
Australian Government 5% Deposit Scheme

Scheme Rules

Dated 1 October 2025

Housing Australia

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General terms

1 Interpretation

1.1 Commencement

These Scheme Rules commence on 1 October 2025

This version of the Scheme Rules replaces the document dated 1 July 2025.

1.1A Purpose

These Scheme Rules are issued pursuant to section 29JA of the Housing Australia Investment Mandate and are intended to govern the administration and ongoing operation of the scheme specified in section 8A of that Direction.

1.2 Definitions

Unless the contrary intention appears, in this document these terms have the following meanings:

Application means each Reserve Application, Pre-Approval Application, Contracts Application, Guarantee Certificate Application, Refinancing Enquiry and Refinancing Guarantee Certificate Application (as the context admits).

Application Information means all the Information, documents and materials specified:

- (a) for any Reserve Application, in Part 1 of Schedule 1 ("Required Information");
- (b) for any Pre-Approval Application, in Part 2 of Schedule 1;
- (c) for a Guarantee Certificate Application that relates to any new Scheme-Backed Loan, in Part 3 of Schedule 1;
- (d) for a Contracts Application that relates to any new Scheme-Backed Loan, in Part 4 of Schedule 1; and
- (e) for a Refinancing Enquiry or Refinancing Guarantee Certificate Application that relates to any Refinancing Loan, in Part 5 of Schedule 1.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

Assessable Income has the meaning given to that term in section 995-1 of the *Income Tax Assessment Act 1997* (Cth).

ATO Notice of Assessment means, in relation to a borrower, a Notice of Assessment issued by the Australian Taxation Office detailing the outcome of the assessment of the taxable income of the borrower.

Australian Credit Licence has the meaning given to that term for the purposes of the NCCP.

Benchmarking Data means any information requested by Housing Australia to assist it to:

- (a) understand whether its observations under the Scheme are within reason, largely in line with its understanding of the broader first home buyer market or, in the case of Single Parent Streams, single parents' demand for housing;
- (b) determine whether the Scheme is achieving its broader policy objectives; or
- (c) determine potential areas for improvement for the Scheme.

Borrower Hardship means, in relation to a borrower and a Participating Lender, circumstances of financial or other hardship for the borrower, as recognised under:

- (a) Lender (COVID-19) Policies, that may affect the borrower's ability to service a relevant Scheme- Backed Loan and where the Participating Lender is required or has elected to assist the borrower as part of its response to the COVID-19 pandemic and during the COVID-19 Pandemic Period; or
- (b) Relevant Law or other Lender Policies, that may affect the borrower's ability to service a relevant Scheme-Backed Loan and where the Participating Lender is required or has elected to assist the borrower as part of a forbearance process.

Business Day means a day (excluding Saturday and Sunday) on which banks are generally open in Sydney and Melbourne.

Built to Replace a Demolished Dwelling means a Dwelling that has been built whilst owned by the vendor to replace demolished premises on the same land.

Claim means a valid claim made by a Participating Lender in respect of a Guaranteed Liability in accordance with the Claims Procedures.

Claims Procedures means the procedures set out in Rule 11 ("Claims Procedures").

Commencement Date means, in relation to a Participating Lender, the date so designated in the applicable Participating Lender Deed entered into between Housing Australia and that Participating Lender.

Commonwealth means the Commonwealth of Australia.

Construction Commenced or to Commence or Construction has Commenced means, for a Dwelling, building is taken to have commenced when site works, including excavation for the approved building works, to the top of the base level is complete. Commencement may be supported by evidence such as a statutory declaration from the builder or a mandatory notification form which is used to notify local councils of stages of work.

Construction Completed or Construction to Complete or Construction has been Completed means the earlier of the date of practical completion for all works under the Eligible Building Contract or the date the Dwelling may be legally occupied as a Residential Property.

Completion may be supported by evidence such as a statutory declaration from the builder or a mandatory notification form which is used to notify local councils of stages of work.

Contracts Application has the meaning given in Rule 4.3 ("Reserve, Pre- Approval & Contracts Applications").

Corporations Act means the *Corporations Act 2001* (Cth).

Data Breach means any unauthorised access to, use or disclosure of Scheme Data.

Default means, in relation to a Scheme-Backed Loan, a default by the Individual Borrower or Joint Borrowers under the terms of that Scheme-Backed Loan that occurs on or after the effective date for the Guarantee.

Disposal Event means, in relation to any mortgaged property securing a Scheme-Backed Loan, the mortgaged property being sold to an arm's length purchaser on arm's length terms:

- (a) by the Participating Lender; or
- (b) pursuant to a voluntary sale that is required by a Participating Lender to be made in respect of a Default under the Scheme-Backed Loan.

Dwelling means a room or suite of rooms occupied, used, constructed or adapted to be capable of being legally occupied for residential purposes.

Eligibility Criteria means for a:

- (a) new Scheme-Backed Loan, the requirements for persons to be Eligible Borrowers, loans to be Eligible Loans and Residential Property to be Eligible Property, in each case, for the purposes of the Scheme; and
- (b) a Refinancing Loan, the Eligible Refinancing Loan requirements.

Eligible Borrower has the meaning given in Rule 3.2 ("Eligible Borrowers").

Eligible Building Contract means a building contract:

- (a) with a builder who holds all the licences and registrations required by law in the relevant jurisdiction to perform the work set out in the contract;
- (b) for which insurance policies are in place in relation to the construction of the dwelling;
- (c) entered into on an arm's-length basis; and
- (d) that specifies a contract sum in respect of the construction of the fully completed residential dwelling. with a licensed and registered builder.

To avoid doubt, 'owner builder' contracts are not eligible building contracts for the Purposes of the Australian Government 5% Deposit Scheme.

Eligible Construction Loan means an Eligible Loan that requires:

- (a) the Eligible Borrower to enter into an Eligible Building Contract within 6 months of the Loan Settlement Date of the Eligible Loan to acquire the land upon which a Dwelling will be fixed;
- (b) Construction to Commence within 12 months of the day on which the Eligible Borrower becomes the registered owner of the land upon which a Dwelling will be fixed; and
- (c) Construction to Complete within 36 months of the day on which the Eligible Borrower becomes the registered owner of the land upon which a Dwelling will be fixed,

or, in relation to a particular case where Housing Australia is satisfied that it is necessary or appropriate to adjust the timeframes, the timeframe requirements specified by Housing Australia by notice given, in writing, to the eligible lender.

Eligible Data Breach, in relation to a Participating Lender, has the same meaning as given to that term in the Privacy Act but only insofar as it relates to a Scheme-Backed Loan provided by that Participating Lender.

Eligible Lease means, in relation to any land, an instrument made on terms that the Eligible Borrower has, or may, at their own option (which may be subject to other conditions being satisfied) elect to assume, an interest in a lease of that land with a term of 50 years (or more).

Eligible Loan has the meaning given in Rule 3.3 ("Eligible Loans").

Eligible Property has the meaning given in Rule 3.4 ("Eligible Property").

Eligible Refinancing Loan has the meaning given in Rule 9.2 ("Eligible Refinancing Rules").

Eligible Regional First Home Buyer means:

- (a) an eligible home buyer who has lived within the Regional Area where the property that buyer is seeking to purchase is located, or an adjacent Regional Area, for the 12 months prior to the Loan Agreement Date; or
- (b) an eligible home buyer who has lived within the Regional Area where the property that buyer is seeking to purchase is located, or an adjacent Regional Area, for a part of the period of 12 months prior to the Loan Agreement Date but throughout the rest of that period of 12 months, it has been impracticable for the buyer to do so because:
 - (i) of a posting required in the course of the buyer performing their duties as a member of the Australian Defence Force; or
 - (ii) the buyer has, after having been employed by the same employer for at least 12 months, been required, by that employer, to relocate.

Eligible Single Legal Guardian means a person who satisfies the requirements of section 29D(2A) of the Housing Australia Investment Mandate.

Eligible Single Parent means a person who satisfies the requirements of section 29D(3) of the Housing Australia Investment Mandate.

Enforcement means, in relation to a Scheme-Backed Loan:

- (a) a Default has occurred in respect of that Scheme-Backed Loan;
- (b) a Disposal Event has occurred as a consequence of that Default; and
- (c) all amounts available to the Participating Lender for such purposes have been applied towards payment of amounts owing under the Scheme-Backed Loan.

Established Dwelling means a Residential Property which:

- (a) may be legally occupied as at the Loan Settlement Date; and

- (b) in the case of a property which is to be purchased using a loan which is to be the subject of;
- (i) a General Stream, is purchased under a contract of sale dated no earlier than 1 January 2020; or
 - (ii) a Single Parent Stream, is purchased under a contract of sale dated no earlier than 1 July 2021; or
 - (iii) a Regional First Home Buyer Guarantee, is purchased under a contract of sale dated no earlier than 1 October 2022,

and, to avoid doubt, does not include any Residential Property that is a New Build Dwelling.

Financial Year means each period of 12 months commencing on 1 July in a calendar year and ending on 30 June in the following calendar year, provided that the first Financial Year applicable to the Scheme commences on 1 January 2020 and ends on 30 June 2020.

First Grant Crown Land means Crown land in the Australian Capital Territory which has been subdivided and released by the SLA for acquisition by purchasers and in respect of which an Eligible Lease for the relevant subdivided block will be delivered by SLA at settlement and registered with Access Canberra – Land Titles after settlement.

Formally Approved Claims means all Claims submitted by a Participating Lender in accordance with Rule 11 in respect of a Quarter which have been approved for payment by Housing Australia.

General Stream (formerly known as the First Home Guarantee) means a guarantee issued, or to be issued, to a Participating Lender under section 29I of the Housing Australia Investment Mandate in respect of an Eligible Loan to an Eligible Borrower who is an “eligible home buyer” for the purposes of section 29D (“Eligible home buyer, eligible single legal guardian and eligible single parent”) of the Housing Australia Investment Mandate, that is not a New Home Guarantee, a Single Parent Stream or a Regional First Home Buyer Guarantee.

General Stream Scheme-Backed Loan means a Scheme-Backed Loan in respect of which a General Stream Guarantee Certificate has been, or will be, issued.

Guarantee means the Deed of Guarantee in respect of the Australian Government 5% Deposit Scheme (formerly known as the First Home Loan Deposit Scheme and the Home Guarantee Scheme) made by Housing Australia in favour of Participating Lenders effective from 1 January 2020.

Guarantee Certificate means a certificate issued by Housing Australia in accordance with the Guarantee and these Rules to evidence registration of a Scheme-Backed Loan under the Guarantee.

Guarantee Certificate Application has the meaning given in Rule 4.5(a) (“Guarantee Certificate Applications”).

Guaranteed Liability has the meaning given in the Guarantee.

Guaranteed Maximum Liability has the meaning given in the Guarantee.

Health Care Facility means a hospital or an accredited psychiatric care facility or hospice.

Health Care Professional means a qualified medical practitioner or psychiatrist.

Health Exemption means, in respect of a borrow and a residence purchased with an Eligible Loan, the satisfaction of each of the following criteria:

- (a) during any relevant period:
 - (i) the borrower has been unable to occupy that residential property as an owner-occupied residence because of a serious illness which requires them to be admitted to a Health Care Facility for treatment or to reside with a carer; or
 - (ii) the borrower has carer responsibilities for a person who suffers from such serious illness;
- (b) in the case of a borrower referred to in subparagraph (a)(i), the admission of the borrower to a Health Care Facility for treatment or to reside with a carer has been the subject of a written recommendation by a Health Care Professional; and
- (c) in respect of whom the Participating Lender has received a Health Exemption Approval.

Health Exemption Approval means approval issued by Housing Australia to a Participating Lender in respect of an application submitted via the Scheme Portal by that Participating Lender for a person to be approved as a person who satisfies the criterion in paragraphs (a), (b) and (c) of the definition of “Health Exemption” and, as a result, Housing Australia is satisfied that it is impracticable for the property to continue to be used as an owner-occupied residence.

Health Exemption Extension means an approval issued by Housing Australia to a Participating Lender under Rule 3.6(f) in response to an application by that Participating Lender for a person, who has had the benefit of the Health Exemption for a period of up to 3 years, to continue to have the benefit of the Health Exemption” for a further period as approved by Housing Australia.

Home Buyer Declaration means each statutory declaration made by each borrower in the form made available by Housing Australia to Participating Lenders from time to time in respect of a Scheme- Backed Loan.

House and Land Package means a house and land package relating to Residential Property where, prior to the Loan Settlement Date, the Eligible Borrower has:

- (a) entered into a contract of sale for the purchase of the land upon which the Residential Property will be affixed; and
- (b) entered into an Eligible Building Contract (either as part of the contract of sale for the purchase of the relevant land or as a separate stand-alone contract forming part of the overall land acquisition package); and
- (c) in respect of First Grant Crown Land, executed an Eligible Lease with the proposed settlement date of the land acquisition entered as the grant date and commencement date of the lease and returned that lease to SLA, and the contract of sale and Eligible Building Contract are entered into by the Eligible Borrower with the same counterparty (or counterparties from the same corporate group).

Housing Australia means Housing Australia (ABN 22 498 714 570).

Housing Australia Act means the *Housing Australia Act 2018* (Cth).

Housing Australia Investment Mandate means the Housing Australia Investment Mandate Direction 2018 (Cth).

Individual Borrower means an Eligible Borrower who, individually, applies for a Scheme-Backed Loan as the sole borrower of record.

Information means all information, regardless of its form (including any form (whether visible or not) of storage from which the information can be reproduced and any form in which the information is embodied or encoded), relating to or developed in connection with the Scheme and the Scheme Documents, including, in the case of an Eligible Borrower, all information provided in any Application materials to a Participating Lender and made available to Housing Australia at any time before, on or after the date of these Rules.

Internal Audit has the meaning given in Rule 6.1(a) ("Internal Audits").

Joint Borrowers means 2 Eligible Borrowers who, together, apply for a Scheme-Backed Loan or Refinancing Loan as the borrowers of record.

Land and Separate Contract to Build Home means an arrangement to acquire land under a contract of sale or Eligible Lease and enter into a separate contract to build a home relating to Residential Property on that land.

Lender (COVID-19) Policies means, in relation to a Participating Lender, the policies and procedures of the Participating Lender developed in response to, and aimed at alleviating, the financial or other hardship for a borrower arising, directly or indirectly, as a consequence of the COVID-19 pandemic.

Lender Policies means, in relation to a Participating Lender, the policies and procedures of the Participating Lender which apply in the origination, administration and management of Scheme- Backed Loans and which are including, without limitation, Lender (COVID-19) Policies, any credit lending, valuation, responsible lending, collections and arrears management, hardship and enforcement policies.

Lending Policy Questionnaire means, in relation to a Participating Lender, the questions and information set out in Schedule 4 ("Lender Policy Questionnaire").

Loan Agreement Date means, in relation to:

- (a) an Eligible Loan and a person, the date that person enters into a loan agreement with the relevant Participating Lender for the Eligible Loan; or
- (b) a Refinancing Loan and a person, the date that person enters into a loan agreement with the relevant Participating Lender for the Refinancing Loan.

Loan Limit means, in relation to an Eligible Loan or a Refinancing Loan with a Participating Lender, the total principal amount of the loan(s) that is committed (whether conditionally or unconditionally) to be advanced by that Participating Lender.

Loan Settlement Date means:

- (a) for the purchase of an Eligible Property under a General Stream, Single Parent Stream, or Regional First Home Buyer Guarantee, that is:
 - (i) an Established Dwelling or a New-Build Dwelling under an Off-the-Plan Arrangement, the date on which the loan is drawn to purchase that property; or

- (ii) a New-Build Dwelling under either a House and Land Package or a Land and Separate Contract to Build Home, the first date on which funds are advanced under the loan in connection with that arrangement; or
- (b) for the purchase of an Eligible Property under a New Home Guarantee that is:
 - (i) a Newly Constructed Dwelling or New Home Guarantee Dwelling under an Off-the-Plan Arrangement, the date on which the loan is drawn to purchase that property; or
 - (ii) a New Home Guarantee Dwelling under either a House and Land Package or a Land and Separate Contract to Build Home, the first date on which funds are advanced under the loan in connection with that arrangement; or
- (c) for a Refinancing Loan, the date on which the refinancing loan is drawn to repay an outstanding Scheme-Backed Loan.

LVR means, in respect of any loan, the loan to value ratio being the loan amount expressed as a percentage of the Value of the property.

Major Bank means each “major bank” as defined in the Housing Australia Investment Mandate.

Marketing and Collateral Guidelines means the guidelines set out in Schedule 5 (“Marketing & Collateral Guidelines”).

Marketing and Promotional Material means any information given, representations made or materials created, published, or distributed in connection with (or referencing) the Scheme or the Scheme Documents or the affairs of Housing Australia and includes any digital and print advertising, official or corporate social media content, website and mobile application copy, video and audio content, product disclosure statements, key fact sheets, and scripts for customer-facing staff.

Material Policy Change Report means a report in the form of the template in Annexure E of the Participating Lender Guide.

Minimum Deposit Amount has the meaning given in Rule 3.2 (“Eligible Borrowers”).

Minister has the meaning given to that term for the purposes of the Housing Australia Act.

Mortgaged-backed Funding Arrangement has the meaning given in Rule 10.1 (“Permitted Transfers”).

NCCP means the *National Consumer Credit Protection Act 2009* (Cth), including the National Credit Code annexed to that Act.

NCCP Regulations means the *National Consumer Credit Protection Regulations 2010* (Cth).

Never Been Occupied means, in respect of a New Home Guarantee Dwelling, prior to being sold the Newly Built Dwelling has not been previously occupied as a place of residence.

Never Been Rented or Leased means, in respect of a New Home Guarantee Dwelling, prior to being sold the Newly Built Dwelling has never been rented or leased, or made available for rental or lease, as commercial residential premises or residential premises.

New-Build Dwelling means a Residential Property that is to be newly constructed as part of:

- (a) a House and Land Package;
- (b) a Land and Separate Contract to Build Home; or
- (c) an Off-the-Plan Arrangement,

but does not include a New Home Guarantee Dwelling.

New Home Guarantee means a guarantee that was issued to a Participating Lender under section 291A of the Housing Australia Investment Mandate.

New Home Guarantee Dwelling means a Newly Built Dwelling, being a Residential Property that is:

- (a) a Newly Constructed Dwelling; or to be newly constructed as part of:
 - (i) a House and Land Package; or
 - (ii) a Land and Separate Contract to Build Home.

For the avoidance of doubt, this does not include a Dwelling to be newly constructed by an Eligible Borrower(s) which will be either:

- (iii) Built to Replace a Demolished Dwelling, or
 - (iv) a Substantially Renovated Dwelling; or
- (b) an Off-the-Plan Arrangement,

and, in each case, during the period on and from the date Construction has been Completed and until the Loan Settlement Date, the Newly Built Dwelling has:

- (c) Never Been Occupied; or
- (d) Never Been Rented or Leased, whilst owned by the vendor.

New Home Guarantee Scheme-Backed Loan means a Scheme-Backed Loan in respect of which a New Home Guarantee Certificate has been issued.

Newly Built Dwelling has the same meaning as given to the term 'newly built dwelling' as defined in the Housing Australia Investment Mandate.

