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03.36 Home Guarantee Scheme (HGS)

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1. About this policy

1.1 Why this policy?

This policy will help you to identify a borrower's eligibility for a Home Guarantee Scheme (HGS) backed consumer mortgage loan.

This offering is available for applications assessed via OBP only.

1.2 What is the Home Guarantee Scheme (HGS)

The Home Guarantee Scheme (HGS) is an Australian Government initiative aimed at supporting eligible borrowers to purchase an owner-occupied home without the need for mortgage insurance.

The Home Guarantee Scheme includes:

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

For further information on the Home Guarantee Schemes, refer to www.housingaustralia.gov.au

1.3 Home Guarantee Schemes (HGS) definitions

Scheme type	Definition
First Home Guarantee (FHBG)	Supports eligible first home buyers* with the purchase of an owner-occupied dwelling, with a minimum deposit of 5%, without the need for mortgage insurance. ***Note**: Includes non-first home buyers who have not held a freehold interest in real property (including land) or a relevant interest in land in Australia within the last 10 years or currently
Regional First Home Buyer Guarantee (RFHBG)	Supports eligible **regional** first home buyers* with the purchase of an owner-occupied dwelling, with a minimum deposit of 5%, without the need for mortgage insurance. ***Note**: Includes non-first home buyers who have not held a freehold interest in real property (including land) or a relevant interest in land in Australia within the last 10 years or currently
Family Home Guarantee (FHG)	Supports eligible single parents or legal guardians with at least one dependent, with the purchase of an owner-occupied dwelling, with a minimum deposit of 2%, without the need for mortgage insurance. **Note**: May have previously held an interest in real property in Australia but must not have any current interest in real property (including land) or a relevant interest in land in Australia, unless meets the requirements of an allowable exception, refer Home Guarantee Scheme Conditions > Family Home Guarantee (FHG)

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2. Rules you must apply

2.1 Overview

This policy outlines Home Guarantee Schemes (HGS) that are supported for consumer mortgage loans and the borrower eligibility requirements for each scheme.
All other prevailing **mortgage insured** policies for fully documented loans apply, i.e.:

- Time in employment, refer Verifying Income > PAYG Salary or Wage – Definitions and Time in Employment
- Commitment repayment history check for liabilities not on CCR, refer > Commitments > Financial hardship arrangement check and evidence satisfactory repayment history
- Valuation requirements, refer Security Collateral Value Assessment > Rules you must apply
- Adverse bureau

This policy is to be read in conjunction with the policies and procedures contained in other sections of the Consumer Mortgage Credit Policy Manual

2.2 Eligibility Criteria

To be eligible for any of the Home Guarantee Schemes defined in this policy, all of the below eligibility requirements must be met. Refer also to Home Guarantee Scheme Conditions

Eligibility Requirements	Conditions
Loan purpose	Owner Occupied: • Purchase • Land purchase combined with construction (licensed builder only) • Refinance (internal or external)
Loan repayments	Loan must be Principal and Interest (P&I), excluding Construction IO period, where applicable
Loan term	Maximum loan term of 30 years inclusive of any construction period (where applicable), i.e.: • Where the application is for the construction of an owner-occupied dwelling, the maximum loan term is 28 years.
Borrower	Borrower(s) must: • Be an Australian **citizen** or eligible permanent resident, **and** meet the definition of an individual borrower, refer Verification of information provided by the borrower, **and** • Have ownership in the security collateral property and comply with co-borrower eligibility requirements (where applicable), refer Eligibility > Co-borrower eligibility requirements.
	The borrower(s) on the new loan must be the same as the purchaser(s) / owner(s) of the security collateral property.
Income threshold	The borrower's **prior financial year** annual taxable income must not exceed the annual income limit, i.e.: • Single borrower annual taxable income must be less than or equal to $125,000* • Joint borrowers combined annual taxable income must be less than or equal to $200,000 Refer Verification of information provided by the borrower **Notes**: • Child support payments (where applicable) are excluded from the annual income limit, under Family Home Guarantee (FHG) scheme. • Where Apportioned household expenses and shared commitments – Spousal same household policy is used, the combined prior financial year income of the applicant and non-applicant spouse, must be assessed the same as joint borrowers, i.e. must not exceed $200,000
Security Collateral	The security collateral must be an acceptable property type, refer Acceptable Security Collateral

