

Fact sheet

First home loan deposit scheme - New home guarantee

The federal government has announced that an additional 10,000 First Home Loan Deposit Scheme (FHLDS) places for the 2020/2021 financial year will be made available for eligible first home buyers to build a new home or purchase a newly built home with a deposit of between 5 and 20 per cent of the value of the property (lenders' criteria applies). The government will provide a guarantee for the gap between your deposit and 20 per cent of the property's value, so you do not have to pay Lenders Mortgage Insurance.

The New Home Guarantee (NHG) scheme can be used in conjunction with most other first home owner government schemes, grants and concessions.

What is a 'new home' under the NHG?

A 'new home' can be:

- a newly constructed dwelling (e.g. a freestanding house, townhouse or apartment)
- an off-the-plan dwelling (e.g. a freestanding house, townhouse or apartment)
- a house-and-land package
- land and a separate contract to build a new home

Who is eligible for the NHG?

The eligibility criteria is the same as the criteria for the FHLDS.

Applicants must:

- be Australian citizens, at least 18 years of age and not have owned residential property in Australia before.
- have between 5 and 20 per cent of the value of an eligible property for the loan deposit.
- have a taxable income of up to \$125,000 per annum for the previous financial year (if applying as a single) and up to \$200,000 (combined) per annum for the previous financial year if applying as a couple (either married or de-facto).

What are the revised property price caps?

A revised set of property price caps will apply specifically for eligible properties under the NHG, as follows:

State or territory	Price thresholds for capital cities and regional centres*	Price threshold for rest of the state
NSW	\$ 950,000	\$ 600,000
VIC	\$ 850,000	\$ 550,000
QLD	\$ 650,000	\$ 500,000
WA	\$ 550,000	\$ 400,000
SA	\$ 550,000	\$ 400,000
TAS	\$ 550,000	\$ 400,000
ACT	\$ 600,000	n/a
NT	\$ 550,000	n/a
Jervis Bay Territory and Norfolk Island	\$ 600,000	n/a
Christmas Island and Cocos (Keeling Islands)	\$ 400,000	n/a

*regional centres price threshold applies to cities with a population over 250,000

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How do I apply?

Applications can be lodged through your Smartline Mortgage Adviser, who will guide you through the process every step of the way.

Important information

The information contained in this fact sheet is correct as at 23/10/20 and is intended to be of a general nature only. It has been prepared without taking into account any person's objectives, financial situation or needs. Before acting on this information, you should consider whether it is appropriate for you.

You can also contact the National Housing Finance and Investment Corporation for full details of the scheme and eligibility or visit: nhfic.gov.au/what-we-do/fhllds/



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