

Issue date: 23 July, 2021

Issue no. 218

Update - First Home Loan Deposit Scheme: Family Home Guarantee (FHG)

Our recent Broker News issue 214 dated 1 July, 2021 confirmed the Bank's participation in the National Housing Finance and Investment Corporation (NHFIC) placements for;

- [First Home Loan Deposit Scheme \(FHLDS\)](#);
- [New Home Guarantee \(NHG\)](#) and;
- [Family Home Guarantee \(FHG\)](#)

Effective Tuesday, 27 July 2021 we will commence accepting applications for placements in the **Family Home Guarantee (FHG)**.

About the Family Home Guarantee (FHG)

- Enables eligible single parents, with a least one dependent child, to purchase an existing home or build a new home
- Can borrow up to 98% LVR
- Minimum 2% genuine savings required
- Available for owner occupied residential purchases
- Should an applicant qualify for both the FHG and the FHLDS they should be placed in the FHG

Eligibility Criteria

- Must be 18 years old or over
- Must be an Australian citizen
- Must be a single parent with a least one dependant
- Single parent must be the natural or adoptive parent of a dependent child
- Single with taxable income of no more than \$125k pa for previous financial year (2020-21). Note: child support payments are not included as income for the purpose of the income cap
- Must have at least minimum 2% in genuine savings - different to other schemes where minimum is 5%
- Can be either first home buyer or previous owner who does not currently own a home (i.e. applicant cannot have a freehold interest in real property in Australia, a lease of land in Australia or a company title interest of land in Australia) – different to other schemes where applicant must always be a first home buyer
- Must be owner occupied residential property with the single parent the only name listed on the loan and the certificate of title
- Must be P&I repayments (except if construction - during construction period can be IO for maximum 12 months)
- Loan term cannot exceed 30 years
- Value of the security property cannot exceed price thresholds for location, depending on postcode



Verification of Eligibility (examples)

Single applicants

- If not married - copy of birth certificate against another form of ID showing no change in surname (e.g. Australian Driver's License, Australian Passport etc)
- If divorced - copy of consent order made by the Family Court
- If widowed - copy of death certificate

At least one dependant

- Evidence from myGov (Centrelink Service) showing dependents name and Date of Birth (can be screenshot from Centrelink Service on myGov website)
- Copy of Centrelink documentation (e.g. Family benefit statement) addressed to the applicant showing dependents name and Date of Birth
- Medicare card with names matched with Centrelink documentation that shows number of dependents and can be verified against dependent ages on the loan application
- Family court orders, showing dependents name and Date of Birth
- Adoption documents showing dependents name and Date of Birth
- Birth certificate if dependent is under 13 years

Teachers Mutual Bank Limited (TMBL) Criteria and Requirements:

- Sole applicants only - must meet **ALL** TMBL lending criteria
- NHFIC requirements are additional to current TMBL lending criteria.

We would like to advise and clarify that pre-approval loan applications will only be available in the following scenarios:

- Where a property has been identified and the borrower is seeking a full assessment prior to the auction date, a Contract of Sale is to be provided to demonstrate authenticity of the request
- Where property has been identified for purchase and borrower/s are seeking an approval (evidence is to be provided)

Important note:

1. No pre-approval will be provided for construction (inclusive of FHLDS, NHG and FHG), or where a property for purchase has not been identified.
2. With regards to lodgement guidance please refer to the **Applyonline** section.

NHFIC requirements:

- Signed Home Buyer Declaration
- Copy of 2021 ATO Notice of Assessment to confirm taxable income (*preferably at application (if possible) otherwise required prior to Unconditional approval*)
- A copy of the full executed contract of sale (*required prior to Unconditional approval*)
- Copy of Medicare card
- Evidence of Australian citizenship (e.g. Passport, Birth Certificate etc.).



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What has changed in this release?

ATO Notice of Assessment (NOA)

Applicants must provide their NOA to verify they meet the schemes income eligibility requirements. For scheme place reservations from 1 July, applicants will need to provide their NOA for the financial year 2020-2021.

For scheme place reservations lodged for the period 1 July – 31 August the NOA must be provided prior to the Bank issuing Unconditional Approval. For reservations lodged from 1 September, the NOA must be provided prior to the Bank issuing Conditional Approval.

Home Buyer Declaration

Previously there were separate First Home Buyer declarations for the FHLDS and the NHG. These declarations have now been combined into one new declaration called 'Home Buyer Declaration'.

For any application lodged from 1 July please ensure the 'Home Buyer Declaration' is completed.

New Property Price Caps

The property price caps for the FHLDS have increased. The updated price caps can be found <https://www.nhfc.gov.au/what-we-do/property-price-caps/>. The property price caps for the NHG remain unchanged.

Please refer to the [NHFC](https://www.nhfc.gov.au/) website for further information and guidelines relating to:

- Eligibility criteria
- Property price thresholds
- How to apply
- Fact sheets & frequently asked questions.

Applyonline

Reservations under the Scheme can also **only be considered** on the provision of a completed loan application and supporting documentation submitted through Applyonline.

