

Family Home Guarantee Scheme

**An Informative Guide
2024/25**



What is the Family Home Guarantee Scheme

The Family Home Guarantee (FHG) is an initiative established by the Australian Government and managed by Housing Australia. This scheme is designed to help eligible single parents and single legal guardians of at least one dependent child purchase a home. Each financial year (up until 30 June 2025), the Australian Government has made 5,000 eligible properties available under the Family Home Guarantee Scheme.

Eligible single parents and eligible single legal guardians are required to contribute a deposit of as little as 2% of the property’s value without incurring Lender’s Mortgage Insurance (LMI). Housing Australia then provides up to 18% of the property’s value with a participating lender.

The Family Home Guarantee can be applied to the purchase of an existing home or the construction of a new home. However, it does not support investment properties. Please note that the Scheme is neither a cash payment nor a deposit for your home loan.

What property can be bought under the Family home guarantee

Under the FHG the property must be a ‘residential property’. 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.

Property Price Thresholds

When using the FHG to assist in the purchase or construction of a home, the value of the residential property must not exceed the price cap relevant for the area in which it is located.

The price caps for capital cities, large regional centres and regional areas are:

State	Capital Cities & Regional Centres*	Rest of State
NSW	\$900,000	\$750,000
VIC	\$800,000	\$650,000
QLD	\$700,000	\$550,000
WA	\$600,000	\$450,000
SA	\$600,000	\$450,000
TAS	\$600,000	\$450,000

Territory	All Areas
ACT	\$750,000
NT	\$600,000
Jervis Bay Territory & Norfolk Island	\$550,000
Christmas Island & Cocos (Keeling) Island	\$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

Who is Eligible

The FHBG is open to individuals and joint applicants, including a partner, friend, sibling or other family member. As an individual or joint applicant, you need to satisfy each eligibility requirement when applying for the FHBG with a participating lender.

- Australian citizen or permanent resident over the age of 18.
- Must be a single parent or single legal guardian. A parent or legal guardian is not single if they are married or in a de facto relationship. *Note: a person who is separated but not divorced is not single.
- Must have a taxable income of up to \$125,000 per year. For all Family Home Guarantee(FHG) applications submitted between 1 July, 2024, and 30 June, 2025, the relevant financial year to be assessed will be 2023-2024. *Note: Child support payments are not included for the purpose of the income cap
- The individual must have at least 2% of the property's value available as a deposit. However, if they have 20% or more after covering other home purchasing costs (such as stamp duty and legal fees), the home loan will not be eligible.
- The eligible single parent or eligible single legal guardian must demonstrate they are the natural parent, adoptive parent or legal guardian.
- Loans under the Family Home Guarantee program require scheduled repayments of both principal and interest for the duration of the agreement, with some exceptions for interest-only loans related to construction financing. Additionally, the loan term must not exceed 30 years to ensure a structured repayment process for homeowners.
- Applicants must be the only name listed on the loan and the certificate of title. They must intend to be owner-occupiers of the purchased property
- *At the time of the home loan agreement, applicants must not hold a separate interest in property (such as owning land), leases of land in Australia, or company title interests in land in Australia.

Important information

- *If the borrower has interest in a property at that time, they must either plan to give up that interest after the property settlement or hold that interest as a joint tenant or tenant in common. They must also intend to become the sole registered owner of the property because of the loan.
- If you are contemplating the purchase of land and the construction of a home, it may be beneficial to speak with a broker to discuss the potential risks associated with these transactions. It is important to note that you will be required to sign a fixed-price building contract. Any amendments made after this initial agreement may impact the validity of your eligibility for the FHG. Furthermore, your bank may require that you pay for Lenders Mortgage Insurance (LMI) or bear any additional costs incurred.
- Before you sign a home loan agreement, talk to a broker about how changing interest rates or house prices might affect your individual circumstances.