Newly Constructed Dwelling means a Residential Property which:

- (a) may be legally occupied as at the Loan Settlement Date; and
- (b) Construction Completed on or after 1 January 2020. It includes a Dwelling:
- (c) that, prior to entering into a contract of sale, was:
 - (i) Built to Replace a Demolished Dwelling; or
 - (ii) a Substantially Renovated Dwelling;

- (d) but does not include any Residential Property that is purchased under an Off-the-Plan Arrangement.

Nominated Brand means:

- (a) each other division name, brand or trading name of the Participating Lender specified in the Details of its Participating Lender Deed; and
- (b) each other division name, brand or trading name of the Participating Lender that is used by it in connection with residential mortgage lending that will represent the Participating Lender in connection with the offer of Scheme-Backed Loans, as notified by the Participating Lender to Housing Australia from time to time.

Non-Major Bank Lender means each person designated as a Non-Major Bank Lender under a Participating Lender Deed.

Off-the-Plan Arrangement means a contract of sale entered into for the purchase of a lot of Residential Property in an unregistered plan (or, if entered into for the purchase of a lot in a Residential Property in a registered plan, which, at that date, cannot be legally occupied), provided that:

- (a) where the Eligible Loan to purchase that property is to be the subject of a General Stream, a Single Parent Stream, or a Regional First Home Buyer Guarantee at the time a Guarantee Certificate Application is made, the Loan Settlement Date will occur within 90 days of the date of a Guarantee Certificate being issued under the Scheme; or
- (b) where the Eligible Loan to purchase that property is to be the subject of a New Home Guarantee, the Off-the-Plan Arrangement is an Eligible Off-the-Plan Arrangement under a New Home Guarantee.

Participating Lender means each person who:

- (a) is a credit provider (as defined in the National Credit Code) who is appropriately licensed under all Relevant Laws to engage in the credit activity of providing residential mortgage loans in Australia or is exempt under such Relevant Laws from such licensing requirements;
- (b) is approved in writing by Housing Australia as an eligible lender for a Financial Year for the purposes of section 29B ("Eligible lender") of the Housing Australia Investment Mandate; and
- (c) has entered into a Participating Lender Deed with Housing Australia that has not been terminated.

Participating Lender Deed means a deed under which Housing Australia approves a person as an eligible lender for the purposes of section 29B ("Eligible lender") of the Housing Australia Investment Mandate and appoints that person as a "Participating Lender" for the purposes of the Scheme.

Participating Lender Guide means the guide issued by Housing Australia to Participating Lenders.

Periodic Loan Data means the information set out in Schedule 3 (Periodic Loan Data").

Permanent Resident has the same meaning as in the *Australian Citizenship Act 2007* (Cth). **Permitted Loan Term** has the meaning given in Rule 9.2 ("Eligible Refinancing Rules").

Permitted Maximum Loan Amount has the meaning given in Rule 9.2 (“Eligible Refinancing Rules”).

Permitted Transfer means, in relation to a Scheme-Backed Loan, an assignment or transfer of that Scheme-Backed Loan made in accordance with Rule 10 (“Transfers of Scheme-Backed Loans”).

Pre-Approval Application has the meaning given in Rule 4.3(b) (“Reserve, Pre-Approval & Contracts Applications”).

Price Cap means, in relation to a Residential Property, the price cap for the area in which the Residential Property is located as provided by section 29F (“Price cap”) of the Housing Australia Investment Mandate, having regard to the nature of the Guarantee to be issued in respect of a Scheme- Backed Loan for that property.

Price Cap Area Identification Schedule means the document or file so entitled and made available by Housing Australia to the Participating Lender in relation to the identification of Price Caps by postcode.

Price Cap Determination Date means, in respect of an Eligible Loan to be provided by a Participating Lender to an Eligible Borrower, the date that the Participating Lender makes an initial reservation of a Scheme Place for that loan in accordance with Rule 4.3 (“Reserve, Pre- Approval & Contracts Applications”).

Privacy Act means the *Privacy Act 1988* (Cth).

Purchase-Related Improvement means, in relation to any Eligible Property, any renovation or improvement of that property in connection with its purchase, provided in all cases that such renovations or improvements do not cause the Value of the property (or the sum of the purchase price plus the Purchase-Related Improvements) to exceed the relevant Price Cap at any time.

Quarter means each period of 3 months ending on 31 March, 30 June, 30 September or 31 December in any year.

Refinancing Criteria has the meaning given in Rule 9.2 (“Eligible Refinancing Rules”).

Refinancing Guarantee Certificate Application has the meaning given in Rule 9 (“Refinancing Certificate Applications”).

Refinancing Enquiry has the meaning given in Rule 9.3(b)(i) (“Refinancing Certificate Applications”).

Refinancing Loan means an Eligible Refinancing Loan that is made by a Participating Lender in accordance with the Scheme Documents in respect of which Housing Australia has issued a Guarantee Certificate.

Regional Area has the same meaning as the term “regional area” in section 4A(3) of the Housing Australia Investment Mandate being all Statistical Area Level 4 areas in a State or the Northern Territory that are not also Greater Capital City Statistical Areas; Norfolk Island; the Jervis Bay Territory; the Territory of Christmas Island and the Territory of the Cocos (Keeling) Islands. It does not include any part of the ACT.

A Regional Area is **adjacent** to another Regional Area if the first-mentioned Regional Area has an adjoining or connecting boundary with the other Regional Area. Only Regional Areas in mainland Australia will have adjacent Regional Areas. Each of Norfolk Island, Christmas Island and the Coco (Keeling) Islands fall within a single Regional Area.

Note: Housing Australia has created a public facing Regional Purchase Postcode tool on the

Housing Australia website (housingaustralia.gov.au) that will assist lenders, brokers and the public with determining if the postcode the borrower is purchasing in is an eligible postcode.

Regional First Home Buyer Guarantee means a guarantee issued, or to be issued, to a Participating Lender under section 29IBA of the Housing Australia Investment Mandate in respect of an Eligible Loan for the purchase of a property in a Regional Area by an Eligible Regional Home Buyer.

Regional First Home Buyer Guarantee-Backed Loan means a Scheme-Backed loan in respect of which a Regional First Home Buyer Guarantee Certificate has been, or will be, issued.

Relevant Exemption means either of the Relocation Exemption or Health Exemption.

Relevant Interest in Land means:

- (a) a lease of land in Australia (including a renewal or extension of such a lease) as described in paragraph 104-115(1)(b) of the *Income Tax Assessment Act 1997* (Cth); or
- (b) a company title interest (within the meaning of Part X of the *Income Tax Assessment Act 1936* (Cth) in land in Australia

Relevant Laws means all laws relating to consumer credit, including:

- (a) the NCCP;
- (b) the *National Consumer Credit Protection (Fees) Act 2009* (Cth);
- (c) the *National Consumer Credit Protection Amendment Act 2010* (Cth);
- (d) any legislation enacted in connection with any of the Acts set out in paragraphs (a) to (c) of this definition, the NCCP Regulations and any other regulations made under any of the Acts set out in paragraphs (a) to (c) of this definition; and
- (e) Division 2 of Part 2 of the *Australian Securities and Investments Commission Act 2001* (Cth), and regulations made for the purpose of that Division, so far as it relates to the obligations in respect of an Australian Credit Licence issued under the NCCP; and any other Commonwealth, State or Territory law that covers conduct relating to credit activities (whether or not it also covers other conduct), but only insofar as it covers conduct relating to credit activities.

Relocation Exemption means during any relevant period, in respect of a borrower, the satisfaction of the following criteria:

- (a) the borrower is unable to occupy a residential property as an owner-occupied residence because the borrower, after having been employed by the same employer for at least 12 months, has been required, by that employer, to relocate for a period of not greater than 3 years and is a person in respect of whom the Participating Lender has received a Relocation Exemption Approval; or
- (b) the borrower is unable to occupy a residential property as an owner-occupied residence because of a posting required in the course of the person performing

their duties as a member of the Australian Defence Force, other than as a member of the Reserves, as those terms are defined in the *Defence Act 1903* (Cth).

Relocation Exemption Approval means an approval issued by Housing Australia to a Participating Lender in respect of an application submitted via the Scheme Portal by that Participating Lender for a person to be approved as a person who satisfies the criterion in paragraph (a) of the definition of “Relocation Exemption”.

Relocation Exemption Extension means an approval issued by Housing Australia to a Participating Lender under Rule 3.6(e) in response to an application by that Participating Lender for a person, who has had the benefit of the Relocation Exemption under paragraph (a) of that definition for a period of up to 3 years, to continue to have the benefit of the “Relocation Exemption” for a further period as approved by Housing Australia.

Representative means, in relation to a Participating Lender, any third-party broker or other person that is authorised by the Participating Lender to suggest that Eligible Borrowers may apply for, or to assist Eligible Borrowers to apply for, Scheme-Backed Loans with the Participating Lender.

Reserve Application has the meaning given in Rule 4.3(a) (“Reserve, Pre-Approval & Contracts Applications”).

Residential Property has the same meaning as given to the term “residential property” in the NCCP.

Scheme means the Australian Government’s Australian Government 5% Deposit Scheme (formerly known as the First Home Loan Deposit Scheme and the Home Guarantee Scheme), established by Housing Australia in accordance with the Housing Australia Act and Part 5A of the Housing Australia Investment Mandate. It includes a General Stream, a New Home Guarantee, a Single Parent Stream and a Regional First Home Buyer Guarantee.

Scheme-Backed Loan means an Eligible Loan or a Refinancing Loan that is made by a Participating Lender in accordance with the Scheme Documents and which is, or upon the issue of a Guarantee Certificate will be, the subject of a General Stream, a New Home Guarantee, a Single Parent Stream, or a Regional First Home Buyer Guarantee.

Scheme Data means all relevant data and information relating to the Scheme in whatever form that information may exist and whether entered into, stored in, generated by, processed or made available for download, through the Scheme Portal.

Scheme Documents means:

- (a) these Rules;
- (b) the Guarantee; and
- (c) as between Housing Australia and a Participating Lender, the Participating Lender Deed entered into by that Participating Lender.

Scheme Place means, for a Financial Year, an allotment for the issue of a Guarantee Certificate under the Scheme in that Financial Year, subject to the terms and conditions of these Rules and includes an allotment for the issue of a Guarantee Certificate for a General Stream, New Home Guarantee, a Single Parent Stream or a Regional First Home Buyer Guarantee.

Scheme Place Allocation has the meaning given in clause 4.1(“Scheme Place Allocations”).

Scheme Portal means:

- (a) the “Lenders Portal” website administered by Housing Australia and accessible at hgs.housingaustralia.gov.au;
- (b) the platform which Participating Lenders use to submit Scheme Governance, Reporting and Compliance documentation via lenderportal.housingaustralia.gov.au on request by Housing; and/or
- (c) any other internet site, portal or data or communication system or method designated as such by Housing Australia from time to time in relation to the administration of the Scheme.

Scheme Portal User Manual means the policy manual made available by Housing Australia to Participating Lenders in relation to the use and operation of the Scheme Portal.

Security Incidents means any actual or suspected breach of security (whether relating to information, logical, physical or system security or otherwise) relating to the Scheme Portal.

Single Parent Stream (formerly known as the Family Home Guarantee) means a guarantee issued, or to be issued, to a Participating Lender under section 29IB of the Housing Australia Investment Mandate in respect of an Eligible Loan to an Eligible Single Parent or Eligible Single Legal Guardian.

Single Parent Stream Scheme-Backed Loan means a Scheme-Backed Loan in respect of which a Single Parent Stream Guarantee Certificate has been, or will be, issued.

SLA means the Suburban Land Agency, being an agency of the Australian Capital Territory Government.

Specified Rate means, in respect of any overdue amount and for each day that such amount remains unpaid (inclusive of the day on which it is paid), the general interest charge rate as determined in accordance with section 8AAD of the *Taxation Administration Act 1953* (Cth) on the first day the amount becomes overdue (expressed as daily rate).

Spot Check has the meaning given in Rule 6.2(a) (“Spot Checks”).

Substantially Renovated Dwelling means a Dwelling created whilst owned by the vendor through substantial renovations and for these purposes, means a Dwelling in which all, or substantially all, of a building is removed or replaced. However, the renovations need not involve removal or replacement of foundations, external walls, interior supporting walls, floors, roof or staircases.

Suspension Event, in relation to a Participating Lender, means:

- (a) upon receipt of a Material Policy Change Report (as required under Rule 5.1(c) (“Information and reporting requirements”) of the Scheme Rules), Housing Australia considers the change to be materially adverse to Housing Australia, the Commonwealth or the interests of the Scheme and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event;
- (b) following any recommendations provided by Housing Australia to the Participating Lender under Rule 6 (“Audit”) of the Scheme Rules it is discovered (by a further Spot Check or otherwise) that remedial action has not been implemented by the Participating Lender or that further instances of non-compliance are occurring, and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event;

- (c) in Housing Australia's opinion, it is necessary or desirable to suspend operation of the Scheme and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event;
- (d) the Participating Lender fails to perform or observe any of its obligations under Scheme Documents where such failure is material (in the opinion of Housing Australia, acting reasonably) and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event;
- (e) the Participating Lender has, or may have, committed serious or persistent breaches of any Relevant Laws applicable to it;
- (f) either ASIC or APRA has notified Housing Australia that in its opinion, and having regard to its statutory objective, the Participating Lender's participation in the Scheme should be suspended; or
- (g) the Participating Lender has been the subject of a Change in Control or has merged or amalgamated with another legal entity and:
 - (i) Housing Australia is of the view that this will have an adverse impact on the Nominated Brands or the entities through which Scheme-Backed Loans are offered to customers; or
 - (ii) Housing Australia considers the change to be materially adverse to Housing Australia, the Commonwealth or the interests of the Scheme,
 and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event;
- (h) a Participating Lender notifies Housing Australia under clause 2.4(a)(iv) of its Participating Lending Deed, that it is unable to offer a New Part 5A Guarantee and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event; or
- (i) in Housing Australia's opinion, it is necessary or desirable to suspend a Nominated Brand as a brand through which the Participating Lender may offer Scheme-Backed Loans as a result of any of paragraphs (b),(d),(e) or (f) applying to the activities or conduct of persons in connection with or under that brand (Suspended Nominated Brand) but not to the broader activities of the Participating Lender and Housing Australia notifies the Participating Lender in writing that it is a Suspension Event.

Value means "value" as defined in the Housing Australia Investment Mandate.

Verification Requirements means the requirements described in Schedule 2 ("Verification Requirements").

1.3 General interpretation

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this document. Unless the contrary intention appears, a reference in this document to:

- (a) a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (b) anything (including an amount) is a reference to the whole and each part of it;

- (c) the “**Rules**”, a “**Rule**” or a “**Schedule**” is a reference to the terms of or a term in, or a schedule to, these Scheme Rules;
- (d) a document (including this document and the Housing Australia Investment Mandate) includes any variation or replacement of or supplement to it;
- (e) a “**law**” includes common law, principles of equity, decree and any statute or other law made by any parliament (and statutes or other law made by parliament includes any regulations and other instruments under it and consolidations, amendments, re- enactments or replacements of it);
- (f) “**Australian dollars**” or “**\$**” is a reference to the lawful currency of Australia;
- (g) a time of day is a reference to Sydney time;
- (h) the singular includes the plural and vice versa;
- (i) a “**party**” is a reference to Housing Australia or a Participating Lender (as applicable);
- (j) a “**person**” includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity;
- (k) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (m) a notice or other communication that must be given within a certain period of days, the day on which the notice or communication is given and the day on which the thing is to happen are not be counted in calculating that period; and
- (n) a notice, report or other communication being provided in writing includes that notice, report or other communication being provided in an electronic form.

1.4 **References to Eligible Borrower**

References in these Scheme Rules to an “**Eligible Borrower**” are:

- (a) where the related loan arrangement involves, or would involve, only an Individual Borrower, to that Individual Borrower; or
- (b) where the related loan arrangement involves, or would involve, Joint Borrowers, to both persons comprising the Joint Borrowers jointly and to each of them individually.

2 The Scheme

2.1 Scheme Principles

Housing Australia must operate the Australian Government 5% Deposit Scheme in a manner that seeks to achieve the objectives in section 29K of the Housing Australia Investment Mandate including maximising the integrity of the Australian Government 5%

Deposit Scheme, encouraging and incentivising borrowers to repay loans as soon as possible and minimising the cost of guaranteed loans to borrowers.

2.2 **Scheme limit**

The total number of Guarantee Certificates that may be issued by Housing Australia in respect of Scheme Places for any Financial Year to all Participating Lenders shall not exceed the amount as calculated under sections 29I, 29IA, 29IB and 29IBA (as applicable) of the Housing Australia Investment Mandate.

2.3 **Scheme-Backed Loans**

(a) Scheme-Backed Loans may only be:

- (i) offered by a Participating Lender or its Representatives; and
- (ii) made by a Participating Lender.

A person that is not at the relevant time appointed as a Participating Lender (or who is not a Representative of a Participating Lender) is not authorised by Housing Australia to give any information or make any representation in connection with the Scheme or the Scheme Documents or the affairs of Housing Australia. Additional matters relating to giving any information or making any representation in connection with the Scheme or the Scheme Documents or the affairs of Housing Australia are set out in Rule 14.4 (Information and representations about the Scheme).

(b) Matters relating to the offer and administration of Scheme-Backed Loans by Participating Lenders are set out under each Participating Lender Deed.

2.4 **The Guarantee**

Matters relating to the application of the Guarantee to Scheme-Backed Loans are subject to, and are governed by, the terms of the Guarantee.

3 **Eligibility Criteria**

3.1 **Overarching requirement**

To obtain a benefit under the Guarantee in respect of an Eligible Loan, a Participating Lender must only offer and make the Eligible Loan to an Individual Borrower or Joint Borrowers in respect of the purchase of an Eligible Property.

