

Is HOMESTART NT for you?

HOMESTART NT, an initiative of the Northern Territory Government, helps more Territorians buy their own home.

Loans are available for eligible Territorians who

- are first home buyers or
- are non first home buyers who do not currently own property or
- currently live in public housing (refer to Public Housing Sales Program for Tenants fact sheet).

HOMESTART NT loans are designed for low to middle income earners and feature

- a competitive variable interest rate
- a low deposit
- no lender's mortgage insurance premium
- no monthly service fees
- up to 35 year loan term to make repayments more affordable
- low application fee and
- assistance with associated costs to buy your home.

What type of loans does HOMESTART NT offer?

Standard variable loan

This loan enables you to buy 100% of your home, similar to a normal bank loan. You can make extra payments at any time and redraw these additional funds for approved purposes. Minimum redraw is \$500.

Shared equity loan

This loan enables you to buy a share of your home and the Territory Government will own the rest.

Your share of the property must be between 70% and 99% and is based on how much you can afford to borrow. Like any property owner, you must pay 100% of all rates, insurances and maintenance.

The Territory Government will own the rest of the home, up to 30% or \$75,000 (which ever is less), and provides their share to you rent and interest free.

You can make extra payments at any time and can redraw these additional funds for approved purposes. Minimum redraw is \$500.

Case study: Chris and Irene

Year:	2009
Dependents	2
Combined weekly income (gross)	\$1,500
Price of home they want to buy	\$400,000

Chris and Irene's ownership

Maximum loan they can afford	\$312,160
First Home Owner Grant	\$14,000
Deposit (Fee Assistance Loan)	\$5,840

Total	\$332,000 (83% share)
Territory Government's ownership	\$68,000 (17% share)

You can buy all or part of the Territory Government's share at any time. The cost to purchase the share will be based on the market value at the time (as determined by the Australian Valuation Office), less the value of any improvements you have done to the home since purchase.

Case study: Chris and Irene

Year	2011
New market valuation	\$430,000
Improvements since purchase	\$10,000
Payout based on	\$420,000 (market value less improvements)
Cost to purchase NTG 17% share:	\$71,400

Fee Assistance Loan

You can borrow up to \$10,000 interest free to help with costs associated with buying a home such as

- conveyancing, legal costs and inspections (up to \$2,500)
- white goods (up to \$1,500)
- deposit
- stamp duty (if applicable).

The loan is paid off over 15 years at \$56/month and is only available to people getting a new HOMESTART NT loan.

What is the interest rate?

HOMESTART NT loans have variable interest rates which change regularly. Contact TIO to find out the current rate.

Am I eligible to apply for HOMESTART NT loans?

To be eligible to apply for HOMESTART NT loans you must

- be an Australian Citizen or permanent resident
- not currently own, or part own, another property in Australia. This also applies to your spouse or defacto partner
- not exceed assessable income and assets limits
- not exceed property market value limits (limits do not apply to some public housing tenants)
- have a minimum deposit of 2% of the purchase price (for 100% ownership) or of the value of your share (for shared equity). The deposit may come from the Fee Assistance Loan or the First Home Owners Grant, so you may not even need any of your own money
- if you are building a house, contract a Northern Territory licensed builder
- live in the property after it is purchased.

Note: Current public housing tenants must refer to the Public Housing Sales Program for Tenants fact sheet for eligibility criteria as some eligibility is different.

Income and asset limits

Household size	Annual gross income limit	Asset limit
1	\$60,000	\$60,029
2	\$80,000	\$85,735
3	\$85,500	\$135,855
4	\$85,500	\$135,855
5	\$95,000	\$135,855
6 or more	\$105,000	\$135,855

Maximum gross income includes

- Carer allowance or carer payment
- District allowance
- First aid allowance
- Housing allowance
- Net profit (loss) from business
- Newstart allowance
- Regular overtime
- Pensions, including aged, disability and veteran affairs
- Vehicle allowance
- Wages.

Assets include

- cash holdings
- shares in estates
- savings
- stock market shares, bonds and investments
- superannuation funds that can be realised
- recreation vehicles such as caravans, mobile homes and boats
- value of any interest or equity in land or property.

Assets do not include personal belongings, household furniture, personal car or assets that can't be realised such as preserved superannuation funds. Documentary evidence of assessable assets may be required.

Purchase price limits

Region	Purchase price limits
Darwin / Northern Suburbs	\$420,000
Palmerston / Rural	\$420,000
Alice Springs	\$300,000
Tennant Creek	\$120,000
Katherine	\$267,000

Note: The above market value limits do not apply to public housing tenants of more than five years who are buying a public housing dwelling.

How long do I have to be employed to include my wages for calculating how much I can afford?

- Permanent full time and part time employment - 3 months in current position
- Permanent casual employment - 6 months in current position
- Casual employment - 12 months in current position
- Contract employment - 6 months in current position and at least 6 months remaining
- Self employed - 12 months trading history to allow for any seasonal fluctuations

What if I can't afford to buy a home on my own?

You can buy your home with an immediate family member including your mother, father, son, daughter, brother or sister. You must meet all eligibility criteria in your own right. The family member's income can be used to help you for affordability, but they do not have to meet the other eligibility criteria. For example, family members can earn more than HOMESTART NT's income limits and can currently own property in Australia. The family member must appear on the mortgage as a joint tenant with you so this may affect your access to Stamp Duty Concessions and the First Home Owners Grant.

How do I apply?

TIO delivers and manages HOMESTART NT loans on behalf of the Territory Government. For more information, to find out what you can afford and to submit an application, contact TIO on 1300 301 833 or visit www.tiofi.com.au.