

Broker latest news

Issue date: 30 June 2023

Issue no. 277

Home Guarantee Scheme | Financial Year 2024

Effective 1 July 2023 changes are being made to the Home Guarantee Scheme (HGS)*, an Australian Government initiative to support eligible home buyers purchase a home sooner, and the Bank is pleased to remain a Participating Lender.

Home Guarantee Scheme includes;

- First Home Guarantee (FHBG)
- Regional First Home Buyer Guarantee (RFHBG)
- Family Home Guarantee (FHG)

What are the changes?

1. Applicant Eligibility and Verification requirements

Citizenship

- Applicants must be Australian citizens or Permanent Residents who can remain in Australia indefinitely.
- New Zealand citizens who can reside in Australia indefinitely are not eligible, unless they are Australian Permanent Residents or Australian Citizens.

Verification requirements

- Applicants who are Permanent Residents must provide details of their Visa Grant Number or Transaction Reference Number, and details of their passport or ImmiCard as part of the Home Loan application.
- Irrespective of whether a Visa Entitlement Verification Online (VEVO) check is provided with an application the Bank must verify and confirm Permanent Residency status through an independent Visa Entitlement Verification Online (VEVO) check.
- The Home Buyer Declaration will be updated to reflect the option for Permanent Residents.
- Evidence is required prior to Unconditional Approval.

Joint Borrowers (FHBG and RFHBG)

- Now open to single applicants or two applicants broadly e.g. couple (married or de-facto), siblings, family members, friends.
- Maximum of two borrowers.
- Both borrowers must reside in the property whilst the loan remains under the scheme.
- There is no requirement to have an equal percentage (%) of ownership in the property.

Verification requirements

- No evidence is required to prove applicants are joint borrowers.
- The previous requirements to obtain evidence to confirm marriage or de-facto status have been removed.
- The Home Buyer Declaration will be updated to reflect these changes.

Prior Property Ownership (FHBG & RFHBG)

- Expanded to include those who have not owned property in Australia in the previous ten years.

Verification requirements

- The Bank can make reasonable enquiries to check if an applicant may have previously owned property.



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- The Home Buyer Declaration will be updated to include a declaration by applicants they have not owned property in Australia in the previous 10 years.

Legal Guardian (FHG only)

- Expanded to include parents who are single legal guardians of dependants such as aunts, uncles and grandparents.

Verification requirements

- Provision of a copy of court documentation from the Family Law Court advising guardianship.
- Evidence is required prior to Unconditional Approval.

2. Family Home Guarantee (FHG)

Single Parent or Guardian property ownership

- Eligible single parent or eligible single legal guardian can own a property as long as they intend not to when they complete purchase of a property with the FHG (i.e. property will be sold and settled).

This change has been made to allow;

- Simultaneous settlement e.g. when selling the currently family home that is in joint names with the ex-partner and buying a different home in the applicants name only.
- Purchase of the family home from ex-partner - when buying out the ex-partner (from joint tenant or tenant in common to sole title) and remaining in the family home.

3. Regional First Home Buyer Guarantee (RFHBG)

Residential status

At least one applicant must have lived in a regional area or adjacent regional area they are purchasing either;

- in the preceding 12 months or,
- part of the preceding 12 months, as mandated by their employer to relocate.

Verification requirements – preceding 12 months

- A utility notice greater than 12 months old
- A rental agreement greater than 12 months old
- A Notice of Assessment greater than 12 months old that validates the applicants residence
- If there are two applicants evidence is required for only one applicant
- Australian Defence Force member applicants may be eligible for a partial exemption.

Verification requirements – part preceding 12 months (Employer relocation mandate)

- Written confirmation such as a contract or letter from the relevant employer (on company letterhead, notifying ABN etc and containing details of a contact person at the employer) confirming any relocation required in the course of the person performing their duties as an employee over the preceding 12 months.
- The above must be provided with the Home loan application as part of the supporting documentation.
- The Bank, at its discretion, may perform independent enquires with the employer.
- The Home Buyer Declaration will also be updated to include a declaration by applicants they were required by their employer to relocate.



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4. Notice of Assessment FY2023 (NOA)

Overall for scheme place reservations from 1 July 2023

- Applicants must provide their NOA for the financial year 2023 to verify they meet the scheme's income eligibility requirements.
- An NOA from financial year 2022 will not be accepted.
- There are no exceptions to this requirement.