3.2 **Eligible Borrower**

To be an **Eligible Borrower** under the Scheme, a person must:

- (a) be an “eligible home buyer”, “eligible single parent” or “eligible single legal guardian” for the purposes of section 29D (“Eligible home buyer, eligible single legal guardian and eligible single parent”) of the Housing Australia Investment Mandate as at the Loan Agreement Date (noting in particular the requirement for the borrower to be at least 18 years of age, either an Australian citizen or Permanent Resident); and
- (b) in accordance with section 29C(1)(b) (“Eligible loan”) of the Housing Australia Investment Mandate, the following criteria relating to that person’s entry into an Eligible Loan must also be satisfied as at the Loan Agreement Date for that person to qualify as an Eligible Borrower, being that the person:

- (i) in the case of an “eligible home buyer”, has, either:
 - (A) for a person who is an Individual Borrower, personally; or
 - (B) for a person who is part of Joint Borrowers, together with the other borrower,
 a deposit for the purchase of an Eligible Property of:
 - (C) at least 5% (being the Minimum Deposit Amount for the General Stream); and
 - (D) up to (but less than) 20%,
 of the Value of the Eligible Property being purchased, provided that at least the Minimum Deposit Amount for the General Stream must comprise genuine savings of the borrower(s) (which may be assessed in accordance with the Participating Lender’s own Lender Policies but disregarding any policy which disappplies the requirement for evidence of genuine savings below a specified loan to value threshold); or
- (ii) in the case of an “Eligible Single Parent” or “Eligible Single Legal Guardian”, has a deposit for the purchase of an Eligible Property of:
 - (A) at least 2% (being the Minimum Deposit Amount for the Single Parent Stream); and
 - (B) up to (but less than) 20%,
 of the Value of the Eligible Property being purchased, provided that at least the Minimum Deposit Amount for the Single Parent Scheme must comprise genuine savings of the borrower (which may be assessed in accordance with the Participating Lender’s own Lender Policies but disregarding any policy which disappplies the requirement for evidence of genuine savings below a specified loan to value threshold);
- (iii) in the case of an “eligible home buyer” has not held:
 - (A) a freehold interest in real property in Australia; or
 - (B) a Relevant Interest in Land,
 in the period of 10 years immediately prior to the Loan Agreement Date;
- (iv) in the case of an “Eligible Single Parent” or “Eligible Single Legal Guardian”, that person:
 - (A) does not hold, at the Loan Agreement Date, a freehold interest in real property in Australia or does hold such an interest at that time, but either:
 - 1. intends not to from when they become the registered owner of the property that will be purchased with the loan; or
 - 2. holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan; or

- (B) does not hold, at the Loan Agreement Date, a leasehold interest in real property in Australia by way of Eligible Lease, or does hold such an interest at that time, but intends not to from when they become the registered lessee of the Eligible Lease that will be acquired with the loan;
- (v) is using the drawdown proceeds of the relevant Eligible Loan in full for the purchase of an Eligible Property (which purchase may also include Purchase-Related Improvements);
- (vi) represents to the Participating Lender that they intend to:
 - (A) commence their residence of that Eligible Property:
 - 1. for an Established Dwelling or a New-Build Dwelling under an Off-the-Plan Arrangement, within 6 months of the Loan Settlement Date; or
 - 2. for a New-Build Dwelling under either a House and Land Package or a Land and Separate Contract to Build Home, within 6 months of the date that an occupancy certificate is issued for that New-Build Dwelling; and
 - (B) thereafter, reside in the Eligible Property for so long as they are a registered owner of that property and the relevant Eligible Loan is a Scheme-Backed Loan (subject only to a Relevant Exemption becoming applicable);
- (vii) in the case of an “Eligible Single Parent” or “Eligible Single Legal Guardian”, represents to the Participating Lender that he or she satisfies the criteria in section 29D(3)(d) and (e) of the Housing Australia Investment Mandate; and
- (viii) in the case of an “Eligible Regional Home Buyer”, represents to the Participating Lender that he or she satisfies the criteria in section 29C(2)(l)(ii) of the Housing Australia Investment Mandate.

3.3 Eligible Loan

To be an **Eligible Loan** under the Scheme, a loan must:

- (a) be made by a Participating Lender to an Individual Borrower or (other than in the case of an Eligible Single Parent or Eligible Single Legal Guardian), Joint Borrowers;
- (b) be an “eligible loan” for the purposes of section 29C (“Eligible loan”) of the Housing Australia Investment Mandate; and
- (c) consistent with the principles under which Housing Australia is required to operate the Scheme under section 29K (in particular, 29K(1)(g)) of the Housing Australia Investment Mandate, be offered by a Participating Lender to Eligible Borrowers at a rate of interest which takes into account, in the determination of pricing, any capital relief benefits realised by the Participating Lender as a result of it being a Scheme-Backed Loan and, in accordance with section 29C(1)(b) of the Housing Australia Investment Mandate, the following criteria must also be satisfied, being that the loan must:

- (d) be secured by a first-ranking mortgage granted over the Eligible Property in favour of the Participating Lender;
- (e) be payable only in Australian dollars;
- (f) relate to:
 - (i) the purchase of an Established Dwelling;
 - (ii) a House and Land Package;
 - (iii) a Land and Separate Contract to Build Home;
 - (iv) an Off-the-Plan Arrangement;

in each case, for (A) a purchase price, or (B) an aggregate amount of the purchase price and contract sum (as applicable) as at the loan agreement date, for the relevant Residential Property that does not exceed the Price Cap for that property;
- (g) in the case of:
 - (i) a House and Land Package; or
 - (ii) a Land and Separate Contract to Build Home,

the Eligible Loan is also an Eligible Construction Loan
- (h) in the case of a loan to a person who is not an “Eligible Single Parent” or “Eligible Single Legal Guardian”, have, as at the loan agreement date, a Loan Limit of:
 - (i) 95% or less of the relevant Value; and
 - (ii) greater than 80% of the relevant Value;
- (i) in the case of a loan to a person who is an “Eligible Single Parent” or “Eligible Single Legal Guardian”, have, as at the loan agreement date, a Loan Limit of:
 - (i) 98% or less of the relevant Value; and
 - (ii) greater than 80% of the relevant Value;
- (j) have a Loan Settlement Date that is no earlier than the Commencement Date for the participating Lender; and
- (k) be subject to, and comply in all respects with, the Relevant Laws that are then applicable to the Participating Lender and all Lender Policies then applicable,

and, to avoid doubt, an Eligible Loan may (1) comprise a single or more than one loan instrument, provided all such loan instruments are each entered into by the same parties and relate exclusively to the purchase and/or construction of the same Eligible Property and the same lending arrangement; (2) under its terms, may be administered to take account of circumstances of Borrower Hardship (;3) in accordance with section 29C(3) of the Investment Mandate, if the loan relates both to the purchase of an interest in land on which a dwelling is not affixed and the construction of a dwelling on the land, may permit interest-only payments to be made while the dwelling is being constructed; and (4) in accordance with section 29CB of the Investment Mandate, may in relation to a particular case for the construction of a dwelling, have the timeframes requirements specified by Housing Australia

3.4 **Eligible Property**

To be an **Eligible Property** under the Scheme, a property must:

- (a) satisfy the requirements of section 29C(2)(g) (“Eligible loan”) of the Housing Australia Investment Mandate, (and, for these purposes, the Price Caps identified by postcode as set out in the Price Cap Area Identification Schedule may, subject to Rule 3.5 (“Price Cap Area Identification Schedule”), be regarded by Participating Lenders to be definitive); and
- (b) for the purposes of the Price Cap test referred to in paragraph (a) above:
 - (i) be an Established Dwelling or a New-Build Dwelling, in each case, for which a Participating Lender is able to assess the Value as at the relevant Loan Agreement Date; and
 - (ii) have the Eligible Borrower as the sole registered owner of that property or lessee of that property under an Eligible Lease as at the relevant property settlement date or, in the case of First Grant Crown Land, the sole registered lessee of that property under an Eligible Lease upon completion of registration of that lease; and
- (c) for the purposes of the Price Cap test referred to in paragraph (a) above, the Price Cap applicable to an Eligible Property in relation to an Eligible Loan will be determined as at the Price Cap Determination Date for the Eligible Loan.

3.5 **Price Cap Area Identification Schedule**

The Price Cap Area Identification Schedule may be amended or supplemented by Housing Australia from time to time. If:

- (a) there is any ambiguity or inconsistency under the Price Cap Area Identification Schedule in relation to the identification of suburbs and locations (including where multiple postcodes purport to apply to a particular suburb or location); or
- (b) any postcode relating to a Residential Property is not identified by the Price Cap Area Identification Schedule,

the relevant Participating Lender and Housing Australia will consult, and Housing Australia will confirm the Price Cap that applies to that suburb, location or property for the purposes of section 29F (“Price cap”) of the Housing Australia Investment Mandate.

3.6 **Verification Requirements**

- (a) The Verification Requirements establish the requirements and steps for verification of the Eligibility Criteria to be undertaken, and must be performed and completed, by a Participating Lender in relation to each Scheme-Backed Loan made by it.
- (b) Without limiting any provisions of the Scheme Documents relating to:
 - (i) the knowledge or suspicion of the Participating Lender;
 - (ii) any reporting, audit, confirmation or investigation requirements connected with the Verification Requirements; or
 - (iii) any liability of the Participating Lender in connection with the Verification Requirements,

once performed and completed in respect of a Scheme-Backed Loan, the Participating Lender is not required to reperform or recomplete any of the Verification Requirements in respect of that Scheme-Backed Loan.

- (c) Where, in the case of an Eligible Single Parent or Eligible Single Legal Guardian, that person satisfies the eligibility criteria on the basis that, at the Loan Agreement Date, the person either
 - (i) does not hold a freehold interest in real property in Australia; or
 - (ii) does hold such an interest, but either
 - (A) intended not to from when they become the registered owner of the property to be purchased with the loan;
 - (B) held such an interest for a period not exceeding 4 weeks after the date on which they become the registered owner of the property purchased with the loan due to a settlement error which prevented simultaneous settlement; or
 - (C) holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan;

the Participating Lender shall advise Housing Australia of that fact and Housing Australia will confirm whether it is satisfied that the person remains an eligible borrower.

- (d) Where, in the case of an Eligible Single Parent or Eligible Single Legal Guardian, that person satisfies the eligibility criteria on the basis that, at the Loan Agreement Date, the person either
 - (i) does not hold a freehold interest in real property in Australia; or
 - (ii) does hold a leasehold interest in real property in Australia by way of Eligible Lease, but either
 - (A) intended not to from when they become the registered lessee of the Eligible Lease to be acquired with the loan;
 - (B) held such an interest for a period not exceeding 4 weeks after the date on which they become the registered lessee of the Eligible Lease acquired with the loan due to a settlement error which prevented simultaneous settlement; or
 - (C) holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan;

the Participating Lender shall advise Housing Australia of that fact and Housing Australia will confirm whether it is satisfied that the person remains an eligible borrower.

- (e) Where, a borrower has had the benefit of the Relocation Exemption under paragraph (a) of that definition but has not returned to live in the property in respect of which the exemption applied by the date being 3 years after the date that the borrower first relocated, the borrower may apply to its Participating Lender for the Relocation Exemption to be extended for a further period. The Participating Lender

will obtain evidence from the borrower (or its employer) to substantiate the inability of the borrower to return to the property and will provide that evidence to Housing Australia. Housing Australia will assess the extension request and may (in its absolute discretion) agree to extend the period of the Relocation Exemption for such period it considers appropriate and will advise the Participating Lender accordingly.

- (f) Where, a borrower has had the benefit of the Health Exemption but has not returned to live in the property in respect of which the exemption applied by the date being 3 years after the date that the borrower first ceased to reside in the property, the borrower may apply to its Participating Lender for the Health Exemption to be extended for a further period. The Participating Lender will obtain evidence from the borrower to substantiate the inability of the borrower to return to the property and will provide that evidence to Housing Australia. Such evidence will be the same as that required to be provided by the Participating Lender to Housing Australia to obtain the initial Health Exemption Approval. Housing Australia will assess the extension request and may (in its absolute discretion) agree to extend the period of the Health Exemption for such period it considers appropriate and will advise the Participating Lender accordingly.

3.7 **Review of initial satisfaction of Eligibility Criteria**

If, at any time after a Guarantee Certificate has been issued in respect of a loan, the Participating Lender becomes aware, or has reason to suspect, that any one or more of the Eligibility Criteria in respect of that loan were not in fact satisfied on the Loan Settlement Date (including where the Participating Lender's awareness or suspicion has arisen owing to a notice given to it by Housing Australia or any other person) and which failure was not identified prior to the issue of the Guarantee Certificate and:

- (a) if such failure:
 - (i) is owing to an act or omission of the borrower which (to Housing Australia's satisfaction);
 - (ii) is fraudulent or wilful; and
 - (iii) could not reasonably have been identified by the Participating Lender in the performance and completion by it of the Verification Requirements,

then the Participating Lender must:

- (iv) diligently investigate the relevant circumstances and notify Housing Australia of its findings (providing reasonable details, except to the extent that such details have already been provided to it by Housing Australia); and
- (v) in consultation with Housing Australia, elect to either:
 - (A) notify Housing Australia in writing that the Guarantee may be cancelled by Housing Australia in respect of the relevant loan, in which case the loan is to be taken to not have been a Scheme-Backed Loan for any purpose under the Scheme Documents at any time or from such time as the failure arose (as the case may be); or
 - (B) have the Guarantee continue to apply in respect of the loan as a Scheme- Backed Loan in accordance with the Scheme Documents, provided that the Participating Lender must take all appropriate and lawful actions and steps as would be expected of

a prudent lender in relation to the relevant acts or omissions of the borrower; or

- (b) if such a failure arises for any other reason (including, without limitation, acts or omissions of the Participating Lender or any of its Representatives), then:
 - (i) the Participating Lender must:
 - (A) diligently investigate the relevant circumstances and notify Housing Australia of that failure (providing reasonable details, except to the extent that such details have already been provided to it by Housing Australia);
 - (B) take all appropriate and lawful steps to mitigate the impact of a failure of eligibility on the borrower; and
 - (C) not pursue the buyer for any liability from which the Guarantee would have protected the borrower, had the Guarantee not been cancelled, and/or
 - (ii) Housing Australia may (in its absolute discretion) deem that, owing to such failure, the loan was not a Scheme-Backed Loan for any purpose under the Scheme Documents at any time or from such time as the failure arose (as the case may be) and may cancel the Guarantee in respect of the relevant loan and notify the Participating Lender accordingly.
- (c) This Rule 3.7 does not limit the rights, power and discretions of Housing Australia under the Guarantee or at law.

3.8 **Property no longer an owner-occupied residence or borrower holds real property after loan settlement**

If, at any time after a Guarantee Certificate has been issued in respect of a loan, the Participating Lender becomes aware, or has reason to suspect, that

- (a) the residential property the subject of the loan in respect of which a Guarantee Certificate has been issued ("**Relevant Property**") is no longer being used as an owner-occupied residence by the loan applicant(s) and a Relevant Exemption does not apply; or
- (b) the borrower is an Eligible Single Parent or an Eligible Single Legal Guardian and when they became the registered owner of the property that was purchased with the Eligible Loan, the borrower still held a freehold interest in other real property in Australia or a leasehold interest under an Eligible Lease, then:
 - (i) the Participating Lender must diligently investigate the circumstances and advise Housing Australia promptly as to whether:
 - (A) the Relevant Property is in fact no longer being used as an owner-occupied residence by the loan applicant(s) (providing details, except to the extent that such details have already been provided to it by Housing Australia) and whether it is satisfied that a Relevant Exemption does not apply; or
 - (B) the borrower is an Eligible Single Parent or an Eligible Single Legal Guardian and when they became the registered owner of the property or the lessee under an Eligible Lease that was purchased or acquired with the Eligible Loan, the borrower still held a freehold

interest in other real property in Australia or remained the lessee under an Eligible Lease; and

- (ii) if the Participating Lender confirms such matter to Housing Australia, the loan will cease as from that time to be a Scheme-Backed Loan for any purpose under the Scheme Documents and Housing Australia will cancel the Guarantee in respect of that loan and notify the Participating Lender accordingly.
- (c) This Rule 3.8 does not limit the rights, power and discretions of Housing Australia under the Guarantee or at law.

3.9 Cessation of Housing Australia Guarantee

The terms of a guarantee issued by Housing Australia will expressly provide for the guarantee to cease if:

- (a) the residential property the subject of the loan is used other than an owner-occupied premises, unless paragraphs 29K(3)(a), (b), (c) and (d) of the Housing Australia Investment Mandate apply in relation to the loan and the property; or
- (b) the person is an eligible single parent as a result of sub-subparagraph 29D(3)(a)(ii)(A) of the Housing Australia Investment Mandate or an eligible single legal guardian because of subparagraph 29D(2A)(a)(ii) of the Housing Australia Investment Mandate and either:
 - (i) on the date being 4 weeks from when that person became the registered owner of the property that was purchased with the loan or the registered lessee under an Eligible Lease acquired with the loan, that person still holds a freehold interest in other real property in Australia or a leasehold interest under another Eligible Lease; or
 - (ii) Housing Australia has received a request under clause 3.6(c) or (d) in respect of such a person and has confirmed to the relevant Participating Lender that the person is not an eligible borrower; or
- (c) Housing Australia determines to cancel a Guarantee Certificate under Rule 3.7 or 3.8 and Housing Australia notifies a Participating Lender accordingly; or
- (d) where a borrower has relied on the Health Exemption, the borrower has been absent from the property for a minimum period of 6 months and has not returned to live in the property as an owner occupied residence after 3 years from the date the Health Exemption Approval was granted or, if the borrower has received a Health Exemption Extension, by the end of that further period; or
- (e) where a borrower has relied on the Relocation Exemption under paragraph (a) of that definition, the borrower has not returned to live in the property as an owner occupied residence after 3 years from the date the Relocation Exemption Approval was granted or, if the borrower has received a Relocation Exemption Extension, by the end of that further period.

4 Scheme Places & Guarantee Certificates

4.1 Scheme Place Allocations

- (a) Without limiting the discretions of Housing Australia or the provisions of any Participating Lender Deed, Scheme Places may be allocated to Participating

Lenders individually and/or as a class (including by reference to a Lender Designation).

- (b) Housing Australia will allocate Scheme Places to Participating Lenders strictly on a first-come-first-served basis as and when a Participating Lender submits a compliant Scheme Place reservation in accordance with Rule 4.2.

4.2 **Scheme Place reservations**

- (a) The Participating Lender may initiate a reservation of that Scheme Place.
- (b) Any such reservation:
 - (i) is initiated by the Participating Lender making a relevant Application (as a Reserve Application, Pre-Approval Application or Contracts Application, as the case may be); and
 - (ii) is attributed to the person(s) specified in the relevant Application,and, once confirmed by Housing Australia in accordance with Rule 4.6(b) ("General provisions for Applications"), means that the Scheme Place will not be allocated to, nor able to be reserved by, any other person for so long as the relevant reservation period applies.
- (c) All reservation submissions and processes are expressly subject to the requirements of Rule 4.3 ("Reserve, Pre-Approval & Contracts Applications") (without limiting the application of that Rule under the Scheme Rules generally).
- (d) A Scheme Place reservation:
 - (i) entitles the Participating Lender to a Scheme Place for a specified period from the day the reservation is confirmed up to the last day of that period (both days inclusive);
 - (ii) does not of itself entitle the Participating Lender to any benefit under the Guarantee nor does it assure any registration under the Guarantee or the issue of a Guarantee Certificate; and
 - (iii) in all circumstances:
 - (A) may only be made where the Participating Lender has taken reasonable steps to establish that the person is an Eligible Borrower; and
 - (B) must not be made by the Participating Lender and, if made, must be immediately withdrawn by the Participating Lender where there is no reasonable expectation that a Guarantee Certificate Application will be made in relation to the reservation,

in each case, having regard to the Information, documents and other materials provided to or obtained and enquiries made by the Participating Lender (including in connection with the Verification Requirements and as may be provided to the Participating Lender by Housing Australia or any other person), the general conduct and circumstances of the relevant person or Eligible Borrower and the status of the Eligible Loan application.

To obtain a benefit under the Guarantee in respect of a Scheme-Backed Loan, the Participating Lender must apply for the issue of a Guarantee Certificate.

