



Australian Government



National Housing Finance and Investment Corporation

Home Guarantee Scheme Regional First Home Buyer Guarantee Fact Sheet 2023/24

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What is the Regional First Home Buyer Guarantee?

The Regional First Home Buyer Guarantee (RFHBG or Guarantee) is an Australian Government initiative that aims to support eligible regional home buyers to buy a home sooner. It is administered by the National Housing Finance and Investment Corporation (NHFIC) under the Home Guarantee Scheme (HGS or Scheme) on behalf of the Australian Government.

10,000 Regional First Home Buyer Guarantees will be made available each financial year (up until 30 June 2025).

How does the Regional First Home Buyer Guarantee work?

The RFHBG can be used to buy a modest home with a deposit of as little as 5 per cent (lenders credit 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 regional home buyer's home loan. The Guarantee is not a cash payment or a deposit for a home loan.

Eligible regional home buyers are able to buy in the regional area they have lived in during the preceding 12 month period, or an adjacent regional area.

Eligible regional home buyers can use the RFHBG in conjunction with other government programs like the First Home Super Saver Scheme or state and territory first home owner grants and stamp duty concessions.

Who is eligible?

- Individuals or joint applicants.
- Australian citizens and permanent residents who are at least 18 years of age.
- Individual applicants with a taxable income of up to \$125,000 per annum, and joint applicants with a combined taxable income of \$200,000 per annum, as shown on the Notice of Assessment issued by the Australian Taxation Office.
- Applicants (or at least one applicant if applying as joint applicants) who have lived in the regional area or adjacent regional area they are purchasing in for

the preceding 12-month period to the date they execute the home loan agreement.*

- Applicants with home loan repayments of both principal and interest for the full period of the loan agreement (with limited exceptions for interest only loans, which mainly relate to construction lending). The loan agreement must have a term of no more than 30 years.
- Applicants who intend to be owner-occupiers of the purchased property.^
- Applicants who have at least 5 per cent of the value of an eligible property saved as a deposit.
- Applicants can be either first home buyers or previous homeowners who haven't owned a property in Australia in the past 10 years. Prior property ownership includes an interest in real property (including owning land) in Australia, a lease of land in Australia or a company title interest in land in Australia.

You can find the full list of eligibility criteria in the RFHBG Information Guide available at nhfic.gov.au. Contact a Participating Lender to discuss your individual circumstances.

If you are eligible for the RFHBG, you are not eligible for the First Home Guarantee. Home buyers who are not eligible for the RFHBG, may be eligible for the First Home Guarantee or the Family Home Guarantee. To help you work out which Guarantee you may be eligible for, try the Eligibility Tool at nhfic.gov.au

What is a regional area?

A regional area is defined as:

- the Statistical Area Level 4 (ASGS SA4 2016) areas in a State or the Northern Territory that are not a capital city of that State or Territory; and

* Employees who have been required to relocate for work may be exempt from this requirement, applicants should check with their Participating Lender if this exemption applies.

^ Australian Defence Force member applicants may be eligible for a partial exemption and should check with their participating lender if this applies.

- Norfolk Island; or the Territories of Jervis Bay, Christmas Island or Cocos (Keeling) Islands;

as defined in the version published by The Australian Bureau of Statistics (ABS) in July 2016.

The greater capital city areas of each state and the Northern Territory; and the entire Australian Capital Territory are excluded from the RFHBG. Home buyers in these areas may be eligible for the First Home Guarantee and Family Home Guarantee.

To confirm whether you live in a regional area, and where you may be able to purchase, you can access the **Regional Checker** at nhfc.gov.au

What type of property can be bought?

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.

Participating Lenders require your land to be titled prior to the issuance of a NHFIC guarantee, therefore the land will need to be titled before the end of the 90 day pre-approval period.

If you are considering entering into contracts relating to purchasing land and for the construction of a home, you may wish to discuss with your participating lender (and broker, if applicable) all of the potential risks that may be associated with these transactions. It is worth noting that you are required to sign a fixed price building contract, and that any amendments to this after signing may impact the validity of your Guarantee place and your participating lender may require you to pay Lenders Mortgage Insurance (LMI) or fund these additional costs yourself.

Before you enter into a home loan agreement, you should consider talking with your lender (or broker) about the potential implications of changing interest rates or house prices on your individual circumstances.

What property price thresholds apply?

The RFHBG assists eligible regional home buyers to buy a modest home, which must not exceed the price caps shown in the table below. Note that the greater capital city areas of each state and the Northern Territory; and the entire Australian Capital Territory are excluded from the RFHBG.

| State | Regional centre* | All other regional areas |
|-------|------------------|--------------------------|
| NSW | \$900,000 | \$750,000 |
| VIC | \$800,000 | \$650,000 |
| QLD | \$700,000 | \$550,000 |
| WA | | \$450,000 |
| SA | | \$450,000 |
| TAS | | \$450,000 |

| Territory | Regional area |
|--|----------------|
| ACT | Not applicable |
| NT Regional | \$600,000 |
| Jervis Bay Territory & Norfolk Island | \$550,000 |
| Christmas Island & Cocos (Keeling) Islands | \$400,000 |

* Regional centres are Newcastle and Lake Macquarie, Illawarra, Geelong, Gold Coast and Sunshine Coast.

Search the property price threshold for a suburb or postcode using the **Property Price Cap Tool** at nhfc.gov.au

How to apply

Home buyers can apply through a Participating Lender or their authorised representative (a mortgage broker).

The list of Participating Lenders is at nhfc.gov.au.

NHFIC does not accept applications for the HGS or provide personal financial advice.

Contact a Participating Lender for more information about the HGS including the RFHBG or visit nhfc.gov.au