



Australian College
of Professionals

College Chronicle

First Home Loan Deposit Scheme

January 10, 2020



RTO 91513

As of 1st January 2020, the Commonwealth government has commenced an initiative known as the First Home Loan Deposit Scheme. If you are a real estate agent working in the sale of residential property, you need to have some basic understanding of this new Scheme. Whilst you must not give financial advice to any client, you will undoubtedly be asked questions about the scheme. Following is some basic information. However, you would always...and I repeat ALWAYS refer your client to their lender/mortgage broker to provide them with specific information that relates to their specific borrowing requirements. You do however, need to know the basics so that you don't start showing properties that do not meet the criteria to potential purchasers that specifically state that they are looking to purchase under this new scheme.

What the new Scheme is about is that the government provides a guarantee that will allow eligible first home buyers, who are low or middle income earners, to purchase a home with a deposit of as little as 5 per cent.

This new scheme will support up to 10,000 loans each financial year.

Eligibility

As a guide, eligibility for the scheme is available to singles and couples. Couples are defined as spouse or de facto and both parties are named as borrowers on the home loan. If you are wanting to utilise this scheme as a 'couple' for a loan that is not with a de facto, or has 3 or more borrowers, then that home loan will not be eligible for the scheme.

There are several criteria used to determine eligibility under the scheme. A borrower should consider whether their personal circumstances satisfy all of the following points:

- An income test:
 - Singles – taxable income for previous year not more than \$125,000
 - Couples – combined taxable income for previous year not more than \$200,000
- A prior property ownership test – singles or both persons in a couple cannot previously have owned property within Australia
- A citizenship test – singles or both persons in a couple must be Australian citizens at the time they enter into a home loan
- A minimum age test – singles or both persons in a couple need to be 18 years old or over
- A deposit requirement - singles and couples (together) must have at least 5% of the value of an eligible property saved as a deposit. If they have 20% or more saved, then they are not eligible

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- An owner-occupier requirement – investment property purchases are ineligible for this scheme. The home owner/s must move into the property within 6 months from the date of settlement and continue to live that property for as long the home loan has a guarantee under the Scheme. If the borrowers move out of the property, the home loan will cease to be guaranteed by the Scheme.

Property Eligibility

For a property to be eligible for the scheme it must:

- be a residential property
- have a purchase price under the price cap for its location, for example in NSW, the caps range from \$450 to \$700
- be purchased by an eligible first home buyer under the scheme.
- at the settlement date for your home loan, the borrower/s will be the sole registered owner/s of the property
- be a property which is:
 - an established dwelling, or
 - a new-build dwelling that is purchased under a house and land package, a land and separate contract to build a home or an 'off-the-plan' arrangement that is financed under an eligible loan

How to Apply

A single or couple who are wishing to utilise the benefits of the new First Home Loan Deposit Scheme, must contact participating lenders to commence the application process. A total of twenty seven (27) lenders have been appointed to the panel of residential mortgage lenders to offer guarantees under the Scheme. Both the National Australia Bank and the Commonwealth Bank commenced offering these guaranteed loans from 1 January 2020. A further twenty five (25) non-major lenders will begin offering guaranteed loans from 1 February 2020.

What to Do

The link for agents to pass on to potential purchasers to commence this process and obtain further and more detailed information is - www.nhfc.gov.au/what-we-do/fhlds/how-to-apply/

'Til next time, wishing you every success in your business ventures,

Rosy Sullivan | [College Director & Principal](#)

4 HOUR CPD SEMINARS Full 12 points

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|---|-----------------------------------|---|-----------------------------------|
| THU 16TH JAN | SYDNEY CBD Real Estate Sales | FRI 24TH JAN | GOSFORD Sales & Prop Mgmt |
| THU 16TH JAN | SYDNEY CBD Property Management | THU 6TH FEB | SYDNEY CBD Real Estate Sales |
| FRI 17TH JAN | SYDNEY CBD Strata Management | THU 6TH FEB | SYDNEY CBD Property Management |

2 HOUR CPD SEMINARS (8am - 10am unless specified otherwise). Full 12 points, Pre-reading required

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|---|----------------------------------|---|---------------------------------|
| TUE 21ST JAN | PARRAMATTA Sales & Prop Mgmt | FRI 31ST JAN | SYDNEY CBD Sales & Prop Mgmt |
| TUE 28TH JAN | CASTLE HILL Sales & Prop Mgmt | MON 3RD FEB | NEWCASTLE Sales & Prop Mgmt |