4.3 Reserve, Pre-Approval & Contracts Applications

- (a) Where the Participating Lender believes that a person who intends to apply to the Participating Lender for a loan will qualify as an Eligible Borrower and be eligible to be provided by that Participating Lender with an Eligible Loan for the purchase of an Eligible Property, the Participating Lender may make an initial reservation of a Scheme Place for that person (**Reserve Application**).
- (b) Any reservation made under a Reserve Application:
 - (i) will apply for 14 days from the first date on which a Reserve Application is made in respect of that person by any Participating Lender; and
 - (ii) will remain in place and available to the Participating Lender for that reservation period, pending any Participating Lender initiating a Pre-Approval Application in respect of that person, the withdrawal of the Reserve Application by the Participating Lender or the expiry of that period;
- (c) A Participating Lender, having made a Reserve Application and for so long as the related reservation period is continuing, has either conditionally or unconditionally approved the provision of an Eligible Loan for that person, may extend the reservation of the Scheme Place for that person (**Pre-Approval Application**).
- (d) Any reservation made under a Pre-Approval Application:
 - (i) will apply for 90 days from the first date on which a Pre-Approval Application is made in respect of that person by any Participating Lender. Within this period, the Participating Lender will receive a report on the status and expiry date for each Scheme Place reservation. Housing Australia intends that this report will be made available to the Participating Lender 60 days after the Pre-Approval Application is first made (but may be made available at any other time as Housing Australia determines); and
 - (ii) will remain in place and available to the Participating Lender for that reservation period, pending the Participating Lender initiating a Contracts Application in respect of that person, the withdrawal of the Pre-Approval Application by the Participating Lender or the expiry of that period.
- (e) A Participating Lender, having made a Pre-Approval Application and for so long as the related reservation period is continuing, has received a copy of:
 - (i) the duly executed contract for sale in relation to an Eligible Property to be purchased by the person; and
 - (ii) the duly executed Eligible Building Contract,may further extend the reservation of the Scheme Place for that person (**Contracts Application**).
- (f) Any reservation made under a Contracts Application will apply for 30 days from the first date on which a Contracts Application is made in respect of that person by any Participating Lender except in the case of an Eligible Off-the-Plan Arrangement under a New Home Guarantee, the New Home Guarantee Off-the-Plan Extension Period will apply. This additional period:
 - (i) is for the exclusive purposes of the Participating Lender receiving, verifying and formalising documentation (and, in the case of an Eligible Off-the-Plan Arrangement under a New Home Guarantee, to allow the reservation to

continue to facilitate settlement of the Eligible Property), and taking such other steps as are necessary, relating to the Eligible Loan and purchase of the Eligible Property, and may not be initiated for any other purpose; and

- (ii) will remain in place for that reservation period, pending any Participating Lender initiating a Guarantee Certificate Application in respect of that person, the withdrawal of the Contracts Application by the Participating Lender or the expiry of that period.

4.4 **Guarantee Certificate Applications**

- (a) A Participating Lender shall be entitled to apply for a Guarantee Certificate to be issued in respect of a Scheme-Backed Loan to be made by it (**Guarantee Certificate Application**). A Guarantee Certificate Application may only be made:
 - (i) prior to the expiry of the reservation period for a related Contracts Application;
 - (ii) at such time as funding of the Scheme-Backed Loan is otherwise unconditional (other than for the issue of the Guarantee Certificate); and
- (b) Registration by Housing Australia of a Scheme-Backed Loan under the Guarantee will be evidenced by the issue to the Participating Lender of a Guarantee Certificate.
- (c) Upon confirmation being given by Housing Australia in accordance with Rule 4.6(b) ("General provisions for Applications"), a Guarantee Certificate will be issued in respect of the relevant Guarantee Certificate Application. Upon the issuance of a Guarantee Certificate, a Scheme-Backed Loan will become the subject of a General Stream or Single Parent Stream as specified in the certificate.
- (d) If, based on its credit assessment of an application for an Eligible Loan, a Participating Lender could request that Housing Australia issue a Guarantee Certificate for a General Stream or Single Parent Stream in respect of that Eligible Loan, the following rules apply:
 - (i) if the Participating Lender could request the issue of a Guarantee Certificate for a Single Parent Stream, the Participating Lender:
 - (A) must not request a Guarantee Certificate for a General Stream; and
 - (B) may determine whether it requests a Guarantee Certificate for a Single Parent Stream; and
 - (ii) if the Participating Lender could not request a Guarantee Certificate for a Single Parent Stream, the Participating Lender may only request a Guarantee Certificate for a General Stream.

4.5 **General provisions for Applications**

- (a) Each Application must be made via the Scheme Portal by submission of all relevant Application Information.
- (b) Subject to Rule 4.6(c), Housing Australia will notify the Participating Lender upon its receipt of each Application made by the Participating Lender that is complete and correct. All Applications are deemed to be made and received in the order that they are received by the Scheme Portal.

- (c) An Application which:
 - (i) is incomplete or incorrect;
 - (ii) in Housing Australia's opinion includes inaccurate, misleading or inconsistent Information; or
 - (iii) is made in circumstances where either:
 - (A) there is no entitlement for the Participating Lender to make an application for the issue of a Guarantee Certificate; or
 - (B) in the case of an application for a New Home Guarantee, is made after 30 June 2022,

will be treated as not having been made and Housing Australia will notify the Participating Lender accordingly.
- (d) Any confirmation given by Housing Australia in connection with an Application is not a confirmation, admission or indication by Housing Australia that:
 - (i) any of the Eligibility Criteria have been satisfied; or
 - (ii) the Verification Requirements have been complied with and performed by the Participating Lender.
- (e) Housing Australia does not owe any duty or other obligation to a Participating Lender or any other person to review or inspect an Application to ensure it satisfies the Eligibility Criteria nor to confirm that the Verification Requirements have been duly complied with and performed. The issuance of a Guarantee Certificate does not relieve a Participating Lender from, nor alter or affect, its responsibilities to verify the Eligibility Criteria in accordance with the Verification Requirements.
- (f) The Participating Lender acknowledges and agrees (including for the purposes of the Housing Australia Investment Mandate) that:
 - (i) each confirmation of a Pre-Approval Application evidences Housing Australia's conditional approval of the issue by it of a guarantee under the Scheme on terms that such conditional approval:
 - (A) becomes unconditional only upon confirmation being given in respect of a related Guarantee Certificate Application by Housing Australia in accordance with Rule 4.6(b) ("General provisions for Applications"), and;
 - (B) does not become unconditional in any other circumstances if such confirmation is not given; and
 - (C) absent such confirmation being given, Housing Australia is not required to perform nor take any action whatsoever in relation to the issue of any guarantee under the Scheme, or the Guarantee, in relation to that Pre- Approval Application or a related Contracts Application;
 - (D) cannot be relied upon by any person to assert that a guarantee has been issued, will be issued or is required to be issued by Housing Australia under the Scheme; and

- (E) is revoked when that Pre-Approval Application or a related Contracts Application is either withdrawn or expires in accordance with these Scheme Rules; and
- (ii) each issuance of a Guarantee Certificate evidences:
 - (A) the issue of a guarantee by Housing Australia under the Scheme, and the related registration under the Guarantee; and
 - (B) in accordance with clause 4.1.3 of the Guarantee, that an amount up to the Guaranteed Maximum Liability described in the Guarantee Certificate is guaranteed by Housing Australia under and on the terms of the Guarantee.

4.6 Issuance of Guarantee Certificates

Each Guarantee Certificate issued to a Participating Lender will include the following details:

- (a) the Guarantee Certificate number and date;
- (b) the type of Guarantee issued;
- (c) the account number(s) used by the Participating Lender to identify the Scheme-Backed Loan;
- (d) the Eligible Borrower's name(s);
- (e) the title reference and street address of the Eligible Property;
- (f) the Value of the Eligible Property as at the Loan Agreement Date; and
- (g) the Guaranteed Maximum Liability.

4.7 Variation, cancellation and replacement of Guarantee Certificates

Once issued, a Guarantee Certificate:

- (a) may be varied by Housing Australia (in its absolute discretion) to correct any manifest or proven error or in relation to any details that are confirmed to Housing Australia by the Participating Lender under Rule 4.10 ("Post-issuance information");
- (b) may be varied by Housing Australia (in its absolute discretion) where, for reasons beyond the control of the borrower or the Participating Lender, the Value of the Eligible Property or the amount of the Eligible Loan, changes and consequently the Guaranteed Maximum Liability changes. One example of such circumstances is where a Participating Lender has made available an Eligible Construction Loan, the builder under the Eligible Building Contract becomes insolvent and an alternative builder cannot be engaged for the same contract price. However, any such variation must not result in the cost of the Eligible Property exceeding the Price Cap as at the Price Cap Determination Date;
- (c) will be cancelled immediately, without further action required by any person, where the Guarantee is released in relation to the related Scheme-Backed Loan or where Rules 3.7(a)(iv) or 3.7(b)(ii) ("Non-satisfaction of Eligibility Criteria") apply;
- (d) may be replaced by Housing Australia:

- (i) where the Guarantee Certificate has been lost or destroyed, and Housing Australia is satisfied (in its absolute discretion) that the re-issue of the Guarantee Certificate is necessary to evidence the registration of the related Scheme-Backed Loan under the Guarantee; or
- (ii) where the Guarantee Certificate has been varied in accordance with Rule 4.8(a); and
- (e) may be cancelled and replaced by Housing Australia where the Scheme-Backed Loan is refinanced to another Participating Lender in accordance with section 29C(4) ("Eligible loan") of the Housing Australia Investment Mandate.

4.8 Post-issuance requirements

- (a) Within 100 days of the date on which a Guarantee Certificate is issued in respect of a Scheme- Backed Loan, the Participating Lender must confirm to Housing Australia the Loan Agreement Date, the Loan Settlement Date, the date for commencement of construction and/or date of the occupancy certificate (as applicable for the loan type) and re-confirm any other details for that Scheme-Backed Loan as may be required via the Scheme Portal.
- (b) Upon settlement of the Scheme-Backed Loan, the Participating Lender must confirm to Housing Australia the Loan Settlement Date and the total amount advanced under the loan via the Scheme Portal by no later than the fifth Business Day of the following month.
- (c) The Participating Lender acknowledges and agrees that any failure by it to comply with Rule 4.10(a) or Rule 4.10(b) in relation to any Scheme-Backed Loan may be cause for Housing Australia to undertake a Spot Check that specifically includes such Scheme- Backed Loan.
- (d) The Participating Lender agrees that it will provide such notices and other communications to Eligible Borrowers under Scheme-Backed Loans as are reasonably requested by Housing Australia from time to time.

5 Reporting

5.1 Information and reporting requirements

The Participating Lender must provide each of the following to Housing Australia:

- (a) for each calendar month, the Periodic Loan Data, by no later than 5 Business Days of the end of that calendar month in the form required by Housing Australia and:
 - (i) if such submitted Periodic Loan Data reports contain validation errors, corrected reports by no later than 2 Business Days after the error has been identified; or
 - (ii) if such submitted Periodic Loan Data reports contain reconciliation errors, corrected reports by no later than 5 Business Days after the error has been identified;
- (b) in relation to the Lender Policies:
 - (i) by no later than the Commencement Date, copies of each Lender Policy then in force; and

- (ii) details of any changes to be made by it to any Lender Policy that may be material in the context of the Participating Lender's conduct and activities in relation to the Scheme and any Scheme-Backed Loan and/or the compliance by it with any of its obligations under a Scheme Document;
- (c) for each financial half-year (ending on 30 June and 31 December in any year) and without limiting Rule 5.1(b)(ii), details of any material changes to the answers previously provided by the Participating Lender to the Lending Policy Questionnaire or subsequent Material Policy Change Reports, within 10 Business Days after the end of that financial half-year;
- (d) the Benchmarking Data within 20 Business Days after the date of receipt of a written request from Housing Australia;
- (e) copies of Internal Audit reports prepared in accordance with Rule 6 ("Audit");
- (f) if requested by Housing Australia, copies of Lender Policies in force at any particular time, to the extent not already provided to Housing Australia; and
- (g) all other Information, documents and materials reasonably requested in writing by Housing Australia:
 - (i) in connection with the Participating Lender's residential mortgage lending business; or
 - (ii) for the purposes of:
 - (A) assessing a Claim;
 - (B) Housing Australia's own compliance procedures; and
 - (C) Housing Australia performing its functions in accordance with the Housing Australia Act and/or the requirements of the Housing Australia Investment Mandate or (if applicable) details of the reasons why it cannot lawfully comply with such a request,

and in each case, within 5 Business Days of Housing Australia making such a request.

5.2 Notice of certain matters

The Participating Lender agrees to give notice to Housing Australia of the following:

- (a) in relation to its Australian Credit Licence (if applicable) and in each case, where the relevant matters relate directly to, or are otherwise material in the context of, the Participating Lender's conduct and activities in relation to the Scheme and any Scheme- Backed Loan:
 - (i) promptly and in any event within 10 Business Days of ASIC having been notified, details of any breach of the conditions of its Australian Credit Licence as have been notified to ASIC;
 - (ii) promptly and in any event within 10 Business Days of dispatch or receipt:
 - (A) a copy of any notice from ASIC under section 49 of the NCCP directing the Participating Lender to:

- (aa) provide a written statement containing specified information about the credit activities engaged in by the Participating Lender; or
 - (ab) obtain an audit report;
- (B) if requested by Housing Australia, a copy of the written statement or audit report referred to in Rule 5.2(a)(ii) which the Participating Lender provides to ASIC;
- (C) a copy of any notice from ASIC exercising its rights under section 247 of the NCCP to investigate the Participating Lender's residential mortgage lending business;
- (D) a copy of any notice from ASIC under section 266 of the NCCP to produce books about its credit activities or credit reporting in relation to Scheme- Backed Loans or in relation to any matter which could adversely impact the reputation of the Participating lender; and
- (E) a copy of any notice from ASIC under any other provision of the NCCP or which otherwise relates to the credit activities engaged in by the Participating Lender in relation to Scheme-Backed Loans or in relation to any matter which could adversely impact the reputation of the Participating lender or its Australian Credit Licence (if applicable);
- (iii) promptly and in any event within 10 Business Days of it becoming so aware or forming a suspicion, the details of any matter that may be subject to operation of Rule 3.7 ("Non- satisfaction of Eligibility Criteria"); and
- (iv) promptly and in any event within 10 Business Days of it becoming so aware, the details of any Suspension Event that has occurred or the subsistence of any event or circumstance that would entitle Housing Australia to deem that a Suspension Event has occurred (and, in each case, any steps being taken to remedy it); and
- (b) all information required to be notified by a Participating Lender at any time under its Participating Lender Deed within the time period specified therein or otherwise promptly.

5.3 **Erroneous information**

If the Participating Lender becomes aware of an error in any of the Information, documents or materials provided by it to Housing Australia, it shall notify Housing Australia of the erroneous information (and provide the corrected information to Housing Australia) as soon as reasonably practicable.

6 Audit

6.1 **Internal Audits**

- (a) Unless the Participating Lender is granted a later deadline by Housing Australia, the Participating Lender may be required to:
 - (i) initially, not later than 6 months after the Loan Settlement Date of the first Scheme- Backed Loan made by it (or, if Housing Australia in its absolute

discretion agrees, at the same time as the initial annual audit is carried out pursuant to Rule 6.1(a)(ii)); and

- (ii) by 31 August of each year, or as directed by Housing Australia,

procure that its internal audit team carries out an audit ("**Internal Audit**") of the activities of the Participating Lender under the Scheme.

- (b) A Participating Lender must, no later than 10 Business Days after the deadline referred to in Rule 6.1(a), submit a written report to Housing Australia containing details of:
 - (i) the audit process undertaken;
 - (ii) the Internal Audit scope items referred to in Rule 6.1(c);
 - (iii) risk-rated findings of the Internal Audit, the evidence upon which the findings are based and associated remediation action plans and timings;
 - (iv) progress on previously raised audit findings, including whether they have been resolved or remain outstanding;
 - (v) any material divergences from Lender Policies of the Participating Lender, or from the Scheme Documents, that were detected in the audit and (having consulted with Housing Australia on such matters) the management action recommended or adopted to address those divergences and the implementation timescale for such action; and
 - (vi) an assessment of the effectiveness of controls in place to demonstrate compliance with the Scheme Rules.
- (c) The scope of each Internal Audit must:
 - (i) include an assessment of whether:
 - (A) the Participating Lender has in place policies and procedures (including internal controls and governance processes) to ensure compliance with the Scheme Documents;
 - (B) the operational practices of the Participating Lender comply with the Scheme Documents;
 - (C) the Participating Lender has complied with its obligations under Rule 5 ("Reporting"), Rule 7 ("Scheme Portal") and Rule 8 ("Scheme Data Security"); and
 - (D) an assessment of the control environment in place to demonstrate compliance with Scheme Rules.
 - (ii) include a test sample of Scheme-Backed Loans to ensure that:
 - (A) the Eligibility Criteria were satisfied at the time the loan was entered into (or, if applicable, at the New Home Guarantee Satisfaction Time) and continue to be complied with; and
 - (B) the Periodic Loan Data provided to Housing Australia is complete and correct.

- (d) The test sample of Scheme-Backed Loans referred to in paragraph 6.1(c)(ii) must represent:
 - (i) at least 10% (with a minimum of 25 and maximum of 100) of the total number of Scheme-Backed Loans made by the Participating Lender during the previous 12- month period ending on the date of the Internal Audit or 100% of the total number of Scheme-Backed Loans made by the Participating Lender during the previous 12- month period ending on the date of the Internal Audit if this total is less than 25; and
 - (ii) a sample of General Streams, Single Parent Streams, New Home Guarantees and Regional First Home Buyer Guarantees which is proportional to the total population of Scheme-Backed Loans made by the Participating Lender during the previous 12-month period ending on the date of the Internal Audit.

6.2 Spot Checks

- (a) Subject to Rule 6.2(b), at any time and upon reasonable notice being given to the Participating Lender, Housing Australia (or an agent acting on behalf of Housing Australia) may conduct an audit (Spot Check) of a sample of Scheme-Backed Loans originated by the Participating Lender to ensure that the Scheme Documents have been complied with in relation to those loans.
- (b) The maximum sample size of the Scheme-Backed Loans audited during a Spot Check shall be limited to 10%, with a minimum of 25 and maximum of 100, of the total number of Scheme- Backed Loans made by the Participating Lender during the previous 12- month period.
- (c) Each Spot Check shall be undertaken in compliance with all relevant laws and each party shall bear its own costs incurred in relation to any Spot Checks.

6.3 Participating Lender Reviews

At any time and upon reasonable notice being given (being not less than 2 weeks) to the Participating Lender, Housing Australia (or an agent acting on behalf of Housing Australia) may conduct an audit (**Lender Review**) of the Participating Lender's compliance with the Scheme Rules.

6.4 General

- (a) Any Internal Audit, Spot Check or Lender Review will be based on such audit questions as Housing Australia may consider to be appropriate.
- (b) If, during the course of a Spot Check or Lender Review, Housing Australia determines that:
 - (i) the policies and procedures (including internal controls and governance processes) that the Participating Lender has in place to ensure compliance with the Scheme Documents have not been complied with;
 - (ii) the Scheme Documents have not been complied with in any material respect;
 - (iii) any Information, documents or materials provided by the Participating Lender to Housing Australia pursuant to the Scheme Documents is incomplete or inaccurate; or

- (iv) no or insufficient progress has been made in relation to any recommendations arising from any Internal Audit or previous Spot Check or Lender Review,

details of the determinations shall be provided to the Participating Lender in a written report prepared by or on behalf of Housing Australia, which will include any recommendations that Housing Australia may have.