Genuine Savings	Genuine savings must be met regardless of LVR, refer Home Guarantee Scheme Conditions
Retained Savings	Must not exceed maximum retained savings requirement, refer Verification of information provided by the borrower
Property Price Cap	Property purchase price does not exceed the maximum property price cap for the location, refer Property Price Cap Tool
Exclusions:	Applications that include: • Construction on land already owned • Owner-builder or cost-plus constructions • Unsecured debt consolidation or secured debt reduction • Loan increase (top-up) • Guarantor(s) of any kind i.e. family, income, income plus security or security guarantee • Streamlined Refinance

2.3 Verifying Income

Income and employment verification to Mortgage Insurance standards is required, refer:

- Verifying Income
- Self-employed Applicants

2.4 Home Guarantee Scheme LVR

The table below details the maximum allowable LVR that applies to each HGS type, where the borrower(s) meets the Eligibility criteria.
Any lower LVR threshold policies will override this policy, refer to Loan to Value Ratio (LVR).

Home Guarantee Scheme	Maximum LVR
First Home Guarantee (FHBG)	Equal to or less than 95%
Regional First Home Buyer Guarantee (RGHBG)	
Family Home Guarantee (FHG)	Equal to or less than 98%

2.5 Home Guarantee Scheme Conditions

In addition to meeting the requirements detailed in Eligibility Criteria, the following HGS conditions must also be met.
Refer also to Verification of information provided by the borrower.

Loan Type	HGS Type	Conditions

Purchase	**First Home Guarantee (FHBG)**	• Individual or joint (i.e., no more than 2 borrowers)*
		• Borrower(s) must:
		  ○ be a first home buyer, **or**
		  ○ not have held a freehold interest in real property in Australia (including land, or lease of land or company title interest in land in Australia), within the last 10 years or currently.
		• 5% genuine savings must be evidenced regardless of LVR, refer Genuine Savings, Equity and Customer Contribution > Genuine Savings
		*Note: may be joint with spouse (married or de facto), family member (e.g. sibling, child, parent) or friend

	Regional First Home Buyer Guarantee (RFHBG)	In addition to conditions listed above under **First Home Guarantee (FHBG)**:
		• At least one borrower must currently and for the prior 12 months, have resided in the regional or adjacent regional area they are purchasing in, as at the Home Buyer Declaration date, and
		• The property being purchased must be within the current, adjacent or across (border) the same regional area in which the borrower currently lives or has lived in the previous 12 months.
		Notes:
		• The borrower may have had multiple addresses across the same or adjacent regional area during the prior 12 months
		• Where a borrower(s) is not able to evidence that they have lived the full 12 months in the regional or adjacent regional area in which they are purchasing, a partial exemption may be allowable where the borrower(s):
		  ○ is a member of the Australian Defence Force, **or**
		  ○ has been relocated in the course of performing duties as an employee
		• Where an employee or member(s) of the ADF was posted to a different regional location by their employer within the previous 12 months, they are allowed to purchase a property in either the:
		  ○ previous or adjacent to previous regional location in which they lived, or
		  ○ new or adjacent to new regional location, providing they are currently living in the location.

