

First Home Loan Deposit Scheme snapshot

From 1 January 2020, the federal government will guarantee 15% of the mortgages for first home buyers who have only been able to save 5% of the property's purchase price.

The overview:

- The government will guarantee 15% of a 20% deposit to the banks, meaning you will only need to save 5%.
- Your mortgage will still be 95% of the purchase price.
- This will enable first home borrowers avoid Lenders Mortgage Insurance.

Some terms:

- Only available to First Home Buyers as per the current definition.
- Income limitations apply for eligibility (individuals must be earning less than \$125,000pa and \$200,000 is the limit for couples).
- Limited offer available to only 10,000 First Home Buyers.
- The value of eligible homes under the scheme will vary by region.
- The scheme starts on 1 January 2020.

Benefits:

- Avoid paying Mortgage Insurance – saving of thousands of dollars!
- Allow First Home Buyers into the market quicker, avoiding possibility of property price rises.

More information will be available closer to the end of the year but this article provides an overall snapshot. For more information contact [Chocolate Money](#) on 1300 137 539.

For more information about stamp duty savings and First Home Buyer benefits, access the State Revenue Office [here](#).

Please note: the information in this article is general in nature and not to be considered specific advice. For tailored credit advice, contact Chocolate Money on 1300 137 539