- (c) If an Internal Audit, Spot Check or Lender Review discloses a significant number of instances of non- compliance (of any of the kinds specified in Rule 6.4(b)):
 - (i) Housing Australia (or any person acting on behalf of Housing Australia) may conduct a Spot Check, an additional Spot Check or Lender Review within a reasonable period and produce a written report to the Participating Lender following that activity; and/or
 - (ii) Housing Australia may (in its absolute discretion):
 - (A) require the Participating Lender to, and the Participating Lender must, notify ASIC or the Australian Prudential Regulation Authority of such instances of non- compliance; and/or
 - (B) act in accordance with clause 10 (“Suspension Events”) of the relevant Participating Lender Deed.

7 Scheme Portal

- (a) Housing Australia will establish and maintain a Scheme Portal. Access and use of the Scheme Portal by Participating Lenders will be governed by the Scheme Portal User Manual.
- (b) Unless Housing Australia otherwise notifies the Participating Lender in writing, all Applications and Claims must be made on the Scheme Portal.
- (c) Housing Australia shall make available to the Participating Lender on the Scheme Portal details of:
 - (i) the number of Scheme Places that have been reserved in the current Financial Year;
 - (ii) the number of Guarantee Certificates that have been issued in the current Financial Year; and
 - (iii) the number of Guarantee Certificates that have been issued to the Participating Lender in each relevant Financial Year.
- (d) Housing Australia may have additional information published on the Scheme Portal, including but not limited to:
 - (i) the name of the Participating Lender; and
 - (ii) any amendment or supplement to the Scheme Documents.
- (e) In relation to use of the Scheme Portal, each Participating Lender:
 - (i) is entirely responsible for:

- (A) managing its own users, including in relation to the requesting, approving, monitoring and revoking user access to the Scheme;
 - (B) all actions and activities that occur under any of its usernames and passwords;
 - (C) maintaining the confidentiality of each of its usernames and passwords;
 - (D) taking reasonable steps to ensure any document uploaded to the Scheme Portal is legible and free from any computer virus;
 - (E) ensuring that the Scheme Portal is accessed only from within Australia by its users, including not allowing offshore service providers of the Participating Lender to access the Scheme Portal;
 - (F) the configuration of the end user devices on which the Scheme Portal is accessed by its users;
 - (G) reporting to Housing Australia any security breaches impacting the Scheme Portal relating to its users or their customers under Rule 8.3;
 - (H) maintaining its own records relating to Guarantee Certificate Applications on behalf of clients in the Scheme Portal;
 - (I) maintaining and performing any upkeep and testing over its own functionalities, processes, or configuration where integration with the Scheme Portal has been implemented;
 - (J) providing to Housing Australia promptly after making any change and otherwise on a periodic basis and as requested by Housing Australia at any time, including during the annual audit process outlined in Rule 6, the IP addresses and ranges from which its users access the Scheme Portal; and
 - (K) reviewing access user lists on a bi-annual basis at the end of each period of 6 months during a Financial Year to ensure only those users who are authorised and are permitted by the Participating Lender to have access to the Portal have such access and provide a report to Housing Australia in regard to such review, within 5 Business Days of receiving a request from Housing Australia (which it may issue on a bi-annual basis);
- (ii) agrees not to use the Portal wrongfully or illegally, and Housing Australia is entitled to rely on any act, activity or omission that occurs under a username and password of a Participating Lender; and
 - (iii) agrees that Housing Australia is not responsible for the loss of (or any breach of privacy in relation to) any data transmitted to, but not received by, Housing Australia.

Note: *Housing Australia has nominated the Scheme Portal to receive information from Participating Lenders. Housing Australia may rely on information supplied by an eligible lender, a borrower or a third party, and will exercise its rights under section 29G of the Investment Mandate when relying upon information submitted to the Scheme Portal.*

- (f) To the fullest extent permitted by law, Housing Australia will not be liable to any person for any loss or damages (including, without limitation, direct or indirect, special, incidental or consequential damages, losses, costs or expenses) arising in connection with:
 - (i) the Scheme Portal;
 - (ii) a person's inability to use the Scheme Portal; or
 - (iii) in connection with any failure of, or the performance or any error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure relating to, the Scheme Portal,

even if Housing Australia is advised of the possibility of such damages, losses, costs or expenses.
- (g) To avoid doubt, all declarations, confirmations, representations and warranties made by the Participating Lender on or through the Scheme Portal are made to Housing Australia for the purposes of these Scheme Rules.

8 Scheme Data Security

8.1 No Scheme Data to be transferred overseas

Housing Australia will not (either directly or indirectly) transfer any Scheme Data outside of Australia or permit or facilitate any third party engaged by it to maintain the Portal to do so.

8.2 Housing Australia to notify

- (a) Housing Australia shall ensure that a Participating Lender is notified in writing as soon as practicable (which in any case must be within 2 days) of it becoming aware, of:
 - (i) any Security Incident, including steps taken by Housing Australia to address the relevant circumstances; or
 - (ii) any Data Breach,

relating to a Scheme-Backed Loan provided by that Participating Lender.
- (b) Where Housing Australia becomes aware that there has been an actual Eligible Data Breach or of a suspected Eligible Data Breach, Housing Australia shall:
 - (i) take all reasonable action available to it to mitigate the risk of the actual or suspected Eligible Data Breach causing serious harm to any of the individuals to whom the relevant information relates; and
 - (ii) carry out a reasonable assessment (in consultation with the Participating Lender) of whether there are reasonable grounds to believe that the relevant circumstances amount to an actual Eligible Data Breach as soon as reasonably practicable and not later than 30 days after it becomes aware of such circumstances by assessing, in accordance with section 26WG of the Privacy Act, whether any action undertaken under Rule 8.2(b)(i) would result in a reasonable person concluding that such circumstances would not result in serious harm to any of the individuals to whom the relevant information relates).

- (c) To the extent that Housing Australia concludes, following the assessment under Rule 8.2(b)(ii), that there are reasonable grounds to believe that the relevant circumstances amount to an actual Eligible Data Breach (such that an Eligible Data Breach is considered to have occurred and is no longer a suspected Eligible Data Breach), Housing Australia shall where required by the Privacy Act:
 - (i) prepare a statement that sets out:
 - (A) a description of the Eligible Data Breach;
 - (B) the kind or kinds of information concerned in the Eligible Data Breach; and
 - (C) recommendations about the steps that individuals to whom the relevant information relates should take in response to the Eligible Data Breach; and
 - (ii) provide a copy of the statement prepared under Rule 8.2(c)(i) to the Participating Lender and the Australian Information Commissioner.
- (d) Housing Australia and the Participating Lender shall as soon as practicable after completion of the preparation of any statement under Rule 8.2(c)(i):
 - (i) consult with each other regarding how the content of the statement should be communicated to individuals affected by the Eligible Data Breach;
 - (ii) if practicable, the Participating Lender must take such steps as are reasonable in the circumstances to notify the contents of the statement only to each of the individuals:
 - (A) whose Personal Information was part of the Eligible Data Breach; and
 - (B) who are at risk of serious harm from the Eligible Data Breach; or
 - (iii) if the performance of the steps set out in Rule 8.2(d)(ii) are not practicable, Housing Australia and the Participating Lender shall:
 - (A) publish a copy of the statement on either the Housing Australia's or the Participating Lender's website (as agreed between them); and
 - (B) take reasonable steps to publicise the contents of the statement.

8.3 Participating Lender to notify

A Participating Lender must ensure that Housing Australia is notified in writing as soon as practicable (which in any case must be within 2 days of becoming aware) of any Security Incident, including steps taken by a Participating Lender to address these or any Data Breach, arising in connection with a username or password of a Participating Lender.

8.4 Parties to co-operate in investigating Security Incidents or Data Breach

Without limiting the above, upon a party becoming aware, and the other party being notified of, a Security Incident or Data Breach, the parties agree to co-operate in investigating whether a Security Incident or Data Breach has actually occurred and the circumstances surrounding that Security Incident or Data Breach.

9 Refinancing of Scheme-Backed Loans

9.1 Overarching requirement

An outstanding Scheme-Backed Loan may be refinanced with the same or a different Participating Lender and only be refinanced in a manner that is in accordance with this Rule 9 and section 29C(4) ("Eligible loan") of the Housing Australia Investment Mandate.

9.2 Eligible Refinancing Loans

- (a) To be an Eligible Refinancing Loan under the Scheme, as at the Loan Agreement Date for the relevant Refinancing Loan, the following criteria ("**Refinancing Criteria**") must be met:
 - (i) the Refinancing Loan must:
 - (A) be made to the same borrower or borrowers as under the related outstanding Scheme-Backed Loan but, where the outstanding Scheme-Backed Loan was made to 2 borrowers, the Refinancing Loan may be made to either of those borrowers severally only or to both of them jointly;
 - (B) be for the refinancing of a Residential Property that is the same Residential Property mortgaged under the related outstanding Scheme-Backed Loan;
 - (C) be for:
 - 1. an Established Dwelling; or
 - 2. a New-Build Dwelling under:
 - (aa) a House and Land Package; or
 - (ab) a Land and Separate Contract to Build Home;
 - (ii) be provided for owner-occupied purposes;
 - (iii) require scheduled principal repayments for the full period of the loan agreement, except in the case of a House and Land Package or a Land and Separate Contract to Build Home (including a New Home Guarantee Dwelling) where interest-only repayments may be permitted during the construction phase, or where the Eligible loan is being administered to take account of circumstances of Borrower Hardship;
 - (iv) be for not more than the Permitted Maximum Loan Amount.

The **Permitted Maximum Loan Amount** for a Refinancing Loan is, in the case of:

- (A) an Established Dwelling or Newly Constructed Dwelling, the outstanding principal amount (as defined under the Guarantee and consistent with how "outstanding principal amount" is reported in accordance with Schedule 3) of the related outstanding Scheme-Backed Loan as at the Loan Settlement Date for the Refinancing Loan; or

- (B) a House and Land Package or a Land and Separate Contract to Build Home (including under a New Home Guarantee Dwelling), the Loan Limit as at the date a Guarantee Certificate Application was made in respect of the related outstanding Scheme- Backed Loan;
 - (v) be for not more than the Permitted Loan Term.
- The **Permitted Loan Term** for a Refinancing Loan is the remaining loan term of the related outstanding Scheme-Backed Loan. A borrower may refinance more than once with the same or multiple lenders, but no relevant loan agreement may have a scheduled term that ends later than the 30th anniversary of the original loan agreement; and
- (vi) be for the sole purpose of paying amounts owing under the relevant outstanding Scheme- Backed Loan to the applicable Participating Lender and no amounts funded under the Refinancing Loan may be paid to any other person; and
 - (vii) the related outstanding Scheme-Backed Loan to be refinanced by that Refinancing Loan must have the benefit of a Guarantee Certificate which continues and remains in force, and in respect of which no claims have been made, until (and including) the Loan Settlement Date for the Refinancing Loan.

9.3 Refinancing Certificate Application

- (a) A Participating Lender shall be entitled to apply for a Guarantee Certificate to be issued in respect of a Refinancing Loan to be made by it ("**Refinancing Certificate Application**").
- (b) A Refinancing Certificate Application may only be made:
 - (i) after the Participating Lender has requested and obtained from Housing Australia the following information:
 - (A) the Scheme place identification number of the outstanding Scheme-Backed Loan;
 - (B) the Permitted Maximum Loan Amount for any Refinancing Loan to be provided by the Participating Lender;
 - (C) the Permitted Loan Term for any Refinancing Loan to be provided by the Participating Lender;
 - (D) the Guaranteed Maximum Liability for the outstanding Scheme-Backed Loan which will be transferred to the Participating Lender if it decides to proceed with the providing the Refinancing Loan; and
 - (E) the original Participating Lender's assessed Value of the relevant Eligible Property at the time a Guarantee Certificate Application was made in respect of the related outstanding Scheme-Backed Loan;
 - (ii) at such time, the funding of the Refinancing Loan is otherwise unconditional (other than for the issue of the Guarantee Certificate).

- (c) Other than expressly set out in Rule 9.3(b), Housing Australia is not obliged to disclose any other matter in relation to the outstanding Scheme-Backed Loan.
- (d) If no claim has been made on the Guarantee Certificate issued for the outstanding Scheme-Backed Loan which is the subject of the Refinancing Enquiry and upon confirmation being given by Housing Australia in accordance with Rule 4.6(b) ("General provisions for Applications"), a Guarantee Certificate will be issued in respect of the relevant Refinancing Certificate Application in accordance with Rule 4.7 ("Issuance of Guarantee Certificates").
- (e) Registration by Housing Australia of a Refinancing Loan under the Guarantee will be evidenced by the issue to the Participating Lender of a Guarantee Certificate.
- (f) Upon registration by Housing Australia of a Refinancing Loan under the Guarantee in accordance with paragraph (e), the outstanding Scheme-Backed Loan which has been refinanced will be automatically recorded by Housing Australia as having been repaid and the Guarantee in respect thereof discharged. A Participating Lender whose outstanding Scheme-Backed Loan has been refinanced in accordance with this Rule 9 need not request or otherwise notify Housing Australia to release the Guarantee in respect of its Scheme-Backed Loan.
- (g) For the avoidance of doubt, the limitations (if any) on Scheme Places shall not apply to Guarantee Certificates issued in respect of any outstanding Scheme-Backed Loans which are refinanced under this Rule 9.

10 Transfers of Scheme-Backed Loans

10.1 Permitted Transfers

A Scheme-Backed Loan (and any rights, obligations or interests in it or in the mortgage securing it) may be assigned or transferred by a Participating Lender to another person where:

- (a) Housing Australia has given its prior written consent; or
- (b) the assignment or transfer is to:
 - (i) another Participating Lender; or
 - (ii) a body corporate or trust in the course of securitisation or the issuance of covered bonds or any other process whereby funding is raised directly or indirectly on the security of the Eligible Loan (each such process being a **Mortgage-backed Funding Arrangement**) provided the conditions in Rule 10.2 ("Mortgage-backed funding arrangement") are satisfied.

10.2 Mortgaged-backed Funding Arrangements

The conditions for a **Permitted Transfer** under a Mortgaged-backed Funding Arrangement are:

- (a) the Participating Lender continues to be the lender of record and any Guaranteed Liability incurred or expected to be incurred by the assignee or transferee shall be deemed for the purposes of these Rules and the Guarantee to be a Guaranteed Liability incurred or expected to be incurred by the Participating Lender (and not by the assignee or transferee);
- (b) either:

- (i) the Scheme-Backed Loan continues to be serviced by the Participating Lender or a related entity of the Participating Lender; or
- (ii) as a result of the insolvency of the Participating Lender, any compulsory assignment or transfer effected by law or for any other reason, the servicing of the Scheme- Backed Loan is assumed by another Participating Lender or by another entity that has undertaken to Housing Australia (in a form satisfactory to Housing Australia) to comply with and to be bound by all the provisions of the Scheme Documents that are expressed to be applicable to a Participating Lender (and references in these Rules to the Participating Lender shall be deemed, so far as the context admits, to mean that successor of the original Participating Lender);
- (c) the treatment of that Scheme-Backed Loan by the Participating Lender or such other person does not differ from the treatment of other loans included by the Mortgage- backed Funding Arrangement; and
- (d) the internal assurance functions of the Participating Lender and Housing Australia have full access to the information and documentation relating to the Scheme-Backed Loan in order to assess compliance by the Participating Lender with its obligations under the Scheme Documents in relation to such Scheme-Backed Loans as if the assignment or transfer had not been effected,

provided, in all circumstances, Housing Australia may require that any person acting in a particular role, or assuming a particular responsibility or function, in connection with a proposed Permitted Transfer is approved in writing by Housing Australia as an eligible lender for the purposes of section 29B ("Eligible lender") of the Housing Australia Investment Mandate prior to that assignment or transfer taking effect.

11 Claims Procedures

11.1 When Claims may be made

Subject to Rule 11.4 ("Clawback of Claim payments"), a valid **Claim** is made by a Participating Lender in respect of any Guaranteed Liability if:

- (a) a Default has occurred in respect of the relevant Scheme-Backed Loan;
- (b) an Enforcement has occurred as a consequence of that Default and:
 - (i) the amount of the Guaranteed Liability has been determined; and
 - (ii) the Eligible Borrower has not paid that amount;
- (c) the Claim is for an amount that is not greater than the applicable Guaranteed Maximum Liability; and
- (d) the Claim is not made on the basis of fraudulent conduct by the borrower in connection with the Scheme; and
- (e) the Participating Lender has:
 - (i) submitted documentation to Housing Australia via the Scheme Portal evidencing that, in relation to the relevant Scheme-Backed Loan:
 - (A) on the relevant Loan Agreement Date (or, if applicable, the New Home Guarantee Satisfaction Time), the Eligibility Criteria or, in the

case of a Refinancing Loan, the Refinancing Criteria were satisfied; and

- (B) the Participating Lender (and any person engaged by the Participating Lender to manage its arrears, collections, hardship and enforcement operations):
 - 1. has complied with the Lender Policies with respect to that loan; and
 - 2. is not (to the extent applicable to the Participating Lender), or (if applicable) such other persons are to its knowledge not, in breach of Part 5 of the National Credit Code of Australia or Regulatory Guide 96 *Debt collection guide for collectors and creditors* published jointly by the Australian Competition & Consumer Commission and ASIC;
- (ii) notified Housing Australia of the Default as part of the information provided under its Periodic Loan Data obligations; and
- (iii) submitted a Claim to Housing Australia via the Scheme Portal in respect of the Guaranteed Liability and uploaded to the Portal all documentation in respect of that Claim required by the Claims Checklist (as contained in the Participating Lenders' Guide as published by Housing Australia from time to time).

For the avoidance of doubt, the amount of the Guaranteed Liability for the purposes of Rule 11.1(b)(i) must be determined in accordance with clause 2.1.1 of the Guarantee as at the time immediately following Enforcement, and on the basis that no further interest shall accrue on such amount from and after the date of the Disposal Event.

11.2 Payments in respect of valid Claims

- (a) A Participating Lender must submit all Claims in respect of a Quarter at least 20 Business Days prior to the end of the Quarter (such date, the **Cut-off Date**) and must not delay submission of such Claims until the next Quarter. For the avoidance of doubt, this does not preclude the Participating Lender from submitting Claims after the Cut-off Date and prior to the end of the Quarter where such Claims have arisen after the Cut-off Date.
- (b) All Formally Approved Claims submitted by a Participating Lender before the end of a Quarter shall be paid by Housing Australia by no later than the fifteenth Business Day of the following Quarter (each a **Payment Date**) subject to the following:
 - (i) if, in relation to any Claim, Housing Australia is not satisfied that the requirements of this Rule 11 have been met, it may notify the Participating Lender of such fact, in which event the Claim shall be a disputed Claim;
 - (ii) for the avoidance of doubt, nothing in these Rules prevents Housing Australia notifying the Participating Lender of a disputed Claim under Rule 11.3(a)(i) after payment in relation to the Claim has been made; and
 - (iii) if, as a result of any dispute procedures under the Participating Lender Deed, the amount payable by Housing Australia in respect of a Claim is determined to be different from that actually paid by Housing Australia (either a greater amount or lesser amount), the amount payable by Housing Australia on the next Payment Date shall be adjusted accordingly.

