

How does the Home Guarantee Scheme work?

If you're eligible for the Home Guarantee Scheme, you could buy a home with a deposit as low as 5% (or 2% for single parents) without having to pay Lenders Mortgage Insurance.

What is the Home Guarantee Scheme?

Saving a deposit is one of the hardest parts of buying a home – especially when property prices and the cost of living keep rising.

The Australian Government introduced the Home Guarantee Scheme to help low-to-middle income earners get into their own home sooner. People who are eligible to participate in the Scheme can pay a lower-than-usual deposit without the need to pay the additional cost of Lenders Mortgage Insurance (LMI). Borrowers generally have to pay LMI if they're borrowing more than 80% of the property purchase price. LMI can cost thousands of dollars, making it even harder to afford a property.

What Guarantees are available?

There are three different types of Guarantees available under the Home Guarantee Scheme.

Guarantee Scheme	First Home Guarantee	Regional Home Buyer Guarantee [^]	Family Home Guarantee
Who's it for?	First home buyers*	First home buyers living and buying property in regional areas*	Single parents and single legal guardians with at least one dependent child [#]
What's the minimum deposit?	5%	5%	2%
How many places are available for FY24?	35,000	10,000	5,000

Eligibility criteria

With the number of places limited, there are strict conditions about who is eligible to participate in these Guarantees.

Your broker can help you determine which Guarantee you might be eligible for. You can also use the [National Housing Finance and Investment Corporation \(NHFIC\) eligibility tool](#).

For all three Guarantees, you must meet these conditions to be eligible:

- Australian citizen or permanent resident
- At least 18 years old
- Earn up to \$125,000 for individuals (all three Guarantees) or combined income of up to \$200,000 for couples (First Home Guarantee and Regional Home Buyer Guarantee only)
- Intending to be the owner-occupier of the purchased property (no investment properties)
- Must make principal and interest repayments (no interest-only loans)
- Must contribute the maximum amount of funds available to you towards the deposit
- Property price is below [the NHFIC's property price cap](#) for the location.

*Additionally, for the First Home Guarantee and Regional Home Buyer Guarantee, you must be a first home buyer or a previous homeowner who hasn't owned a property in Australia in the past 10 years.

[#]This doesn't apply for the Family Home Guarantee; however, you won't be eligible if you currently own another property (at the time of settlement for your new property).

What's considered a regional area?

For the purposes of the Regional Home Buyer Guarantee, regional areas are generally considered to be locations outside the greater capital city area of each state and the Northern Territory. This exception to this is the ACT, where all locations in the territory are excluded from this Scheme.

You can use [the NHFIC regional checker](#) to see if the area you're looking at is eligible.

[^]At least one applicant (if you're applying for the Regional Home Buyer Guarantee as a couple) must have lived in that area or an adjacent region for the previous 12 months or more.

What type of property can you buy?

These Guarantees are only for residential property, which includes:

- 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.
- An off-the-plan apartment or townhouse.

How do you apply?

Your mortgage broker can help you prepare and submit an application to participate in one of these Guarantees, and they'll keep you updated on its progress.

Your lender can also assist with your application, as long as they're one of the [33 participating lenders](#) that have been authorised by the NHFIC. You can't apply to the Government directly for these Guarantees. What type of property can you buy?

For expert mortgage advice, talk to your local broker today.