	Family Home Guarantee	• Maximum of one (1) borrower

	(FHG)	• Borrower must be a single parent or legal guardian, with at least one dependent*
		• 2% genuine savings must be evidenced regardless of LVR, refer Genuine Savings, Equity and Customer Contribution > Genuine Savings
		• Borrower may be a first home buyer or may previously held an interest in real property in Australia, but at the time of Home Buyer Declaration date, must not currently hold a freehold interest in real property in Australia, unless they:
		  ○ Will not hold such an interest after they become the registered owner of the property being purchased with the new loan, via a simultaneous settlement, or
		  ○ Currently hold ownership (joint or tenants in common) in the property and intend to become the sole registered owner of that property as a result of the new loan,
		AND
		• Do not hold a relevant interest in land, which is defined as a
		  ○ Lease of land in Australia, or
		  ○ Company title interest in land in Australia
		***Note:** By completing and signing the Home Buyer Declaration Form, the applicant confirms that they are the parent or legal guardian of at least one dependent child, as defined under the Family Home Guarantee Scheme eligibility, i.e.:
		• Within the meaning of section 5, sub-sections (2), (3), (4), (5), (6) and (7) of the Social Security Act 1991, or
		• aged between 16 and 21 years of age, in receipt of a disability support pension and lives with the applicant
		This is separate to the requirement to capture a dependent(s), as defined by the Bank, for inclusion in the serviceability assessment, refer Living Expenses > Definition of a dependent

Refinance (Internal or external)	**All**	• The borrower(s) on the new loan application must be the same as the borrower(s) on the existing schemed backed loan being refinanced* • The new loan is for the refinance of the same residential property that is presently mortgaged under the existing scheme-backed loan • For the purpose of paying out the existing Scheme-backed loan only, i.e. the new loan must not be: ○ For an amount that is more than the permitted maximum loan amount, i.e. the

		scheduled principal balance of the existing scheme-backed loan as at the loan settlement date for the refinancing loan ○ For a term that is more than the permitted loan term remaining on the existing scheme-backed loan. • The loan being refinanced must not be in arrears or default ***Note:** • Where the existing scheme-backed loan being refinanced is in joint names (FHBG or RFHBG only), it is acceptable for the new loan to be in the name of one or both existing borrowers, providing matches with name(s) on title • It is not acceptable to add a borrower to the new loan

2.6 Verification of information provided by the borrower

Where Eligibility criteria and Home Guarantee Scheme conditions are met, the following verification requirements apply.

Home Guarantee Scheme	Action requiring verification	Verification requirement
All Refer also • First Home Guarantee (FHBG) • Regional First Home Buyer Guarantee (RFHBG) • Family Home Guarantee (FHG)	Borrower(s) is an: • eligible 'individual' borrower **And** • Australian Citizen, **or** • Acceptable Permanent Resident	Must confirm borrower(s): • Meets requirements of an individual borrower type, refer Eligibility > Eligible Borrowers for a Consumer Mortgage Loan **And** • Is an Australian citizen, refer Eligibility > Australian Citizen residency status > Additional conditions **Or** • Is an acceptable Permanent Visa holder* and able to remain in Australia indefinitely, refer Lending to Non-Australian Citizens ***Note:** Evidence of an acceptable permanent visa **must be** via: • A printout of the Visa details check **sourced by the Broker** from Visa Entitlement Verification Online (VEVO) website, which must be time

			stamped after the HGS reservation date Where a VEVO check is not available due to the borrower not having a passport recognised by the Australian Government, require: • An electronic copy of the Visa approval letter from the Department of Home Affairs

		• Income <= annual income limit:
		  ○ $125,000 single borrower
		  ○ $200,000 joint spousal (married or de facto) borrowers
			• Taxable income amount(s) from the immediately prior year's ATO Notice of Assessment (NOA)*.
			Where the above cannot be provided as the borrower:
			• Was not required to lodge a tax return in the prior financial year as their income earned was $nil or below the tax free income threshold, a copy of the borrower's ATO 'Non-lodgement Advice' must be provided
			Or
			• Has recently migrated to Australia and holds an acceptable permanent Visa, then can provide:
			  ○ A copy of their spousal co-borrower's previous year tax return showing $nil income earned by the borrower (spouse on tax return), or
			  ○ A copy of the borrower's ATO myGov printout evidencing no past lodged or due tax returns.
			Or
			• Did not have an Australian Tax File number in the previous financial year, a copy of their letter from the ATO, dated within the current financial year and confirming the borrower's new tax File Number, may be used to confirm $nil income
			***Note**: Where the scheme place reservation is made on or after 1 July:
			• Up to and including 31 August, an in principal approval (IPA) can be provided without the ATO NOA, however, the immediately

