

Barton Deakin Brief: First Home Loan Deposit Scheme

13 May 2019

Overview:

Yesterday, at the Coalition Campaign Launch, Prime Minister Scott Morrison announced the Coalition's intention to establish a First Home Loan Deposit Scheme. The scheme would allow for first home buyers to apply for a home loan with a deposit of 5%.

The Scheme:

The First Home Loan Deposit Scheme would aim to support first home buyers by providing \$500 million in equity to the [National Housing Finance and Investment Corporation](#) (NHFIC).

As an extension of the [First Home Super Saver Scheme](#), first home buyers would no longer need to save for a 20% deposit on their home loan. As of 1 January 2020, first home buyers who have a single income of up to \$125,000 per annum or joint income of up to \$200,000 per annum would be eligible for the Scheme which would entitle them to apply for a home loan with a 5% deposit. The value of the home and its eligibility for the Scheme would reflect housing markets around Australia, determined on a regional basis.

The Coalition has also promised to invest \$25 million in the NHFIC, which will be allocated to researching demand, supply and affordability in the Australian housing market. In addition to market-based research, in order to increase competition in the lending market, the NHFIC will partner with smaller banks and non-bank lenders.

To see the Coalition's First Home Buyer policies, click [here](#).

To read the Prime Minister's media release, click [here](#).

For further information on the First Home Loan Deposit Scheme, contact [David Alexander](#) on +61 457 400 524, [Grahame Morris](#) on +61 411 222 680 or [Paul Fitzgerald](#) on +61 408 406 547.