- (c) All payments under this Rule 11.3 by Housing Australia shall be made to such bank account as the Participating Lender shall have notified in writing to Housing Australia on or before the Commencement Date for the relevant Participating Lender (or, in the event of a change, notified not less than 5 Business Days before the date on which the relevant payment is due).
- (d) If Housing Australia fails to make a payment due by the relevant Payment Date, Housing Australia shall be liable to pay interest to the Participating Lender on the outstanding amount at the Specified Rate for the time being. For the avoidance of doubt, interest shall not accrue on any outstanding amount following a Disposal Event except in accordance with Rule 11.2(d).

11.3 Clawback of Claim payments

If, following payment of a Claim by Housing Australia, the Participating Lender or Housing Australia become aware that the Scheme-Backed Loan to which the Claim related was entered into, or actions or omissions in relation to the Scheme Documents were taken or not taken in respect thereof, as a consequence of any fraudulent or criminal act (including, without limitation, fraudulent misrepresentation) on the part of the Participating Lender, its officers, employees or agents or any other person acting on behalf of the Participating Lender, in each case as finally determined by a court, an arbitrator or any relevant regulatory authority in Australia, the relevant party shall promptly notify the other thereof. The Participating Lender shall:

- (a) reimburse Housing Australia in full the amount paid by Housing Australia in respect of the Claim; and
- (b) pay interest to Housing Australia on such amount at the Specified Rate for the time being from the date of payment by Housing Australia of such Claim, in each case within 20 Business Days of the date of the notification.

12 Changes to these Scheme Rules

12.1 Changes to these Rules by Housing Australia

- (a) Without limiting Rule 12.2 ("Changes required by the Federal Government or owing to law"), Housing Australia may, at any time and in its absolute discretion, amend or supplement these Rules by publishing such amendment or supplement on the Scheme Portal (and Housing Australia will endeavour to notify each Participating Lender in writing of the publication), provided that such amendment or supplement does not:
 - (i) reduce Housing Australia's obligations to a Participating Lender under the Guarantee or any subsisting Guarantee Certificate in a manner which is prejudicial to the interests of the Participating Lender without the Participating Lender's prior written consent; or
 - (ii) have retrospective effect (unless it is to correct a manifest or proven error or an omission of a wholly technical nature and the correction is not (in Housing Australia's opinion) prejudicial to the rights or interests of the Participating Lender under the Guarantee or subsisting Guarantee Certificate).
- (b) Housing Australia shall use reasonable endeavours to consult (in such manner as Housing Australia sees fit) with the Participating Lenders before making any such amendment or supplement, unless Housing Australia determines that the proposed amendment or supplement should be implemented as a matter of urgency or for purposes of compliance by Housing Australia with the requirements of the Housing

Australia Act and/or the Housing Australia Investment Mandate and it is not practicable for such consultation to take place.

12.2 Changes required by the Federal Government or owing to law

Housing Australia may, at any time and at its absolute discretion, amend or supplement the terms of these Rules or the Guarantee at the express written direction of the Minister or owing to a change in law that affects any matters that are the subject of such document.

12.3 Date amendment or supplement becomes effective

Except where the prior written consent of the Participating Lender is required, an amendment or supplement made in accordance with this Rule 12 does not take effect until the expiry of a period of 20 Business Days following the day on which notice of the amendment or supplement is first published on the Scheme Portal.

12.4 Modifications

Housing Australia may (in its absolute discretion, and with the written agreement of the Participating Lender), without amending or supplementing these Rules generally, modify the application of these Rules in relation to a particular matter, circumstance or thing, provided in all cases that such modification does not contravene the Housing Australia Act or the Housing Australia Investment Mandate.

13 Notices in relation to the Scheme Documents

All notices, certificates, claims, demands, consents, approvals, waivers and other communications required to be provided in connection with a Scheme Document:

- (a) must be in the form and delivered as required by the Scheme Document; or
- (b) if the Scheme Document does not include such provisions:
 - (i) must be made in writing; and
 - (ii) either be:
 - (A) where supported by the Scheme Portal, submitted, published or otherwise made available via the Scheme Portal; or
 - (B) where the Scheme Portal does not support such delivery, delivered by hand, prepaid post or email to the address (as appropriate) as notified to the sender by the recipient from time to time;
 - (iii) signed or submitted by or sent from the email account of a duly authorised officer of the sender; and
 - (iv) marked for attention in the way notified to the sender by the recipient from time to time; and
 - (v) will take effect from the time they are received unless a later time is specified in them, where:
 - (A) if submitted, published or otherwise made available via the Scheme Portal, they are taken to be received on the date they are so submitted, published or made available;

- (B) if sent by post, they are taken to be received 3 Business Days after posting (or 5 Business Days after posting if sent across international boundaries);
- (C) if sent by email, they are taken to be received when the email is dispatched by the sender to each of the email addresses specified by the recipient, unless, for each of the addresses, the sender receives an automatic notification that the email has not been received (other than an out of office greeting for the named addressee) and it receives the notification before 2 hours after dispatch; or
- (D) if given by hand, they are taken to be received at the time of delivery,

and, in all cases, if they are received after 5.00pm in the place of receipt or on a non- Business Day, they are taken to be received at 9.00am on the next Business Day.

14 General

14.1 Governing law and jurisdiction

- (a) These Rules are governed by the laws of New South Wales.
- (b) The courts having jurisdiction in New South Wales have non-exclusive jurisdiction to settle any dispute arising out of or in connection with these Rules.
- (c) Notwithstanding Rule 14.1(b), Housing Australia shall not be prevented from taking proceedings relating to a relevant dispute in any other courts with jurisdiction. To the extent allowed by law, Housing Australia may take concurrent proceedings in any number of jurisdictions.

14.2 Compliance with laws

Nothing in these Rules requires

- (a) Housing Australia to contravene the Housing Australia Act, the Housing Australia Investment Mandate or any other law in the performance and compliance by it of its obligations under the Scheme Documents; or
- (b) a Participating Lender or their Representative to contravene the Relevant Laws in the performance of, and compliance with, the Participating Lender's obligations under the Scheme Documents.

14.3 Housing Australia Investment Mandate

These Rules refer to provisions of the Housing Australia Investment Mandate. The Participating Lender:

- (a) has agreed under the terms of the relevant Participating Lender Deed that it will co-operate with Housing Australia in its operation of the Scheme in a manner that seeks to fulfil the matters set out in section 29K ("Principles for the operation of the scheme") of the Housing Australia Investment Mandate and will perform its obligations under the Scheme Documents in a manner that is consistent with its general practices and having regard to those matters; and

- (b) is (at all times, and to the exclusion of Housing Australia) responsible for informing itself about, and understanding, the terms of the Housing Australia Investment Mandate.

The Housing Australia Investment Mandate is available to be viewed at www.legislation.gov.au.

14.4 Information and representations about the Scheme

- (a) A Participating Lender must comply and must ensure that its Representatives comply with the Marketing and Collateral Guidelines in connection with any information given or representation made (including in the form of any Marketing and Promotional Material) in connection with the Scheme or the Scheme Documents or the affairs of Housing Australia.
- (b) If Housing Australia determines or considers that any information given or representations made by a Participating Lender or its Representatives do not comply with the Marketing and Collateral Guidelines, Housing Australia may (in its absolute discretion), by notifying a Participating Lender, require the Participating Lender to:
 - (i) correct, withdraw, amend, or cease distribution of any such information or representations; and
 - (ii) ensure its Representatives correct, withdraw, amend, or cease distribution of any such information or representations,including in accordance with any directions given in the notice.
- (c) The Participating Lender must comply and must ensure its Representatives comply with a notice under 14.4(b) (and any directions given by Housing Australia in the notice) within 5 Business Days of receiving the notice from Housing Australia, or such other period as directed in writing by Housing Australia.
- (d) Housing Australia is not responsible for, or liable in relation to, any information given or representation made by a Participating Lender or its Representatives.

Schedule 1 Required Information

Part 1 Required information for Reserve Applications

The following information is to be submitted via the Scheme Portal for each **Reserve Application**.

1.1	Number of borrowers (1 or 2 as applicable)
1.2	Full name of borrower(s)
1.3	Date of birth of borrower(s)
1.4	Sex of each borrower (Male, Female, Non-Binary, or Prefer not to say)
1.5	Medicare number(s) (including position on number) of borrower(s) If the borrower is a Defence force personnel and does not have a Medicare number, the Defence Personal Management Key Solution (PMKeyS) number for the borrower.
1.6	Eligibility status (Australian Citizen/Permanent Resident)
1.7	Borrower relationship (Single, Married, De facto, Siblings, Parent and Child, Other related individuals, Friends)
1.8	FHG only – relationship to dependent (Natural or adoptive parent, Single Legal Guardian)

Part 2 Required information for Pre-Approval Applications

The following information is to be submitted via the Scheme Portal for each **Pre-Approval Application**.

2.1	Assessable income of (each) borrower for the preceding Financial Year
2.2	Confirmation by the Participating Lender that it has undertaken enquiries to confirm that (each) borrower is an eligible home buyer, an Eligible Single Parent or Eligible Single Legal Guardian (as applicable) and, in the case of an Eligible Single Parent or Eligible Single Legal Guardian, whether a Single Parent Stream will be requested from Housing Australia.
2.3	Eligibility ownership (Never owned a property before, owned a property in the last 10 years, Owned a property more than 10 years ago). In the case of Single Parent Stream borrowers who are purchasing the family home or are intending to purchase a home via simultaneous settlement, the option "Owned a property in the last 10 years" is to be selected.
2.4	Intended purchase location
2.5	Date finance pre-approval was granted
2.6	Maximum pre-approval loan amount (\$)
2.7	Origination channel for the loan

Part 3 Required information for Guarantee Certificate Applications – New loans

The following information is to be submitted via the Scheme Portal for each **Guarantee Certificate Application for a new loan**.

3.1	Participating Lender to re-confirm details entered for Parts 1 and 2 of this Schedule 1 (but no changes to borrower name(s), Medicare number(s) or assessable income can be made)
3.2	Occupation of borrower(s)
<i>Eligible Borrower details</i>	
3.3	Current Residential address for (each) borrower
3.4	Current Postal address for (each) borrower
3.5	Each Australian State / Territory the borrower has lived
<i>Eligible Property details</i>	
3.6	Established Dwelling / New-Build Dwelling under a House and Land Package / New Build Dwelling under a Land and Separate Contract to Build Home / New Build Dwelling under an Off-the- Plan Arrangement
3.7	Title Reference or, in the case of First Grant Crown Land, confirmation that the Borrower has executed the Crown Lease with the settlement date inserted as the grant date and the lease commencement date and returned that lease to SLA. [Note: In the case of First Grant Crown Land, title reference is to be provided to Housing Australia once available post settlement]
3.8	Address of Residential Property to be purchased / constructed
3.9	Dwelling type (house / townhouse / unit or apartment)
3.10	Scheduled settlement date
3.11	Confirmation by the Participating Lender that the property satisfies the property eligibility criteria.
3.12	If an Established Dwelling: • Date of contract of sale • Purchase price • Participating Lender's assessed Value (\$)
3.13	If New-Build Dwelling under a House and Land Package: • Loan Limit • Date of contract of sale • Purchase price • Participating Lender's assessed 'as if complete' Value (\$) • Scheduled date for construction to commence • Scheduled date for practical completion
3.14	If New-Build Dwelling under a Land and Separate Contract to Build Home:

	• Loan Limit • Date of contract of sale (land) • Purchase price (land) • Date of the building contract* • the contract sum • Participating Lender's assessed 'as if complete' Value (\$) • Scheduled date for construction to commence* • Scheduled date for practical completion* * Not required if Guarantee Certificate Application is for land loan only. These details will need to be provided when a Participating Lender returns to the Portal to request that the Guarantee Certificate be updated to include the Building Loan.
3.15	If New Dwelling under an Off-the-Plan Arrangement: • Date of contract of sale • Purchase price • Participating Lender's assessed 'as if complete' Value (\$) • Scheduled date for practical completion
<i>Eligible Loan details</i>	
3.21	Deposit paid by borrower (\$)
3.22	Loan amount (\$)
3.23	Initial interest rate (%)
3.24	Loan account number(s)
3.25	Interest rate type (fixed / variable)
3.26	Repayment basis (principal and interest / interest only)
3.27	Loan term (for construction loans the loan term may include an additional construction period of no more than 3 years)
3.28	Confirmation by the Participating Lender that the loan satisfies the loan eligibility criteria
3.29	If New-Build Dwelling under a House and Land Package or Land and Separate Contract to Build Home, confirmation by the Participating Lender that the loan also satisfies the eligibility criteria for construction loans If a Scheme-Backed Loan to an Eligible Single Parent or Eligible Single Legal Guardian has been applied for, confirmation by the Participating Lender that the loan satisfies the requirements for a Single Parent Stream if a Single Parent Stream is to be issued.
<i>Other details</i>	
3.30	Whether borrower(s) have been (or intends to be) approved for a State or Territory First Home Owner's Grant

3.31	Whether borrower(s) have been (or intends to be) approved to participate in the Australian Government's First Home Super Saver Scheme
3.32	Whether borrower(s) have been (or intends to be) approved for a State / Territory Stamp Duty Concession Scheme
3.33	Whether borrower(s) have been (or intends to be) approved to participate in the Australian Government's Home Builder grant
3.34	A copy of an executed Home Buyer Declaration must be uploaded which must be dated no more than 100 days earlier than the date of the Guarantee Certificate Application.
3.35	Indication of whether the borrower(s) would have been able to secure a home loan from the Participating Lender without access to the Scheme (survey question)

Part 4 Required information for a Contracts Application

The following information is to be submitted via the Scheme Portal for each **Contracts Application**:

<i>For all Contracts Applications</i>	
4.1	Confirmation Participating Lender has seen a copy of the signed Contract of Sale This must be satisfied to obtain an extension.
<i>For an Eligible Off-the-Plan Arrangement under a New Home Guarantee</i>	
4.2	• Date of contract of sale • Confirmation Participating Lender has seen a copy of the signed Contract of Sale • Address of the property • Purchase price** • Participating Lender's assessed 'as if complete' value (if any) ** • Construction commenced on contract date - Yes/No • if Yes, Date construction commenced • if No, Date construction scheduled to commence* • Construction completed – Yes/No • if Yes, then notify Participating Lender that the application is not eligible for an extension as it is a Newly Erected Dwelling • if No, Scheduled date for practical completion* ** Validation rules to be included to align with section 29IA(3)(c) of the Housing Australia Investment Mandate which must be satisfied to obtain an extension.

Part 5 Required information for Guarantee Certificate Applications for a refinancing of an existing Scheme- Backed Loan

The following information is to be submitted via the Scheme Portal for **each Refinancing Guarantee Certificate Application for a refinancing loan**.

<i>Borrower details</i>	
5.1	Number of borrowers (1 or 2)
5.2	Full name of borrower(s)
5.3	Date of birth of borrower(s)
5.4	Occupation of borrower(s)
5.5	Current Residential address for (each) borrower
5.6	Current Postal address for (each) borrower
<i>Property details</i>	
5.7	Refinancing type (Established Dwelling, New-Build Dwelling under a House and Land Package, New Build Dwelling under a Land and Separate Contract to Build Home, a Newly Constructed Dwelling, New Home Guarantee Dwelling under a House and Land Package or New Home Guarantee Dwelling under a Land and Separate Contract to Build Home)
5.8	Title Reference of the property to be mortgaged
5.9	Address of the property to be mortgaged
<i>Details of loan to be refinanced</i>	
5.10	Scheme place identification number
5.11	Outstanding principal amount of loan to be refinanced (s)
5.12	Loan account number(s) of loan to be refinanced
<i>Details of new loan</i>	
5.13	Loan amount (\$)
5.14	Initial interest rate (%)
5.15	Loan account number(s) (if available)
5.16	Interest rate type (fixed 1 year / fixed 2 year / fixed 3 year / fixed 4 year / fixed 5 year / variable)
5.17	Repayment basis (principal and interest / interest only)
5.18	Loan term
5.19	Scheduled settlement date
5.20	Confirmation by the Participating Lender that the loan is an eligible refinancing loan

Schedule 2 Verification Requirements

The Participating Lender must ensure that the following verification measures are undertaken to confirm satisfaction of the Eligibility Criteria in respect of matters included by the Housing Australia Investment Mandate.

Rules 3.2 ("Eligible Borrowers"), 3.3 ("Eligible Loans") and 3.4 ("Eligible Property") include additional Eligibility Criteria which are required to be verified by the Participating Lender having regard to factual and other objective matters.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
(New Loans) a loan for which all the following are satisfied <i>at the time a loan agreement is entered into</i> :				
29C(2), 29C(2B) and 29C(3) (New Loans and loans to Eligible Single Parents or Eligible Single Legal Guardians)	(a) the loan is made by an eligible lender;			
	(b) no more than two borrowers under the loan agreement;	For Scheme-Backed Loans to a person who is NOT an Eligible Single Parent or Eligible Single Legal Guardian, the Participating Lender must ensure that no more than 2 borrowers that are Eligible Borrowers are party to a Scheme-Backed Loan. For Scheme-Backed Loans to a person who is an Eligible Single Parent or Eligible Single Legal Guardian, the Participating Lender must ensure that there is a single borrower under the loan agreement who will be the only registered owner of the property.		
	(d) each borrower under the loan agreement is an eligible home buyer or the borrower under the loan agreement is an eligible single	For Scheme-Backed Loans to a person who is NOT an Eligible Single Parent or Eligible Single Legal Guardian, see “Eligible home buyer, eligible single legal guardian and eligible single parent” (section 29D (1) and (2) below). For Scheme-Backed Loans to a person who is an Eligible Single Parent or Eligible Single Legal Guardian, see “Eligible home buyer, eligible single legal guardian and eligible single parent” (section 29D(3) below).		