		prior financial year ATO NOA is required prior to unconditional approval • From 1 September, all applications must have the immediately prior financial year ATO NOA
	Retained savings	Borrower(s) must use the maximum amount of their savings as their deposit, i.e. the retained savings calculated by OBP should not be more than: • Six months of expenses i.e. higher of customer declared (HEM comparable) expenses and HEM, **and** • 10% of the value of the build contract, where loan is for construction, **PLUS (only where applicable) additional:** • Up to $10,000 for: • Essential repairs as detailed in a building inspection report or by the Valuer where a Full Valuation is required, refer Security Collateral Value Assessment > Risk Rating in Valuation Report > Mortgage insured • A satisfactory reason has been provided by the borrower and documented in ApplyOnline application notes, with supporting documents uploaded to ApplyOnline. **Note:** Where the application declines due to retained savings exceeding the allowable retained savings detailed above, the loan amount must be reduced or the application referred to Credit for consideration, with a satisfactory reason and supporting documentation.
First Home Guarantee (FHBG)	All borrowers must: • Be first home buyers, **or** • Not have held any ownership in a property in	• Review borrower(s) CCR bureau report for evidence of a **current** or **closed** mortgage(s) commitment, and • Peruse Internal systems or bank statements (where applicable), for

	Australia within the last 10 years or currently	evidence of any property related expenses which may identify current or prior ownership in a property (e.g. council rates) **AND** • The Home Buyer Declaration Form **Note:** Where current or prior mortgage / property ownership is identified, the application is not eligible under FHBG or RFHBG
Regional First Home Buyer Guarantee (RFHBG)	All borrowers must: • Be first home buyers, **or** • Not have held any ownership in a property in Australia within the last 10 years or currently.	Same as verification requirements for First Home Guarantee
	At least one borrower currently and for the previous 12 months* has lived in the regional or an adjacent regional area where the property is being purchased.	Any one of the following supporting document types is acceptable, where the document(s) covers a full 12-month period: • Utility notice(s), or • Rental agreement(s) or statement(s), or • Bank statement(s), or • Mobile phone statement(s), or • 2 consecutive ATO Notice of Assessments • Government issued statements **AND** • Checking the postcode using the Housing Australia regional checker to confirm that the suburb is in the same or adjacent regional area, as the property that the borrower(s) is purchasing ***Note:** Where the borrower is not able to evidence the minimum 12 month requirement due to an employment posting outside the regional or adjacent area to the property being purchased, the following additional supporting documents are required where the borrower:

		• Is a member of the Australian Defence Force:
		  ○ an official statement evidencing any posting in the course of the borrower performing their duties over the previous 12 months is required
		• Is an employee who has been relocated as part of their employment:
		  ○ written confirmation from the borrower's employer, which includes:
		  ▪ the details of a contact person for the employer, and
		  ▪ Confirmation of any relocation required in the course of the person performing their duties as an employee over the last 12 months
		  ▪ Confirmation that the borrower has been employed in their current employment for a minimum period of 12 months
		
		Note: Only the most recent supporting document is required to meet the age of documents requirement, where multiple documents are required to evidence full 12 months history.

Family Home Guarantee (FHG)	Marital status of 'Single'
	
	(Includes not in a de facto relationship)
		Where the borrower's marital status is:
		
