



Australian Government



National Housing Finance
and Investment Corporation

Home Guarantee Scheme Family Home Guarantee

Fact Sheet 2023/24

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What is the Family Home Guarantee?

The Family Home Guarantee (FHG) is an Australian Government initiative that aims to support eligible single parents and eligible single legal guardians of at least one dependent to buy a home sooner. It is administered by the National Housing Finance and Investment Corporation (NHFIC) under the Home Guarantee Scheme (Scheme) on behalf of the Australian Government.

5,000 Family Home Guarantees will be made available each financial year (up until 30 June 2025) to eligible single parents and eligible single legal guardians of at least one dependent, subject to their ability to service a loan.

The Family Home Guarantee can be used to build a new home or buy an existing home with a deposit of as little as 2 per cent, regardless of whether that single parent is a first home buyer or a previous home owner. Investment properties are not supported by the Family Home Guarantee.

How does the Family Home Guarantee work?

Eligible single parents and eligible single legal guardians of at least one dependent looking to build a new home or buy an existing home are able to apply for a loan to buy an eligible property through a participating lender.

NHFIC guarantees to a participating lender up to 18 per cent of the value of the property, provided the borrower has a minimum 2 per cent deposit, and is eligible for the Family Home Guarantee.

This will enable eligible single parents and eligible single legal guardians of at least one dependent to enter, or re-enter, the housing market sooner.

What types of properties are eligible?

For a property to be eligible under the Family Home Guarantee, it must be a residential property – this term has a particular meaning and is consistent with the First Home Guarantee.

Eligible residential properties generally 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.

Participating Lenders require your land to be titled prior to the issuance of a NHFIC guarantee, therefore the land will need to be titled before the end of the 90 day pre-approval period.

If you are considering entering into contracts relating to purchasing land and for the construction of a home, you may wish to discuss with your participating lender (and broker, if applicable) all of the potential risks that may be associated with these transactions. It is worth noting that you are required to sign a fixed price building contract, and that any amendments to this after signing, may impact the validity of your Scheme place and your bank may require you to pay Lenders Mortgage Insurance (LMI) or fund these additional costs yourself.

Who is eligible?

- Australian citizens and permanent residents who are at least 18 years of age.
- Must be a single parent or single legal guardian of at least one dependent. A parent or legal guardian is not single if they are married or in a de facto relationship. NB: a person who is separated but not divorced is not single.
- The single parent or single legal guardian must have a taxable income that does not exceed \$125,000 per annum for the previous financial year as shown on the Notice of Assessment (issued by the Australian Taxation Office). NB: Child support payments are not included as income for the purpose of the income cap.

- The eligible single parent or eligible single legal guardian must be the only name listed on the loan and the certificate of title.
- It is expected that the eligible single parent or eligible single legal guardian demonstrates that they are they natural parent, adoptive parent or legal guardian of a dependent child within the meaning of s.5 of the *Social Security Act 1991* (Cth). In a general sense, this means that the person must show that they are legally responsible (whether alone or jointly with another person) for the day-to-day care, welfare and development of the dependent child and the dependent child is in their care.
- Alternatively, the eligible single parent or eligible single legal guardian must show that they are the natural parent, adoptive parent or legal guardian of a person who receives a disability support pension and lives with them.
- Individuals must have at least 2 per cent of the value of the property available as a deposit. If the borrower has a deposit of more than 20 per cent, then the home loan cannot be covered by the Family Home Guarantee.
- Loans under the Family Home Guarantee require scheduled repayments of the principal and interest of the loan for the full period of the agreement (with limited exceptions for interest-only loans, which mainly relate to construction lending). The loan agreement must have a term of no more than 30 years.
- Applicants 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 in Australia (including owning land), a lease of land in Australia or a company title interest in land in Australia, or, if they do hold such an interest at that time, either must not intend to hold that interest from settlement of the property being purchased or hold that interest as joint tenant or tenant in common in the property to which the loan relates, and intend to become the sole registered owner of the property as a result of the loan.

The eligibility criteria must be satisfied at the time the loan agreement is entered into. The eligibility criteria for the Family Home Guarantee is outlined in the currently in force *National Housing Finance and Investment Corporation Investment Mandate Direction 2023*.

Before you enter into a home loan agreement, you should consider talking with your lender (or broker) about the potential implications of changing interest rates or house prices on your individual circumstances.

What property price thresholds apply?

The property price thresholds for the Family Home Guarantee are the same as those applying to the First Home Guarantee.

State	Capital city & 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) Islands	\$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), recognising that dwellings in regional centres can be significantly more expensive than other regional areas.

Search the property price threshold for a suburb or postcode at www.nhfc.gov.au

How to apply

Eligible single parents and eligible single legal guardians will be able to apply for the Family Home Guarantee through a participating lender. The full list of participating lenders is at www.nhfc.gov.au

There are no costs or repayments associated with the Family Home Guarantee. However, eligible single parents and eligible single legal guardians are responsible for meeting all costs and repayments for the home loan associated with the Family Home Guarantee.

NHFC will not accept applications directly and does not maintain a waiting list for Family Home Guarantee places.

Find out more about the eligibility criteria and a list of panel lenders at www.nhfc.gov.au