

MEDIA RELEASE

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Stanford Financial, the leading defence brokerage, calls to end the tax on veteran home loans.

The Three-lender Defence Home Ownership Assistance Scheme panel costs ADF borrowers around \$130,000 per loan in higher interest rates and blocks veterans from accessing the scheme; the current procurement will lock the panel in for another seven years from 1 July 2026.

Stanford Financial is Australia's leading Defence Home Ownership Assistance Scheme (DHOAS) broker by volume of subsidised loans written. Stanford has won the Mortgage and Finance Association of Australia (MFAA) Community Champion award for its work helping veterans into homes.

Stanford Group Founder and Chairman Logan Stanford wrote to the Federal Government two weeks ago, requesting amendment to the Defence procurement currently underway and open the closed three-lender panel underpinning the Scheme.

Mr. Stanford said the existing arrangement amounts to a government tax on veteran home loans.

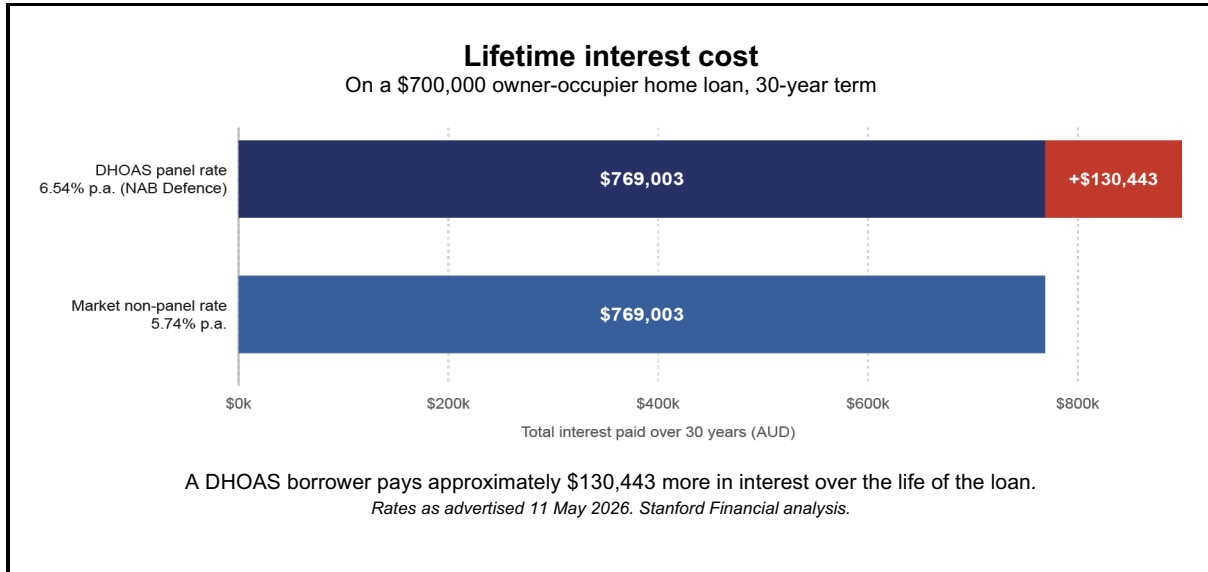
“Three banks have exclusive rights to write home loans under DHOAS. They charge interest rates above the market for the same product. The Commonwealth grants the exclusivity in return for commissions paid into consolidated revenue, originally estimated by the Australian National Audit Office at around \$170 million over the Scheme's first decade. ADF members and veterans pay that cost through their interest rates. In substance it is a tax on those who serve, collected by the banks.”

Advertised variable rates as at 11 May 2026, when Stanford originally wrote to the Government and before lenders passed through the RBA's 5 May 2026 cash rate decision:

1. NAB Defence Force Home Loan 6.54 per cent;
2. Australian Military Bank DHOAS RateSaver 6.14 per cent;
3. Defence Bank DHOAS Premier Low Rate 5.69 per cent at LVR up to 70 per cent.

Leading non-panel variable products in the same risk band: 5.34 to 5.84 per cent.

On a \$700,000 owner-occupier loan over 30 years, the 80-basis point spread costs the borrower approximately \$130,000 in additional interest over the life of the loan.