		• **Single** (includes not in a de facto relationship):
		  ○ The Home Buyer Declaration Form, **and**
		  ○ Scrutiny check of supporting documents or accounts for identifiers of spousal relationship (e.g. joint accounts)
		• **Divorced** - a copy of final divorce approval is required.
		• **Widowed**:
		  ○ a copy of the deceased spouse's death certificate is

		required, **or** ○ The tax return document from the year that the deceased spouse passed away **Note:** Where an applicant is separated, but not yet divorced, they are not eligible under FHG
	Borrower meets the requirements of an eligible single parent or legal guardian	Borrower must be the natural or adoptive parent of at least one dependent, evidenced via: • Child's birth certificate, or • Formal adoption order, or • Consent order by Family Court, or • Centrelink letter: ○ Confirming care arrangements for a dependent child(ren ○ Evidencing receipt of a disability support pension, where dependent is 16 but years or older and is in receipt of a disability pension. • Formal documentation evidencing that the borrower is the duly appointed legal guardian of the person • Borrower's previous financial year Australian Taxation Return (Question IT8) **And** • The Home Buyer Declaration Form
	Borrower must **not** currently have any ownership in residential property in Australia, i.e.: • Freehold interest in real property • Lease of land • A company title interest	• The borrower's CCR bureau report must be reviewed and where it is identified that the borrower has a **current** mortgage commitment, the application is not eligible under FHG, **and** • Where account scrutiny activity identifies any property related expenses (e.g. council rates), confirmation required that the expense does not relate to current ownership of a property within Australia. **Note:** For allowable exceptions, refer Home Guarantee Scheme conditions > Family Home Guarantee (HGS)

2.7 Acceptable Security Collateral

The following property types are acceptable security collateral for HGS loans:

- Detached / semi-detached house
- Duplex
- Terrace / Townhouse /Unit / Apartment / Villa
- Licenced Builder House Construction (i.e. land and a separate contract to build a home)
- House and land package
- Rural Residential less than or equal to 8ha
- Rural Residential greater than 8ha less than 50ha
- Off the plan purchase where the settlement date is within 90 days of the guarantee issue date.

Any security type not listed above, is unacceptable under Home Guarantee Scheme (HGS).

Change History

Amendment number	Amendment issue date	Description of changes
1	2 July 2023	First OBP issue online for Brokers
2	20 August 2023	**Change 1** **Updated section 2.6 Verification of information provided by the borrower to include:** • supporting document requirement for validation of NHFIC income threshold where the borrower was not required to lodge a tax return and hence not able to supply an ATO NOA, and • retained savings allowance for essential repairs where noted in a full valuation (if required) or building inspection report.
3	19 November 2023	**Change 1** Remove references to being available to 'WBC only' as now available for RRB also **Change 2** Updated section 2.6 Verification of information provided by the borrower to add that additional savings can be retained where a satisfactory explanation / reason is held and documented in OBP application notes. **Change 3** Updated links from 'NHFIC' to 'Housing Australia' to reflect name change **Change 4**

		Updated section 1.1 Why this policy to make clear that this policy is only available to applications assessed via OBP.
		Old wording
		This policy will help you to identify a borrower's eligibility for a Home Guarantee Scheme (HGS) backed consumer mortgage loan.
		New wording
		This policy will help you to identify a borrower's eligibility for a Home Guarantee Scheme (HGS) backed consumer mortgage loan.
		This offering is available for applications assessed via OBP only.
		
		Change 5
		Section 2.2 Eligibility Criteria updated to reiterate that the borrower(s) must have ownership in the security collateral property.
		Old wording
		• Borrower(s) must:
		  ◦ be an Australian **citizen** or eligible permanent resident, **and** meet the definition of an individual borrower, refer Verification of information provided by the borrower, **and**
		  ◦ comply with co-borrower eligibility requirements (where applicable), refer Eligibility > Co-borrower eligibility requirements.
		New wording
		• Borrower(s) must:
		  ◦ be an Australian **citizen** or eligible permanent resident, **and** meet the definition of an individual borrower, refer Verification of information provided by the borrower, **and**
		  ◦ have ownership in the security collateral property and comply with co-borrower eligibility requirements (where applicable), refer Eligibility > Co-borrower eligibility requirements.