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	parent or eligible single legal guardian;			
	(e) the loan is for the purchase of residential property;	The Participating Lender must confirm with each borrower that it intends to purchase residential property.	The Participating Lender must take reasonable steps to determine that its preapproval for a proposed Scheme-Backed Loan is provided for the purposes of purchasing a residential property.	The Participating Lender must: (a) take reasonable steps to determine that the proposed Scheme-Backed Loan is to be used to finance the purchase of a residential property by reviewing the contract of sale; (b) obtain (and keep on its files) a copy of the signed contract of sale; and (c) obtain from the borrower(s) (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration.
	(f) where the loan relates to the purchase of an interest in land on which a dwelling is not affixed, and the construction of a dwelling on the land, the loan also relates to the construction of the dwelling;	The Participating Lender must confirm with the borrower(s) that it intends to purchase vacant land and to construct a dwelling on the land.	The Participating Lender must only provide a finance pre- approval for the purchase of land (on which there is no dwelling) and construction of a residential property. That is, the Participating Lender may not provide finance pre-approval for the purchase of land only nor for construction with	The Participating Lender must: (a) take reasonable steps to determine that the proposed Scheme-Backed Loan is to be used to finance the land and construction of a dwelling on the land (not only to purchase vacant land with no construction of a dwelling on the land); (b) obtain (and keep on its files) a copy of the executed contract of sale; and (c) where the Scheme-Backed Loan includes a building loan, obtain (and keep on its files) a copy of the executed building contract;

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			'owner-builder' arrangements.	(d) obtain from the borrower(s) (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration.
	(g) the value of the residential property does not exceed the price cap for the area in which the property is located;	See "Property price cap" (section 29F) below.		
	(h) the residential property that is the subject of the loan is to be owner-occupied;	The Participating Lender must confirm with each borrower that it intends to live in the property.	The Participating Lender must not pre- approve a proposed Scheme-Backed Loan for investment purposes.	The Participating Lender must: (a) take reasonable steps to determine that the proposed Scheme-Backed Loan is to be used to finance the purchase of a residential property for the purposes of the Eligible Borrower(s) residing in the property except as otherwise permitted under Rule 3.2; and (b) obtain (and keep on its files) a copy of the signed contract of sale; and (c) where the Scheme-Backed Loan includes a building loan, obtain (and keep on its files) a copy of the executed building contract; (d) obtain from the borrower(s) (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	(i) the loan-to value ratio is between 80 and 95 per cent;	For Scheme-Backed Loans to a person who is NOT an Eligible Single Parent or Eligible Single Legal Guardian, the Participating Lender must ensure that the loan-to-value ratio of a borrower(s) loan is between 80 and 95 per cent.		
		For Scheme-Backed Loans to a person who is an Eligible Single Parent or Eligible Single Legal Guardian, the Participating Lender must ensure that the loan-to-value ratio is between 80 and 98 per cent.		
	(j) subject to subsection (3), the terms of the loan agreement require scheduled repayments of the principal of the loan for the full period of the agreement;	The Participating Lender must confirm with the borrower(s) that they intend to obtain a loan which requires scheduled principal repayments for the full period of the loan agreement unless section 29C(3) applies. That is, where the loan relates both to the purchase of an interest in land on which a dwelling is not affixed and to the construction of a dwelling on the land, the loan may provide for interest-only payments to be made while the dwelling is being constructed.	The Participating Lender must confirm with the borrower(s) that they intend to obtain a loan which requires scheduled principal repayments for the full period of the loan agreement unless section 29C(3) applies. That is, where the loan relates both to the purchase of an interest in land on which a dwelling is not affixed and to the construction of a dwelling on the land, the loan may provide for interest-only payments to be made while the dwelling is being constructed.	The Participating Lender must ensure the Scheme-Backed Loan requires scheduled principal repayments for the full period of the loan agreement unless section 29C(3) applies. That is, where the loan relates both to the purchase of an interest in land on which a dwelling is not affixed and to the construction of a dwelling on the land, the loan may provide for interest only payments to be made while the dwelling is being constructed.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	(k) subject to subsection (3), the loan agreement has a term of no more than 30 years.	The Participating Lender must confirm with the borrower(s) that they intend to obtain a loan for a term of no more than 30 years unless subsection 29C(3) applies. That is, where the loan relates to the purchase of an interest in land on which a dwelling is not affixed, and the construction of a dwelling on the land, the period of the loan agreement may exceed 30 years, but only if the period of the loan agreement after completion of construction of the dwelling is not more than 30 years.	The Participating Lender must confirm with the borrower(s) that they intend to obtain a loan for a term of no more than 30 years unless subsection 29C(3) applies. That is, where the loan relates to the purchase of an interest in land on which a dwelling is not affixed, and the construction of a dwelling on the land, the period of the loan agreement may exceed 30 years, but only if the period of the loan agreement after completion of construction of the dwelling is not more than 30 years.	The Participating Lender must ensure the Scheme-Backed Loan is for a term of no more than 30 years unless subsection 29C(3) applies. That is, where the loan relates to the purchase of an interest in land on which a dwelling is not affixed, and the construction of a dwelling on the land, the period of the loan agreement may exceed 30 years, but only if the period of the loan agreement after completion of construction of the dwelling is not more than 30 years.
29C(4)	(a) the loan (the refinancing loan) is for the sole purpose of fully	N/A	N/A	The new lender (that is a Participating Lender) will need to apply for its loan to be covered by a Guarantee Certificate via the Scheme Portal, which

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	satisfying the obligations of a borrower or borrowers under an existing loan; and			will include a requirement to enter the new loan amount, interest rate and loan term.
	(b) the Housing Australia has previously issued a guarantee under this Part relating to the existing loan; and	N/A	N/A	N/A
	(c) no claim has been made in respect of the guarantee; and	N/A	N/A	N/A
	(d) the guarantee remains in force until the refinancing loan is entered into.	N/A	N/A	N/A
(Construction Loans) where the loan relates to the purchase of an interest in land on which a dwelling is not affixed, and the construction of a dwelling on the land				
29C(2)(m) 29CA	29CA The new dwelling contract requirements, in relation to a loan agreement for the construction of a	The Participating Lender must confirm in relation to the building contract that: (a) the building contract is with a builder who holds all the licences and registrations required by law in order to perform the work required by the contract in the relevant jurisdiction;		

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	dwelling, are that all borrowers under the loan have entered into a building contract that meets each of the specified requirements.	(b) insurance policies are in place in relation to the construction of the dwelling, as required by law; (c) the contract is entered into on an arm’s length basis; and (d) the contract requires the builder to construct a fully completed dwelling on the land, up to and including the point at which the dwelling is certified as fit for occupation.		
29C(2)(m) 29CB	29CB The specified timeframe requirements, in relation to a loan agreement for the construction of a dwelling, are met.	The Participating Lender must confirm in relation to the on construction timeframes that: (a) the construction of the dwelling will commence within 12 months of the day on which the applicant becomes the registered owner of the relevant property (the transfer date); and (b) the construction will be completed within 36 months of the transfer date.		
A person is an <i>eligible home buyer</i> in relation to a loan if, at the time a loan agreement is entered into:				
29D(1)	(a) the person has never held in the last 10 years: (i) a freehold interest in real property in Australia; or (ii) a Relevant Interest in Land.	N/A	The Participating Lender must select from the drop down box eligibility status on the Scheme Portal the that the borrower(s) has confirmed to it that it is an eligible home buyer.	The Participating Lender must: (a) for: (i) Major Bank Lenders, from 1 February 2020; and (ii) Non-Major Bank Lenders, from such time as it is required by law (or if earlier, from the date of implementation within its own organisation) to obtain such reports in connection with its mortgage lending activities, obtain and review a credit report of each borrower to identify whether the borrower has previously had a mortgage; and

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
				(b) obtain from the borrower(s) (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration. (c) if as part of its normal Lending Policies and procedures, the Participating Lender reviews a borrower(s) transactional data, the Participating Lender must use its best endeavours to identify whether property related expenses such as council rates would result in the borrower not being an eligible home buyer.
	(b) the person is at least 18 years of age and either an Australian citizen or a Permanent Resident; and	N/A	The Participating Lender must: (a) verify that each borrower is at least 18 years of age by (i) retaining certified copies of original documents (or an image thereof where identification is conducted by video conference) or (ii) sighting and retaining a copy of original documents, which in each case are acceptable to evidence age as per its normal KYC	The Participating Lender must obtain from the borrower (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration which includes a statement that it is at least 18 years of age and an Australian citizen or Permanent Resident.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			process or identity verification process for mortgagors; or (iii) sighting and retaining a copy of an ID&V Report from an authorised provider of such reports (e.g. Green ID); and (b) verify that the borrower is an Australian citizen by (i) retaining certified copies of citizenship documents or (ii) sighting and retaining a copy of original citizenship documents as set out below; or (iii) sighting and retaining a copy of an ID&V Report from an authorised provider of such reports (e.g. Green ID); or (c) verify that the borrower is a	

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			permanent resident by (i) carrying out a VEVO check which shows the borrower to hold a class of permanent visa; or (ii) if the borrower holds an Immicard, obtaining an electronic copy of the visa record from the Department of Home Affairs, or (iii) if the borrower does not have an Immicard, or asserts that the VEVO check is out of date or incorrect, obtaining other evidence that demonstrates the borrower is a permanent resident - this could include, for example, a VEVO check and/or sighting of an original of a nonpermanent visa and the existence of	

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			a determination made under the Australian Citizenship Act 2007 which provides that such visa holders are to be treated as permanent residents (if the Participating Lender is uncertain whether a particular applicant is a permanent resident on this basis, please contact Housing Australia). The Participating Lender must retain copies of the VEVO search, original visa, Immicard, and any other relevant documents for its files. <u>Acceptable documents to evidence Australian citizenship:</u> <i>For persons born in Australia:</i> (1) an Australian Birth Certificate issued by	

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			the Registry of Births, Deaths & Marriages; OR (2) a current Australian passport. For persons born overseas: (1) a current Australian passport; OR (2) an Australian citizenship certificate; OR (3) an Extract from the Register of Citizenship by Descent. <u>Acceptable documents to evidence permanent residency:</u> <i>If a holder of an Australian Permanent Visa:</i> VEVO search results which confirm that the borrower holds a Permanent visa and can remain in the country indefinitely, or sighting	

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			the original visa (if not recorded in VEVO). <i>Note: Participating Lenders should refer to the Lender Guide for more information on the current categories of permanent visas.</i> <i>If a holder of an ImmiCard:</i> Electronic copy of a Visa record from the Department of Home Affairs evidencing that they can remain in the country indefinitely. <i>If relying on a determination made under the Australian Citizenship Act 2007 and a nonpermanent visa:</i> A VEVO check or sighting of the original visa and a copy of the applicable determination	
29F(1)	(Property price cap) For the purposes of paragraph 29C(2)(g), the price cap for the area in which a residential	N/A	The Participating Lender must ask the borrower(s) the area in which the borrower(s) intends to purchase the eligible	The Price Cap Area Identification Schedule sets out the relevant Price Caps by postcode. The Participating Lender must obtain (and keep for its files):

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	property is located is the amount set out in the table in section 29F(1) of the Housing Australia Investment Mandate.		residential property. This information must be entered by the Participating Lender into the Scheme Portal in each Pre-Approval the most appropriate option from a dropdown box which will contain geographical regions as per the Housing Australia Investment Mandate.	(a) a copy of the full contract of sale; and (b) where the Scheme-Backed Loan includes a building loan, a copy of the executed building contract; and (c) a completed and signed Home Buyer Declaration from the borrower(s).
A person is an <i>eligible single parent</i> or <i>eligible single legal guardian</i> in relation to a loan if, at the time a loan agreement is entered into:				
29D(3)	In the case of an eligible single parent: (a) the person either (i) does not hold a freehold interest in real property in Australia; or (ii) does hold such an interest, but either (A) intends not to on and from when they become the registered owner of the property or the lessee under an Eligible Lease that	N/A	The Participating Lender must select from the drop down box eligibility status on the Scheme Portal the that the borrower(s) has confirmed to it that it is an eligible home buyer.	The Participating Lender must: (a) for: (i) Major Bank Lenders, from 1 February 2020; and (ii) Non-Major Bank Lenders, from such time as it is required by law (or if earlier, from the date of implementation within its own organisation) to obtain such reports in connection with its mortgage lending activities, obtain and review a credit report of the borrower to identify whether the borrower currently owns or any real property or has granted any mortgage and if the borrower does hold a freehold interest in real property in Australia, has ticked a

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	will be purchased/acquired with the loan; or (B) holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan; and (aa) the person does not hold a Relevant Interest in Land. <u>In the case of an eligible single legal guardian:</u> (a) the person either (i) does not hold a freehold interest in real property in Australia or a leasehold interest under an Eligible Lease; or (ii) does hold such an interest, but either (A) intends not to			check box on the Scheme Portal that the borrower has confirmed to it that the requirements of section 29D(3)(a)(ii) will be met. (b) obtain from the borrower (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration. (c) If as part of its normal Lending Policies and procedures, the Participating Lender reviews a borrower's transactional records or data, the Participating Lender must use its best endeavours to identify whether property related expenses such as council rates have been incurred such as to indicate that the borrower currently has a freehold interest in real property or any Relevant Interest in Land.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	on and from when they become the registered owner of the property or the lessee under the Eligible Lease that will be purchased with the loan; or (B) holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan; and (b) the person does not hold a Relevant Interest in Land.			
	(b) the person is at least 18 years of age and either an Australian citizen or a Permanent Resident; and	N/A	As above for s.29D(1)	The Participating Lender must obtain from the borrower (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration which includes a statement that it is at least 18 years of age and an Australian citizen.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	(d) the person is single; and	See “single” (section 29D(4)) below.		
	(e) in the case of a single parent, the person has at least one dependent child; and	See “dependent child” (section 29D(5)) below.		
	(e) in the case of a single legal guardian, the person is the legal guardian of at least one dependent child.	See “dependent child” (section 29D(5)) below.		
29D(4)	(single) a person is single if: (a) the person does not have spouse; and (b) the person does not have a de facto partner.	N/A	The Participating Lender must tick a check box on the Scheme Portal that the borrower has confirmed to it that (i) the borrower does not have a spouse; and (ii) the borrower does not have a de facto partner.	The Participating Lender must obtain from the borrower (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration which confirms that (i) the borrower does not have a spouse and (ii) the borrower does not have a de facto partner.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			The Participating Lender must obtain evidence that (i) the borrower does not have a spouse; and (ii) the borrower does not have a de facto partner.	
29D(5)	(<i>dependent child</i>) a person is a dependent child of a second person (the adult) if: (a) the adult is a natural or adoptive parent of the person; and (b) either: (i) the person is a dependent child of the adult within the meaning of subsections (2), (3), (4), (5), (6) and (7) of section 5 of the Social	N/A	The Participating Lender must tick a check box on the Scheme Portal that the borrower has confirmed to it that (i) it is the natural or adoptive parent of the person, and (ii) either the person is a dependent child of the borrower within the meaning of subsections (2), (3), (4), (5), (6) and (7) of section 5 of the Social Security Act 1991 (Cth) or the person is at least 16, is in receipt of a disability support	The Participating Lender must obtain from the borrower (and upload to the Scheme Portal) a duly completed and signed Home Buyer Declaration which confirms that (i) the borrower is the natural or adoptive parent of a person, and (ii) either the person is a dependent child of the borrower within the meaning of subsections (2), (3), (4), (5), (6) and (7) of section 5 of the Social Security Act 1991 (Cth) or the person is at least 16, is in receipt of a disability support pension within the meaning of the Social Security Act 1991 (Cth) and lives with the adult.

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
	Security Act 1991; or (ii) the person (A) is in receipt of a disability support pension within the meaning of the Social Security Act 1991; and (B) lives with the adult.		pension within the meaning of the Social Security Act 1991 (Cth) and lives with the adult. The Participating Lender must obtain evidence that: (i) the borrower is the natural or adoptive parent of a person or the legal guardian of that person, and (ii) either the person is a dependent child of the borrower within the meaning of subsections (2), (3), (4), (5), (6) and (7) of section 5 of the Social Security Act 1991 (Cth) or the person is in receipt of a disability support pension within the meaning of the Social Security Act 1991	

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
			(Cth) and lives with the adult. <u>Acceptable documents to evidence that the borrower is the natural or adoptive parent of a child or the legal guardian of the person:</u> If the adult is a natural parent: the child's birth certificate. The certificate should note the adult as the natural parent and must include the date of birth of the child; If the adult is an adoptive parent: formal adoption order or other documentation showing that the adult has adopted the child legally; or If the adult is the legal guardian of the person, formal documentation evidencing that the adult is the duly appointed legal guardian of the person.	

Housing Australia Investment Mandate Section No	Eligibility Criteria	Verification Requirements		
		Prior to making a Reserve Application	Prior to making a Pre-Approval Application	Prior to making a Guarantee Certificate Application
29F(1)	(Property price cap) For the purposes of paragraph 29C(2)(g), the price cap for the area in which a residential property is located is the amount set out in the table in section 29F(1) of the Housing Australia Investment Mandate.	N/A	The Participating Lender must ask the borrower the area in which the borrower intends to purchase the eligible residential property. This information must be entered by the Participating Lender into the Scheme Portal in each Pre- Approval Application by selecting the most appropriate option from a dropdown box which will contain geographical regions as per the Housing Australia Investment Mandate.	The Price Cap Area Identification Schedule sets out the relevant Price Caps by postcode. The Participating Lender must obtain (and keep for its files): (a) a copy of the full contract of sale; and (b) where the Scheme-Backed Loan includes a building loan, a copy of the executed building contract; and (c) a duly completed and signed Home Buyer Declaration from the borrower(s).

Schedule 3 Periodic Loan Data

The information required as Periodic Loan Data in respect of each Scheme-Backed Loan is set out below.

*Denotes mandatory fields

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
1.1	Application ID*	Application ID assigned by the Portal.	20XX-XX-XXXXXXXXXX Correct example: 2022-23-01234ABC1 or F2022-23-01234ABC1 Incorrect example: 2022-23-01234ABC1-GC1	ApplicationId
1.2	Lender reference number (if any)	Participating Lender's reference number	No more than 40 characters	LenderReferenceNo
1.3	Reporting date*	The calendar month to which the data contained in Period Loan Data relates.	Mmm-YY e.g., Jun-20	ReportingDate
Borrower details				
1.4	Borrower 1 residential address*	Residential address of Borrower 1 Unit and/or Street Number, Street Name, Suburb, State/Territory, Postcode	Each data point is to be assigned to its correct column.	Borrower1Address Borrower1Suburb Borrower1Postcode Borrower1State
1.5	Borrower 2 residential address	Residential address of Borrower 2	As above.	Borrower2Address Borrower2Suburb

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
		Unit and/or Street Number, Street Name, Suburb, State/Territory, Postcode Note: when there is no borrower 2, a value is not required.		Borrower2Postcode Borrower2State
Loan details				
1.6	Loan account number*	Loan account number	No more than 50 characters	LoanAccountNo
1.7	Outstanding principal amount*	This means the total outstanding loan principal amount as at the reporting date provided that such total amount is not reduced by any amounts that are: (a) voluntarily prepaid in advance of any scheduled principal repayment, and which may be freely redrawn, under the terms of the loan; or (b) notionally set-off against the outstanding loan principal amount and may be freely dealt with by the borrower(s), and, in each case, which have not been applied as irrevocable repayments of loan principal as required under the terms and conditions of the loan.	Number (up to 2 decimal places)	OutstandingPrincipalAmount
1.8	Interest rate type (fixed / variable)*	Current interest rate type	Permitted values: Fixed,	InterestRateType

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
			Variable	
1.9	Fixed Term (if applicable*)	Current Fixed rate term (in years) Note: Variable loans are not required to have a value.	Permitted Values 1 2 3 4 5	FixedTerm
1.10	Fixed Term Expiry (if applicable*)	The date the current fixed term ends Note: when the interest rate type is selected as 'fixed', a value must be provided.	DD-MM-YYYY	FixedTermExpiry
1.11	Repayment basis (principal and interest / interest only)*	Current repayment basis	Permitted Values: Principal and Interest, Interest Only	RepaymentBasis
1.12	Current interest rate*	Interest rate as at reporting date for each individual loan account	No more than 2 digits after the decimal point. No percentage '%' sign e.g., 5.12	CurrentInterestRate
1.13	Remaining loan term*	Remaining loan term in number of months	A positive whole number that is no more than 3 digits (to be rounded down to a whole number).	RemainingLoanTerm