Important information:

1. Must be a sole applicant (no joint applicants) with at least one dependant entered.
2. Marital Status must be either Single, Divorced or Widowed
3. Please indicate in the 'Summary tab' by selecting the 'tick box' criteria of **"First Home Loan Deposit Scheme"**, "Are the applicant(s) applying for the First Home Loan Deposit Scheme?"

First Home Loan Deposit Scheme

Are the applicant(s) applying for the First Home Loan Deposit Scheme?



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4. If the applicant **meets** the FHG criteria, and FHLDS has been ticked on the 'Summary' tab;
- The 'Family Home Guarantee Scheme' will appear as an option in the 'Security' tab as a drop down selection.
 - Within 'Deposit Scheme Information' the loan amount can be 98% of the security value and the 'FHLDS Scheme Value' box must be selected to show the scheme amount

The screenshot shows a web form for a security scheme. At the top, there is a dropdown menu for 'Security' with the following options: '1: Family Home Guarantee Scheme' (selected), '1: Family Home Guarantee Scheme', and '2: 1 TESTA Street, CABOOLTURE, QLD 4510 AU'. To the right of the dropdown are 'New' and 'Delete' buttons. Below the dropdown, the 'Type' is set to 'Government Guarantee - Family H'. The 'Primary Security' checkbox is unchecked. The 'Deposit Scheme Information' section contains three input fields: 'Loan Amount' (\$490,000.00), 'Security Value' (\$500,000.00), and 'FHLDS Scheme Value' (\$90,000.00). A red note at the bottom states: 'Note: Any changes to LVR input values (such as Loan Amount and Security Value), will require the First Home Loan Deposit Scheme value to be recalculated using the above calculator button'.

5. If the applicant **does not meet** the FHG criteria, and FHLDS has been ticked on the 'Summary' tab;
- The 'First Home Loan Deposit Scheme' will appear as an option in the 'Security' tab as a drop down selection.
 - Within 'Deposit Scheme Information' the loan amount can be 95% of the security value and the 'FHLDS Scheme Value' box must be selected to show the scheme amount.

The screenshot shows a web form for a security scheme. At the top, there is a dropdown menu for 'Security' with the following options: '1: First Home Loan Deposit Scheme' (selected), '1: First Home Loan Deposit Scheme', and '2: 1 TESTA Street, CABOOLTURE, QLD 4510 AU'. To the right of the dropdown are 'New' and 'Delete' buttons. Below the dropdown, the 'Type' is set to 'Government Guarantee - First Hon'. The 'Primary Security' checkbox is unchecked. The 'Deposit Scheme Information' section contains three input fields: 'Loan Amount' (\$475,000.00), 'Security Value' (\$500,000.00), and 'FHLDS Scheme Value' (\$75,000.00). A red note at the bottom states: 'Note: Any changes to LVR input values (such as Loan Amount and Security Value), will require the First Home Loan Deposit Scheme value to be recalculated using the above calculator button'.

Broker latest news

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Please note: All applications must include the actual property address that matches the Contract of Sale, the purchase price as well as the intended loan amount and product sought. These details are required to be advised within;

- Your detailed loan submission notes as well as the 'Summary' tab comments section and;
- The 'Loans' and 'Securities' tabs

Examples of these sections within Applyonline are shown below for reference.

Summary tab

The screenshot shows the 'Summary' tab selected in a navigation bar. The navigation bar includes buttons for 'Save', 'Print', 'Validate', 'Click For Edit Mode', 'Submit', and 'more'. Below the navigation bar, the 'Summary' tab is highlighted with a green circle, and a 'Comments' section is visible below it, also highlighted with a green circle. Other tabs like 'Applicants', 'Loans', 'Securities', 'Financials', and 'Fees' are visible with red 'X' marks, indicating they are not selected or have errors.

Loans tab

The screenshot shows the 'Loans' tab selected in a navigation bar. The navigation bar includes buttons for 'Save', 'Print', 'Validate', 'Click For Edit Mode', 'Submit', and 'more'. Below the navigation bar, the 'Loans' tab is highlighted with a green circle. The 'Loan Products' section is visible below it, also highlighted with a green circle. It contains fields for 'Base Amount' (0.00), 'LMI Premium' (\$0.00), 'Total Loan Amount' (with a red 'X'), 'Product' (with a red 'X'), and 'Total Loan Term' (Years). Other tabs like 'Summary', 'Applicants', 'Securities', and 'Financials' are visible with red 'X' marks.



Securities tab

Further Information

For all our latest news, please visit the TMBL Broker portal (<https://broker.tmbank.com.au>) or contact your Broker Development Manager on **1300 TMBank** or email broker@tmb.com.au.

Mark Middleton

Head of Third Party Distribution

Don't miss out on the First Home Loan Deposit Scheme

Secure a spot today.
Places are limited.

*Scheme eligibility criteria, membership & T&Cs apply.

Important Information

Scheme eligibility criteria apply. Eligibility criteria apply to join Teachers Mutual Bank Limited. All applications for credit are subject to our responsible lending criteria. Fees and charges apply. Consumer lending terms and conditions [available here](#) or from any of our offices.