4	7 April 2024	**Change 1** **Updated 'Exclusions' in section 2.2 Eligibility Criteria to include Streamlined Refinances** **Change 2** **Updated section 2.6 Verification of information provided by the borrower > Retained savings to clarify the maximum allowable retained savings over and above 6 months expenses is $10k provided meets one of the acceptable reasons and supporting document held** Old wording

Retained savings	Borrower(s) must use the maximum amount of savings as their deposit, i.e. the retained savings should not be more than: • Funds set aside for outgoing costs associated with the property purchase (e.g. stamp duty, legal fees etc), and • Six months of expenses Note: Additional savings may be retained where: • The loan is for a construction, an additional 10% of the value of the builder contract price can be retained • A full valuation (if required) or building inspection report details essential repairs are required, and the estimated cost of the repairs is within the 'Mortgage Insured' repair limit, refer Security Collateral Value Assessment > Risk Rating in Valuation Report, funds can be retained to cover this cost. • A satisfactory reason / explanation from the borrower(s) is held and documented in ApplyOnline application notes

New wording

Retained savings	Borrower(s) must use the maximum amount of their savings as their deposit, i.e. the retained savings calculated by OBP should not be more than: • Six months of expenses, **PLUS (only where applicable) additional:** • 10% of the value of the build contract, where the loan is for a construction. • Up to $10,000 for: • Essential repairs as detailed in a building inspection report or by the Valuer where a Full Valuation is required, refer Security Collateral Value

		Assessment > Risk Rating in Valuation Report > Mortgage insured • A satisfactory reason has been provided by the borrower and documented in ApplyOnline application notes, with supporting documents uploaded to ApplyOnline.

5	19 May 2024	**Change 1**
		Updated section 2.6 Verification of information provided by the borrower to include additional supporting documents to verify borrower(s) income below income thresholds.
		
		Old wording
		
		• Income <= annual income limit:
		  ○ $125,000 single borrower
		  ○ $200,000 joint borrowers
		
		• Taxable income amount(s) from the previous year's ATO Notice of Assessment (NOA).
		Notes:
		• ATO NOA must meet maximum age of document requirements, refer Document Standards > Rules you must apply > Minimum Document Standards Table
		• Where the borrower is not required to lodge a tax return (i.e. income earned in the prior financial year was $nil or below the tax free income threshold) and therefore not able to provide an ATO NOA, a copy of the borrower's ATO 'Non-lodgement Advice' must be provided.
		
		New wording
		
		• Income <= annual income limit:
		
		• Taxable income amount(s) from the previous year's ATO

			◦ $125,000 single borrower ◦ $200,000 joint borrowers	Notice of Assessment (NOA). **Where the above cannot be provided as the borrower:** • Was not required to lodge a tax return in the prior financial year as their income earned was $nil or below the tax free income threshold, a copy of the borrower's ATO 'Non-lodgement Advice' must be provided **Or** • Has recently migrated to Australia and holds an acceptable permanent Visa, then can provide: ◦ A copy of their spousal co-borrower's previous year tax return showing $nil income earned by the borrower (spouse on tax return), or ◦ A copy of the borrower's ATO myGov printout evidencing no past lodged or due tax returns. **Or** • Did not have an Australian Tax File number in the previous financial year, a copy of their letter from the ATO, dated within the current financial year and confirming the borrower's new tax File Number, may be used to confirm $nil income **Notes**: • ATO NOA must meet maximum age of document requirements, refer Document Standards > Rules you must apply > Minimum	

		Document Standards Table

6	30 June 2024	**Change 1**
		Reformatted section 2.2 Eligibility Criteria and added the following:
		• **Income Threshold:**
		  ○ Where Apportioned household expenses and shared commitments – Spousal same household policy is used, the combined prior financial year income of the applicant and non-applicant spouse, must be assessed the same as joint borrowers, i.e. must not exceed $200,000
		  ○ Add link to Verification of information provided by the borrower.
		Change 2
		Updated section 2.6 Verification of information provided by the borrower to clarify the:
		• **Requirements for ATO NOA's for new financial year, and**
		• **Automated OBP calculated retained savings**
		
		Old wording
		
		• Income <= annual income limit:
		  ○ $125,000 single borrower
		  ○ $200,000 joint borrowers
		
		• Taxable income amount(s) from the previous year's ATO Notice of Assessment (NOA).
		
