2)(a) privacy]
Sent: Friday, 9 June 2017 4:57 p.m.
To: macroprudential
Subject: DTI

Hello,

I refer to the recent discussion paper and comment as an individual with the following points to be considered by RBNZ before preparing the criteria to determine DTI:

- 1) In my opinion the DTI parameter **alone** would not be an appropriate/best guide for the commercial bank/lender to determine the borrowing capacity of an individual to determine how much a person can borrow.
- 2) As it's difficult to predict the income based on today's (current) parameters, how can anybody calculate if the individual can make repayments in future, just in case the individual loses his/her job, or the business undergoes receivership etc?
- 3) I am a Kiwi living overseas (Australia), so in such instance what all parameters would be considered by the lenders to determine the borrowing capacity?
- 4) The existing assets/and capital value of these assets should also be considered so as to determine the DTI. This process would allow the lender to better understand and evaluate the overall risks, exposure to determine the total borrowings that can be allowed.
- 5) How does the RBNZ wish to determine the DTI/borrowings capacity for overseas investor viz: China etc.?

Please confirm the receipt of this email.

Feel free to contact me in case of any clarification.

Thank you
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