



Australian Government



National Housing Finance
and Investment Corporation

First Home Loan Deposit Scheme

Fact Sheet 2021/22

1 July 2021



What is the First Home Loan Deposit Scheme?

The First Home Loan Deposit Scheme (FHLDS) is an Australian Government initiative to support eligible first home buyers purchase their first home sooner. The Scheme is administered by the National Housing Finance and Investment Corporation (NHFIC).

Usually first home buyers with less than a 20 per cent deposit need to pay lenders mortgage insurance. Under FHLDS, eligible first home buyers can purchase a modest home with a deposit of as little as 5 per cent (lenders criteria apply). This is because NHFIC guarantees to a participating lender up to 15 percent of the value of the property purchased that is financed by an eligible first home buyer's home loan.

How does the Scheme work?

Eligible first home buyers are able to apply for an eligible loan to purchase an eligible property through a participating lender. FHLDS supports up to 10,000 guaranteed loans per financial year. Eligible borrowers can use the guarantee in conjunction with other government programs like the First Home Super Saver Scheme, Home Builder grant or state and territory first home owner grants and stamp duty concessions. The guarantee is not a cash payment or a deposit for your home loan.

What type of property can be bought?

For a property to be eligible it must be a 'residential property' - this term has a particular meaning under FHLDS and participating lenders can assist if there is any doubt. Eligible residential properties include:

- an existing house, townhouse or apartment
- a house and land package
- land and a separate contract to build a home
- an off-the-plan apartment or townhouse.

Specific dates and requirements apply for the different property types.

Who is eligible for the Scheme?

- Australian citizens who are at least 18 years of age. Permanent residents are not eligible.
- Single applicants with a taxable income of up to \$125,000 per annum for the previous financial year and couples with a taxable income of up to \$200,000 per annum for the previous financial year. For all FHLDS applications made from 1 July 2021 to 30 June 2022, the relevant financial year assessed will be 2020-21.
- Couples are only eligible for FHLDS if they are married or in a de-facto relationship with each other. Other persons buying together, including siblings, parent/child or friends, are not eligible for the Scheme.
- FHLDS assists single (individual) applicants and couples (together) who have at least 5 per cent of the value of an eligible property saved as a deposit. If 20 per cent or more is saved, then the home loan will not be covered by the Scheme.
- Loans under FHLDS require scheduled repayments of the principal and interest of the loan for the full period of the agreement (with limited exceptions for interest-only loans, which mainly relate to construction lending).
- Applicants must intend to be owner-occupiers of the purchased property. Investment properties are not supported by FHLDS.
- Applicants must be first home buyers who have not previously owned, or had an interest in, a property in Australia, either separately or jointly with someone else (this includes residential strata and company title properties).

Find out more about the eligibility criteria at: www.nhfc.gov.au/what-we-do/first-home-loan-deposit-scheme/

What property price thresholds apply?

FHLDS assists in the purchase or construction of a modest home and the value of the residential property must not exceed the relevant price cap for the area in which it is located. The price caps for capital cities, large regional centres and regional areas are:

State	Capital city & regional centres*	Rest of State
NSW	\$800,000	\$600,000
VIC	\$700,000	\$500,000
QLD	\$600,000	\$450,000
WA	\$500,000	\$400,000
SA	\$500,000	\$350,000
TAS	\$500,000	\$400,000

Territory	All areas
ACT	\$500,000
NT	\$500,000
Jervis Bay Territory & Norfolk Island	\$550,000
Christmas Island & Cocos (Keeling) Islands	\$400,000

* The capital city price thresholds apply to regional centres with a population over 250,000 (Newcastle & Lake Macquarie, Illawarra (Wollongong), Geelong, Gold Coast and Sunshine Coast), recognising that dwellings in regional centres can be significantly more expensive than other regional areas.

Search the property price threshold for a suburb or postcode on NHFIC's website at www.nhfc.gov.au/what-we-do/first-home-loan-deposit-scheme/

How to apply

- Eligible first home buyers can apply for FHLDS through a participating lender. The full list of participating lenders is at: www.nhfc.gov.au/what-we-do/first-home-loan-deposit-scheme/
- For the 2021-22 financial year, 10,000 FHLDS places will be available through participating lenders from 1 July 2021.
- There are no costs or repayments associated with the Scheme guarantee. However, first home buyers are responsible for meeting all costs and repayments for the home loan associated with the guarantee.
- NHFIC will not accept applications directly and does not maintain a waiting list for places under the Scheme.

To find out more about the application process, visit NHFIC's website at www.nhfc.gov.au/what-we-do/first-home-loan-deposit-scheme/