		Where the above cannot be provided as the borrower:
		• Was not required to lodge a tax return in the prior financial year as their income earned was $nil or below the tax free income threshold, a copy of the borrower's ATO 'Non-lodgement Advice' must be provided
		Or
		• Has recently migrated to Australia and holds an acceptable permanent Visa, then can provide:
		  ○ A copy of their spousal co-borrower's previous year tax return showing $nil income earned by

				the borrower (spouse on tax return), or ○ A copy of the borrower's ATO myGov printout evidencing no past lodged or due tax returns. **Or** • Did not have an Australian Tax File number in the previous financial year, a copy of their letter from the ATO, dated within the current financial year and confirming the borrower's new tax File Number, may be used to confirm $nil income **Note**: ATO NOA must meet maximum age of document requirements, refer Document Standards > Rules you must apply > Minimum Document Standards Table	
			Retained savings	Borrower(s) must use the maximum amount of their savings as their deposit, i.e. the retained savings calculated by OBP should not be more than: • Six months of expenses, **PLUS (only where applicable) additional:** • Up to $10,000 for: ○ Essential repairs as detailed in a building inspection report or by the Valuer where a Full Valuation is required, refer Security Collateral Value Assessment > Risk Rating in Valuation Report > Mortgage insured. ○ A satisfactory reason has been provided by the borrower and	

	documented in OBP application notes, with supporting documents uploaded to OBP, refer OBI > Home Guarantee Scheme > Retained Savings Guide, for a list of acceptable / unacceptable reasons. **Note:** Where the application declines due to retained savings exceeding the allowable retained savings detailed above, the loan amount must be reduced or the application referred to Credit for consideration, with a satisfactory reason and supporting documentation.

New wording

• Income <= annual income limit:
  ○ $125,000 single borrower
  ○ $200,000 joint borrowers
	• Taxable income amount(s) from the immediately prior year's ATO Notice of Assessment (NOA)*.
	Where the above cannot be provided as the borrower:
	• Was not required to lodge a tax return in the prior financial year as their income earned was $nil or below the tax free income threshold, a copy of the borrower's ATO 'Non-lodgement Advice' must be provided
	Or
	• Has recently migrated to Australia and holds an acceptable permanent Visa, then can provide:
	• A copy of their spousal co-borrower's previous year tax return showing $nil income earned by

	the borrower (spouse on tax return), or • A copy of the borrower's ATO myGov printout evidencing no past lodged or due tax returns. **Or** • Did not have an Australian Tax File number in the previous financial year, a copy of their letter from the ATO, dated within the current financial year and confirming the borrower's new tax File Number, may be used to confirm $nil income ***Note**: Where the scheme place reservation is made on or after 1 July: • Up to and including 31 August, an in principal approval (IPA) can be provided without the ATO NOA, however, the immediately prior financial year ATO NOA is required prior to unconditional approval • From 1 September, all applications must have the immediately prior financial year ATO NOA
Retained savings	Borrower(s) must use the maximum amount of their savings as their deposit, i.e. the retained savings **calculated by OBP** should not be more than: • Six months of expenses i.e. higher of customer declared (HEM comparable) expenses and HEM, and • 10% of the value of the build contract, where loan is for construction **PLUS (only where applicable) additional:**

			• Up to $10,000 for: • Essential repairs as detailed in a building inspection report or by the Valuer where a Full Valuation is required, refer Security Collateral Value Assessment > Risk Rating in Valuation Report > Mortgage insured. • A satisfactory reason has been provided by the borrower and documented in OBP application notes, with supporting documents uploaded to OBP, refer OBI > Home Guarantee Scheme > Retained Savings Guide, for a list of acceptable / unacceptable reasons. **Note:** Where the application declines due to retained savings exceeding the allowable retained savings detailed above, the loan amount must be reduced or the application referred to Credit for consideration, with a satisfactory reason and supporting documentation

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