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
1.14	Remaining interest only term (if applicable*)	Remaining interest only term in number of months Note: when the repayment basis is selected as 'interest only', a value must be provided.	A positive whole number that is no more than 3 digits (to be rounded up to a whole number).	RemainingInterestOnlyTerm
1.15	Monthly repayment (\$)*	Minimum monthly repayment amount.	A number that has a maximum of 2 decimal points No dollar '\$' sign e.g., 2565.35	MonthlyRepayment
1.16	Loan amount in advance, if any*	This is the amount the Scheme-Backed Loan is ahead of its minimum repayments. It includes amounts in redraw but not offset accounts. If the loan is not in advance, then this should be zero.	A number that has a maximum of 2 decimal points No dollar '\$' sign e.g., 10000.25	LoanAmountInAdvance
1.17	Offset balance, if any *	This is the amount held in an off-set account directly linked to offset principal amounts owed under the loan account number.	A number that has a maximum of 2 decimal points. If there is no offset, leave the cell blank. No dollar '\$' sign	OffsetBalance
1.18	Mortgagee in Possession*	Whether the loan is currently in MIP If 'Yes', the required details in item '3. Mortgagee in Possession (MIP) Reporting' can be provided. However, if the necessary information is not currently	Permitted Value: Yes, No	MortgageeInPossession

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
		available, you can leave the details in item '3. Mortgagee in Possession (MIP) Reporting' blank for the time being.		
1.19	Hardship account*	Whether the loan is currently in hardship If 'Yes', details in item 4. 'Hardship Management Reporting' must be provided and item '2. Arrears and Default Management Reporting' is not required to be provided.	Permitted Value: Yes, No	Hardship
1.20	COVID-19 account*	Whether the loan has had the benefit of a Participating Lender's COVID-19 related policies	Permitted Value: Yes, No	COVID19
2. Arrears and Default Management Reporting		All Scheme-Backed Loans falling within a Participating Lender's Arrears and Default Management related policies to be reported against each loan account number connected to that Scheme-Backed Loan.		
2.1	Delinquency status (Active / Arrears litigation not started / Arrears Litigation Started / Internal dispute (IDR) / External dispute (EDR) / Defended matter/ Eviction scheduled / Cured)	Active Arrears litigation not started - any loan that is in arrears but has not started Litigation Arrears litigation started - any loan that is in arrears has started Litigation Internal dispute (IDR) - any loan that has lodged a complaint and is being reviewed by the Lender Internal Resolution Department. Loan should remain in this status	Permitted values: Active, Arrears Litigation not started, Arrears Litigation started, IDR,	DelinquencyStatus

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
		until dispute has been investigated and resolved		
		External dispute (EDR) - any loan that has lodged a complaint and is being reviewed by AFCA (Australian Financial Complaints Authority). Loan should remain in this status until AFCA advise the case has been resolved or closed`	EDR	
		Defended Matter - Any loan where the Borrower has lodged a defence in the relevant Supreme Court disputing the validity of the loan or the lenders collection practices. Loan should remain in this status until the relevant Court delivers its verdict or if the case has been withdrawn/settled out of court	Defended matter	
		Eviction scheduled - any loan that has begun proceedings to issue an Eviction Notice, this status should include all variations of the Eviction stage (from application up to possession, excluding defended matter)	Eviction scheduled	
		Cured – the loan was delinquent, but the lender no longer considers that to be the case.	Cured, N/A	

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
2.2	Total arrears*	Total amount the customer is behind on the Scheme-Backed Loan. Blank entries are not allowed: instead, '0' should be entered if account is not in arrears.	A number that has maximum 2 decimal points, No dollar '\$' sign,	TotalArrears
3 Mortgagee in Possession (MIP) Reporting		All Scheme-Backed Loans falling within a Participating Lender's MIP related policies to be reported against each loan account number connected to that Scheme-Backed Loan.		
3.1	MIP status (In possession / On market / Pending settlement / Settled / Shortfall sale on market/ Shortfall borrower sale pending settlement)	Status of MIP file, whether - In possession - any loan where the security is in Possession of the Lender, this status is to include all stages until the property has been advertised on market - On market - any loan where the security in Possession is being advertised for sale, this status is to include all stages until the property has been sold with a signed unconditional contract - Pending settlement - any loan where the security in Possession is awaiting settlement, this status is to	Permitted values from 1 July 2020: In possession On market Pending settlement	MIPStatus

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
		include all stages until the property has been discharged - Settled - any loan where the security in Possession has been discharged - Shortfall borrower sale on market - any loan where the Borrower is selling the security and they have advised the lender there will be a shortfall. This status is to include all stages until the property has been sold with a signed unconditional contract - Shortfall borrower sale pending settlement - any loan where the Borrower has sold the security and is awaiting settlement, this status is to include all stages until the property has been discharged - Not applicable	Settled Shortfall borrower sale on market Shortfall borrower sale pending settlement N/A	

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
3.2	MIP/Shortfall borrower sale date	Date settlement is expected to occur	DD-MM-YYYY	MIPShortfallBorrowerSaleDate
3.3	MIP/Shortfall borrower sale valuation (\$)	Valuation of property sold under MIP/Borrower prior to sale	Number (no \$ sign)	MIPShortfallBorrowerSaleValuation
3.4	Estimated claim date	Date which the Participating Lender expects to submit a claim to Housing Australia	DD-MM-YYYY	EstimatedClaimDate
4 Hardship Management Reporting		All Scheme-Backed Loans falling within a Participating Lender's hardship related policies to be reported against each loan account number connected to that Scheme-Backed Loan		
			Only one value is permitted	
4.4	Hardship reason	Reason why file is in hardship - Income – borrower(s) now have a reduced income - Illness – borrower(s) are ill, injured or death - Relationship breakdown – borrower(s) are undergoing divorce/separation - Other – any other reason caused the hardship	Permitted values: Income Illness Relationship breakdown Other, N/A Only one value is permitted	HardshipReason

Monthly Reporting for Scheme-Backed Loans		Description	Date format	CSV template column
4.5	Amount to be capitalised (if applicable)	Amount not paid and capitalised on the loan	A number that has maximum of 2 decimal points If it is not applicable, leave the cell blank. No dollar '\$' sign	HardshipCapitaliseAmount

Schedule 4 Lending Policy Questionnaire

The questions and information comprising the Lender Policy Questionnaire for the Participating Lender are set out below.

Lender Policy information	
1	Please provide a summary of each of the following policy documents with respect to your current residential mortgage lending activities: (a) Credit Policy, including serviceability criteria, calculation methodology and information regarding the method of assessing creditworthiness of borrower; (b) Valuation Policy, including minimum valuation standards and valuer accreditation process; (c) Collections/ Loss Management Policy and information regarding the process of monitoring the status of loans to identify when there is a significant likelihood of a borrower defaulting on their obligations under a loan; (d) Hardship Policy (if separate from Collections/ Loss Management Policy); (e) Postcode restriction list loan to value ratio; (f) Delegated Lending Authority levels for high (90%+) LVR loans; and any other customer care policies. Please also: (g) outline the process and governance arrangements that you employ when actioning changes to the above policies; and (h) provide copies of the above policies and any supporting documents.
2	Noting the response provided to question 1 above, would those same policies apply to Scheme-Backed Loans? If not, please specify the variations that would be required to existing practices. Please include details on: (a) the changes (if any) that you propose to make to your existing Credit Policy to accommodate Scheme-Backed Loans; (b) how you intend to classify the Scheme-Backed Loans for the purposes of applying your Credit Policy (e.g., will you apply the pre-guarantee or post-guarantee LVR); (c) the borrower segment(s), if any, that will become eligible for mortgage finance as Scheme-Backed Loans but which do not currently qualify under your existing Credit Policy.
3	Are any parts of your Credit or Collections/ Loss Management function outsourced? If yes, please provide details of: (a) the outsourced functions; (b) the service provider(s) used; and (c) the processes that you employ to monitor service provider performance.

Pricing information	
4	With respect to your mortgage pricing: (a) does your current pricing differ for high LVR mortgages (i.e., >80% LVR) compared to your other mortgage lending? If yes, please provide details; (b) based on your current funding costs, what interest rate, fees and other charges (including default interest rates and associated enforcement costs) do you propose to offer on Scheme-Backed Loans? Please provide a comparison of how this rate differs from your current rate for non- Scheme-Backed Loans, including the rationale for any differences; (c) will Scheme-Backed Loans continue to be priced at the same level relative to non-Scheme-Backed Loans throughout their term? If not, please describe the circumstances under which Scheme- Backed Loan pricing may change relative to non-Scheme-Backed Loan pricing; and (d) does your loan pricing distinguish between first home buyers and other home loans? If so, please outline the differences.

Schedule 5 Marketing & Collateral Guidelines

Key Topic	Approved Descriptors
Purpose	These Guidelines are issued by Housing Australia to support the integrity of the Australian Government 5% Deposit Scheme. They aim to ensure that information provided to prospective home buyers is clear, accurate, fair, and not misleading.
Application	These Guidelines apply to all Marketing and Promotional Material (as defined in Clause 1.2 of the Scheme Rules). The Guidelines are divided into three (3) parts: 1. General principles and Scheme overview 2. Approved descriptors 3. Other Marketing and promotional material is to comply with the general principles, set out below, which are consistent with the key features of the Australian Government 5% Deposit Scheme. All materials that mention the Australian Government 5% Deposit Scheme must prominently display the approved descriptors, set out in Part 2, where relevant and applicable. Part 3 contains other relevant information.
Part 1 - General principles and Scheme Overview	
General principles	All Marketing and Promotional Material relating to the Australian Government 5% Deposit Scheme must: • Be Accurate: All statements, claims, and figures must be factually correct and able to be substantiated. An overview of key aspects of the Australian Government 5% Deposit Scheme is below. • Be Clear: Use plain English and avoid industry jargon to ensure information is easily understood by the target audience. • Be Balanced: Do not overstate the benefits of the Australian Government 5% Deposit Scheme or obscure the applicant's responsibilities, such as the obligation to repay the entire loan (principal and interest).
Scheme Places	There are unlimited places available under the Australian Government 5% Deposit Scheme from 1 October 2025.
Scheme Features	The features of the Scheme are: • Low deposit options

	• No income caps • Save on upfront fees • Wide choice of home types • Government-backed support: A Government guarantee is provided to the lender for your loan • Unlimited spots and no waiting lists • Purchase a property up to the property price caps set by the Scheme for your location • The Scheme supports first home buyers and single parents.
Part 2 - Approved descriptors	
Overview of application of this part	All materials that mention the Australian Government 5% Deposit Scheme must prominently display the following approved descriptors where relevant and applicable. For print and digital materials, the approved descriptor must be clearly legible. For video or audio materials, it must be spoken at a comprehensible pace or displayed on screen for a duration sufficient to be read comfortably. There are approved descriptors that apply to both streams (General and Single Parent), and individual to each respective stream.
Both streams (General Stream and Single Parent Stream)	
Australian Government 5% Deposit Scheme	The Australian Government 5% Deposit Scheme is for aspiring home buyers – first home buyers with a minimum 5% deposit, or single parents with a minimum of 2%. OR The Australian Government 5% Deposit Scheme makes home ownership more achievable by helping you buy sooner with a smaller deposit, with a Government guarantee.
	The Australian Government 5% Deposit Scheme OR 5% Deposit Scheme (Scheme) <i>NOTE: The 5% Deposit Scheme can be used in a document after the name has been used once in full in that document. The term Scheme can be used after the name has been written in full within the same section or page. Do not use an acronym for the Scheme. The term Scheme can only be used in the singular and capitalised. To ensure clarity and consistency, avoid using the term 'stream' in all public-facing communications.</i>

	Who can access the Scheme? - You're a first home buyer with a minimum 5% deposit - You're a single parent or legal guardian with a minimum 2% deposit																																		
First Home Buyers and Single Parents	The Australian Government 5% Deposit Scheme gives you the flexibility to choose the type of home that suits your lifestyle, location and budget, right across Australia. Both the purchase price and the home's value (as assessed by your Participating Lender) must not exceed the price cap. For building a new home on vacant land with separate contracts, the total land price plus build costs need to come in under the Price Cap too. Check the Postcode Search Tool to find the Price Cap for your desired location. It's only a guide – confirm with your Participating Lender for any home you're considering buying. Property Price Caps are the same for first home buyers and single parents. <table border="1"> <thead> <tr> <th>Location</th><th>Property Price Cap effective 1 October 2025</th></tr> </thead> <tbody> <tr> <td>NSW – capital city and regional centre*</td><td>\$1,500,000</td></tr> <tr> <td>NSW – other</td><td>\$800,000</td></tr> <tr> <td>VIC – capital city and regional centre*</td><td>\$950,000</td></tr> <tr> <td>VIC – other</td><td>\$650,000</td></tr> <tr> <td>QLD – capital city and regional centre*</td><td>\$1,000,000</td></tr> <tr> <td>QLD – other</td><td>\$700,000</td></tr> <tr> <td>WA – capital city</td><td>\$850,000</td></tr> <tr> <td>WA – other</td><td>\$600,000</td></tr> <tr> <td>SA – capital city</td><td>\$900,000</td></tr> <tr> <td>SA – other</td><td>\$500,000</td></tr> <tr> <td>TAS – capital city</td><td>\$700,000</td></tr> <tr> <td>TAS – other</td><td>\$550,000</td></tr> <tr> <td>ACT</td><td>\$1,000,000</td></tr> <tr> <td>NT</td><td>\$600,000</td></tr> <tr> <td>Jervis Bay Territory and Norfolk Island</td><td>\$550,000</td></tr> <tr> <td>Christmas Island and Cocos (Keeling) Islands</td><td>\$400,000</td></tr> </tbody> </table> * Regional centres are (1) in New South Wales - Illawarra, Newcastle and Lake Macquarie, (2) in Victoria - Geelong, and (3) in Queensland - Gold Coast and Sunshine Coast.	Location	Property Price Cap effective 1 October 2025	NSW – capital city and regional centre*	\$1,500,000	NSW – other	\$800,000	VIC – capital city and regional centre*	\$950,000	VIC – other	\$650,000	QLD – capital city and regional centre*	\$1,000,000	QLD – other	\$700,000	WA – capital city	\$850,000	WA – other	\$600,000	SA – capital city	\$900,000	SA – other	\$500,000	TAS – capital city	\$700,000	TAS – other	\$550,000	ACT	\$1,000,000	NT	\$600,000	Jervis Bay Territory and Norfolk Island	\$550,000	Christmas Island and Cocos (Keeling) Islands	\$400,000
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First Home Buyers (General Stream)																																			
First Home Buyers	The Australian Government 5% Deposit Scheme helps first home buyers who can contribute a minimum 5% deposit, with a Government guarantee.																																		
(General Stream)	OR																																		

	The Scheme helps first home buyers who can contribute with a minimum 5% deposit. The Australian Government 5% Deposit Scheme helps you buy your first home with a minimum 5% deposit, with a Government guarantee. No income caps, no waitlists and no Lenders Mortgage Insurance (LMI) means you have lower upfront costs and could own your first home years faster. OR The Scheme helps you buy your first home with a minimum 5% deposit, with a Government guarantee. <i>References to the new government website [from 1 October 2025]:</i> You can find more information about the Scheme and borrower eligibility criteria on the new government website [from 1 October 2025].
Key Features and Benefits	Discover how the Scheme could help you own your first home sooner: • Low deposit: Minimum 5% for first home buyers. • No income caps: Your income doesn't restrict your access. • Avoid extra costs: No LMI, reducing upfront costs. • Wide choice of home types: Houses, townhouses, apartments, house/land packages, off-the-plan, or building on vacant land – all below location price caps. • Government-backed support: A Government guarantee is provided to the lender for your loan. • Unlimited spots and no waiting list: Apply when you're ready, no queues. Purchase a property up to the property Price Caps set by the Scheme for your location.
Borrower Eligibility	To access the Scheme, you need to meet borrower eligibility criteria including: • Australian citizen or permanent resident • Be at least 18 years old • Saved a minimum deposit of 5% • A first home buyer or have not owned a property or land in Australia in the last 10 years • Buying a home in Australia priced at or below the location's Price Cap • Planning to live in the home as an owner-occupier (no investment properties) • Applying for an owner-occupier home loan with Principal and Interest repayments from a Participating Lender, for a term of up to 30 years (plus up to 3 years to build a new home) Applying on your own or jointly with a partner, friend, or family member (maximum of 2 applicants for joint applications).

Single Parents (Single Parent Stream)	
Single Parents <i>(Single Parent Stream)</i>	The Australian Government 5% Deposit Scheme helps you into your new family home if you have a minimum 2% deposit, with a Government guarantee. No income caps, no waitlists and no LMI helps get you into your own home sooner. OR The Scheme helps single parents or legal guardians who can contribute a minimum 2% deposit. The Australian Government 5% Deposit Scheme helps single parents or legal guardians with a minimum 2% deposit to buy a new family home, with a Government guarantee. OR The Scheme helps single parents or legal guardians with a minimum 2% deposit to buy a new home, with a Government guarantee. <i>References to the new government website [from 1 October 2025]:</i> You can find more information about the Scheme eligibility criteria on the new government website [from 1 October 2025]. <i>To ensure clarity and consistency, avoid using the term ‘stream’ in all public-facing communications. The Scheme supports first home buyers and single parents.</i>
Key Features and Benefits	Discover how the Scheme could help you own your first home sooner: • Low deposit: Minimum 2% for single parents or legal guardians of one or more dependent children. • No Income caps: Your income doesn’t restrict your access. • Avoid extra costs: No LMI, reducing upfront costs. • Wide choice of home types: Houses, townhouses, apartments, house/land packages, off-the-plan, or building on vacant land – all below location Price Caps. • Government-backed support: A Government guarantee is provided to the lender for your loan. • Unlimited spots and no waiting list: Apply when you’re ready, no queues. Purchase a property up to the property Price Caps set by the Scheme for your location.
Eligibility	To access the Scheme, you need to meet eligibility criteria including: • Australian citizen or permanent resident • Be at least 18 years old • Saved a minimum deposit of 2% • Single parent or single legal guardian of one or more dependent children • Not have any other property interest once your new home settles • Buying a home in Australia priced at or below the location’s price cap • Planning to live in the home as an owner-occupier (no investment properties)

	• Applying for an owner-occupier home loan with Principal and Interest repayments from a Participating Lender, for a term of up to 30 years (plus up to 3 years to build a new home) • Applying on your own (no joint applications).
Part 3 - Other	
Scheme Collateral	A single Scheme Fact Sheet and two Information Guides (One for First Home Buyers and another one for Single Parents) are available to download from the new government website [from 1 October 2025]. <i>The new government website [live 1 October 2025] is an Australian Government website that is a one-stop shop for all Commonwealth-supported home ownership initiatives, including the Australian Government 5% Deposit Scheme, the Australian Government Help to Buy Scheme and the First Home Super Saver Scheme.</i>
Website Tools	Two tools are available on the new government website to assist home buyers with the Australian Government 5% Deposit Scheme. These are: Borrower Eligibility Tool – questionnaire to help home buyers identify your borrower eligibility for the Scheme (either as a First Home Buyer or a Single Parent). Postcode Search Tool – a tool to help home buyers determine the property Price Caps for the suburb they are purchasing in. <i>Note, the property Price Caps are the same for both first home buyers and single parents in the Australian Government 5% Deposit Scheme.</i>
Website references	You can find more information about the Australian Government 5% Deposit Scheme on the new government website [from 1 October 2025].
Contact	For any questions regarding the application of these Guidelines, please contact Lenders@housingaustralia.gov.au