For scheme place reservations lodged for the period 1 July 2023 – 31 August 2023

- Applicants must provide their NOA for the financial year 2023 to verify they meet the scheme's income eligibility requirements **prior to the Bank issuing Unconditional Approval**.
- An NOA from financial year 2022 will not be accepted.
- There are no exceptions to this requirement.

For scheme place reservations lodged from 1 September 2023

- Applicants must provide their NOA for the financial year 2023 to verify they meet the scheme's income eligibility requirements **prior to the Bank issuing Conditional Approval**.
- An NOA from financial year 2022 will not be accepted.
- There are no exceptions to this requirement.

What about home loan applications lodged prior to 1 July 2023?

Generally, the timeframe for the Bank to apply for a HGS reservation is aligned with our initial assessment SLA noted on the Broker Portal.

For any home loan application involving HGS submitted and a scheme place reservation is not made prior to 1 July 2023 the changes notified above apply and are required to be met.

Please note: The Banks initial assessment SLA can change at anytime and we cannot guarantee a reservation placement.

Broker obligations and reminders

Reservations under the Scheme for eligible applicants **can only be considered** on the provision of a completed and verified Home loan application meeting **all** TMBL lending criteria and requirements **and** HGS criteria and requirements.

TMBL lending criteria and requirements

- Product, policy guidance and forms are located on our Broker Portal <https://broker.tmbank.com.au/>. Interest rates and products are as advertised.
- Repayments must be Principle and Interest (P&I). Exception made for construction whereby repayments can be Interest Only (IO) during the construction period for maximum 12 months).

HGS criteria and requirements

- Brokers must provide each eligible applicant with the relevant [Scheme information guide](#).
- Completion and execution of the [Home Buyer Declaration](#) by each applicant (**Only acceptable version** will be updated and available on our [Broker Portal forms](#) section from 1 July 2023).
- FY2023 Notice of Assessment (NOA) for each applicant, to confirm taxable income and verify they meet the scheme income eligibility requirements (per above noted changes).
- Copy of the fully executed Contract of Sale for the property to be purchased (once available).
- Copy of a valid Medicare card for all borrowers.



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- Evidence of Australian citizenship (e.g. Passport, Birth Certificate etc.) or Permanent Residency (e.g. Visa Entitlement Verification Online (VEVO) document evidencing Permanent Residency).

Applicants with active Scheme reservations prior to 1 July 2023?

Should this be the case applicants are not affected by these FY2024 changes noted above (e.g. reservation lodged with NHFIC on 20 June 2023, a Home Buyer declaration for FY2022/23 has been completed. The Home Buyer Declaration for FY2023/24 does not then also need to be completed).

Resources and updates | 1 July 2023

Our Broker Portal: <https://broker.tmbank.com.au/>

To reflect the above changes, **from 1 July 2023**, the following documents will be updated;

- Home Buyer Declaration FY2023/24

Note: The **only acceptable version** will be available on our [Broker Portal forms](#) section

Should an alternate version be received with a Home Loan application we will not be able to proceed to reserve a scheme placement. The application will not proceed until such time as the correct version is completed and uploaded the Supporting documents tab within the Applyonline application.

- Scheme Information Guides

You must supply to all applicants, applying for any Home Guarantee Scheme, the relevant Scheme Information Guide.

The National Housing Finance and Investment Corporation (NHFIC): <https://www.nhfc.gov.au/>

Provides further information relating to but not limited to;

- Each Home Guarantee Scheme (HGS)
- HGS Comparison Table
- A free eligibility tool
- Regional Checker for eligible RFHBG
- Property price caps
- FAQs
- Factsheets and Information guides

Further Information

For all other latest news, you can visit the TMBL Broker portal (<https://broker.tmbank.com.au/>) or contact your Broker Development Manager on **1300 TMBank** or email broker@tmb.com.au.



Mark Middleton

Head of Third Party Distribution

Important information:

Please note – Membership eligibility applies to join the Bank. All applications for credit are subject to our responsible lending criteria. Fees and charges apply. You can find our [Consumer Lending Terms and Conditions](#) available online or from any of our offices,*Scheme eligibility criteria apply.