From the office

Unfortunately, 2020 began as it ended – horrifying and so frightening with the bushfires and the loss of life combined with the devastation of our country’s flora and fauna. What we have witnessed is that in the worst of situations, we see the very best of humanity from all across the world in supporting those people so impacted by the fires. Our hearts go out to everyone who has been effected and encourage all, whether big or small – to donate their time, their skills, items or finances to the people who so desperately need it.

On a brighter note we welcome you all back to what seems to be a very busy start to the year here at ACOP. As many of you know, the Property Industry Reforms are coming in March and with that the team here at ACOP have been working hard to ensure our students meet that deadline on time. We are kicking off our 2020 course calendar by running our first Certificate of Registration class next week with limited spots still available due to many people being so eager to complete and register their Certificates prior to the changes that are to come. We are also running our first set of 4 hour CPD courses for 2020 on Thursday the 16th of January with Real Estate Sales in the morning and Property Management in the afternoon ending the week of with a 4 hour Strata Management CPD course on the Friday. In previous newsletters, you have heard me speak about how trainers enjoy travelling throughout the regional areas, so in the upcoming weeks they will be visiting areas such as Parramatta, Gosford and also Castle Hill to deliver our 2020 CPD training program and later in the month up to Tweed Heads for a full licensing program.

Within the next fortnight ACOP will be buzzing with students and we’re all excited to get this new year started on a high together as a team. As we eased ourselves back into the work groove, it was easy to see how much we all missed each other’s company over the holiday break with many interesting stories exchanged of what we had all been up to over the festive season. With many more weeks ahead of us in 2020 we can say with confidence ACOP as a team is ready for an exciting year ahead.

CERTIFICATE OF REGISTRATION COURSES

Units taken from nationally accredited training qualifications from the CPP07 Property Services Training Package.

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| MON 3RD WED 5TH FEB | SYDNEY CBD |
| MON 17TH WED 19TH FEB | CASTLE HILL |

FINANCE & MORTGAGE BROKING COURSES

Units taken from nationally accredited training qualifications from the FNS Financial Services Training Package.

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|---|---|
| MON 9TH WED 11TH MAR | SYDNEY CBD Certificate IV in Finance & Mortgage Broking |
| MON 9TH FRI 13TH MAR | SYDNEY CBD Diploma of Finance & Mortgage Broking Management <i>(Upgrade Program - Must hold Certificate IV in Finance & Mortgage Broking)</i> |

PROPERTY LICENCE COURSES

Units taken from nationally accredited training qualifications from the CPP07 Property Services Training Package.

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| 12TH - 13TH FEB | Staff Management SYDNEY CBD | 10TH - 11TH FEB | Financial Management SYDNEY CBD |
| 20TH - 23RD JAN | Sales for Real Estate SYDNEY CBD | FRI 28TH FEB | Trust Accounting + Insurance (Strata) SYDNEY CBD |
| 3RD - 7TH FEB | Stock & Station Agency Practices SYDNEY CBD | 17TH - 19TH FEB | Trust Accounting SYDNEY CBD |
| 24TH - 27TH FEB | Strata Management Agency Practices SYDNEY CBD | 20TH - 21ST FEB | Property Management SYDNEY CBD |
| FRI 14TH FEB | Real Estate Auctioneer Accreditation SYDNEY CBD | 30TH - 31ST JAN | Business Broking Agency Practices SYDNEY CBD |

View our course calendar for all course details.

DIPLOMA OF PROPERTY SERVICES (AGENCY MANAGEMENT) CPP50307

SYDNEY

MODULE 1

20th - 21st February

MODULE 2

12th - 13th March

PROPERTY SERVICES

CONSUMER GUIDES

THESE 9 GUIDES WERE CREATED TO HELP YOU WORK MORE EFFECTIVELY WITH YOUR AGENT

Purchase the Consumer Guides at

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www.acop.edu.au

Level 2, St Andrews House
Sydney, NSW 2000



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More information on our courses and a full course calendar can be found at www.acop.edu.au