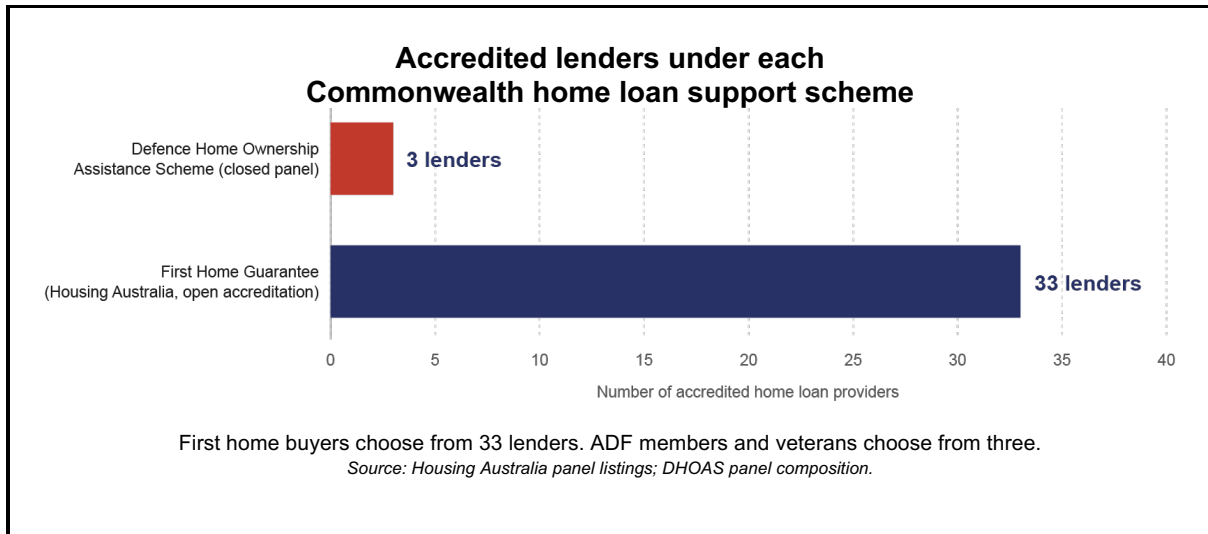
The closed panel does more than overcharge the veterans who use it. It locks out the veterans who cannot fit any of three lenders' credit policies. NAB, Australian Military Bank and Defence Bank each have their own credit appetite. A veteran who does not qualify with any of the three is denied a DHOAS loan altogether, regardless of their service or their entitlement.

Even veterans who do qualify often forgo the entitlement on the numbers. Stanford Financial brokers routinely model the subsidy against the rate spread for individual veterans. On many loan sizes the panel rate eats the subsidy, and the better outcome is a non-DHOAS loan with a market lender.

"Veterans are earning a Commonwealth entitlement for their service and then being denied it twice over. Once by the three lenders' credit policies, which lock out veterans who do not fit. And again on the numbers, when the panel rate is so far above the market that the subsidy is not worth taking. Stanford Financial brokers spend months and sometimes years working with veterans to build equity, consolidate debt and clean up credit so they can eventually access DHOAS. An open panel with rate parity would give those veterans the entitlement on day one."

The Defence procurement currently underway (AusTender DRH 25/26 DHOAS) will appoint a new panel from 1 July 2026 for an initial term of seven years. Unless the Government acts before the tender closes, the closed three-lender panel, and the commission-funded exclusivity that underpins it, will be locked in for another seven years.

"The Government already runs the First Home Guarantee through an open-accreditation panel of 33 lenders. The DHOAS panel has three. Section 78 of the DHOAS Act already permits open declaration of providers. Rate parity can be written into the panel deeds of agreement and more lenders can be added. This should not be a "tender" for the highest bidder to have a monopoly on Defence Home Loans, this should be an open panel to drive competition. The Department of Defence can do this themselves, today, by changing how they run the current tender. No legislation."



The Member for Herbert Phillip Thompson MP, now Shadow Minister for Defence Industry and Defence Personnel, called publicly for the DHOAS panel to be opened to greater competition in his second-reading speech of 8 November 2022 (House of Representatives Hansard, p. 2523). The then Assistant Minister for Defence undertook to consider the question. The panel is unchanged three and a half years on.

“The case sits on the parliamentary record from 2022. The Government has had three and a half years and done nothing. It is now releasing a procurement that locks the existing panel in for another seven years, during a Royal Commission that identified veteran housing stability and financial wellbeing as significant to retention and welfare outcomes, and while the 2024 National Defence Strategy targets a permanent force of 69,000 by the early 2030s. DHOAS is one of the few non-pay retention tools Defence controls directly. An open-accreditation panel with rate parity would save each ADF member tens of thousands of dollars over the life of their loan, at no cost to the Commonwealth. It is the cheapest retention reform available and the Government has not acted.”

Stanford Financial is calling on the Government to urgently end this tax on veterans by opening the panel to competition and requiring rate parity between DHOAS and non-DHOAS home loans.

DHOAS is an entitlement earned through years of service in the Australian Defence Force, with the subsidy scaling up the longer a member serves. Not taxing their home loan is the least we as a nation can do for our veterans.

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