



Home Guarantee Scheme

PARTICIPATING LENDER GUIDE

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Version 7.0

National Housing Finance and Investment Corporation



TABLE OF CONTENTS

Introduction	2
The Scheme	3
Eligibility Criteria	5
Eligible Properties and Borrowers	10
Scheme Portal	20
Security	29
Transfer & Refinance of Scheme Backed Loans	31
Releasing a Guarantee (Discharge)	34
Guarantee Claims	35
Reporting Requirements	41
Audit	55
Lender Support & Enquiries	70
Handling Complaints & Objections	71
Annexures	73

1 INTRODUCTION

1.1 Background

The National Housing Finance and Investment Corporation (**NHFIC**) was established by the Australian Government in 2018 under the *National Housing Finance and Investment Corporation Act 2018* (Cth) (**NHFIC Act**) to improve housing outcomes for Australians. In performing its functions, NHFIC must comply with the *National Housing Finance and Investment Corporation Investment Mandate Direction 2018* (**Investment Mandate**).

In November 2019 NHFIC's functions were increased to include the establishment and operation of the First Home Loan Deposit Scheme, an Australian Government initiative to assist eligible home buyers access the housing market sooner.

This has since expanded and has been rebranded to the Home Guarantee Scheme (**HGS**) which includes the following:

- a) **First Home Guarantee (FHBG)**. The FHBG commenced on 1 January 2020, when it was known as the First Home Loan Deposit Scheme. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender will be guaranteed by NHFIC. This is aimed at enabling home buyers purchase a home sooner with as little as a 5% deposit.

From 1 July 2022, 35,000 home loans can be guaranteed under the FHBG in each financial year. From 1 July 2023 to 30 June 2024 35,000 places under the FHBG will be available. Available guarantees may be released by NHFIC to Participating Lenders in lots and a guarantee may not be available at a particular time from a particular Participating Lender if that lender has no places available to them at that time.

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

From 1 July 2022, 5,000 Family Home Guarantees will be made available each financial year (up until 30 June 2025) to eligible single parents and eligible single legal guardians with at least one dependent, subject to their ability to service a loan; and

- c) **New Home Guarantee (NHG)**. The NHG commenced on 2 November 2020 and was extended until 30 June 2022. New applications cannot be made for the NHG after 30 June 2022.
- d) **Regional First Home Buyer Guarantee (RFHBG)**. The RFHBG commenced on 1 October 2022. Under the RFHBG, part of an eligible regional home buyer's home loan from a Participating Lender will be guaranteed by NHFIC. This is aimed at enabling the regional home buyer to purchase a home in a regional area sooner, with as little as a 5% deposit.

From 1 October 2022, 10,000 Regional First Home Buyer Guarantees will be made available each financial year (up until 30 June 2025) to eligible borrowers, who have lived in the regional area or adjacent regional area they are purchasing in for the previous 12 months.

Terms used in this Participating Lender Guide (**Lender Guide**) but not otherwise defined have the meaning given to them in the Home Guarantee Scheme – Scheme Rules published by NHFIC (**Scheme Rules**).

1.2 Purpose

The purpose of this Lender Guide is to:

- a) provide an overview of and set out the key features of the FHBG, NHG, FHG and RFHBG (collectively referred to as “Scheme” and “Scheme Guarantee”);
- b) document the operational aspects of the Scheme, including the interaction between Participating Lenders and NHFIC; and
- c) outline the support arrangements to ensure the smooth operation of the Scheme.

1.3 Other Scheme documents

This Guide should be read in conjunction with the Scheme Documents being the:

- a) Participating Lender Deed entered into between your organisation and NHFIC;
- b) Scheme Rules (as defined below); and
- c) Deed of Guarantee;

and also the Scheme Information Guides, Scheme Fact Sheets, and the Home Buyer Declaration

In the event of discrepancy between this document and the Scheme Documents, the Scheme Documents will apply.

1.4 Version

This version 7.0 of the Lender Guide is current as at 1 July 2023. Updates to the Lender Guide will be released as additional operational aspects of the Scheme become available. Participating Lenders will be promptly notified as updates are published by NHFIC.

2 THE SCHEME

2.1 Participating Lenders

NHFIC has established a panel of residential mortgage lenders to participate in the Scheme (each a **Participating Lender**). Under the terms of the original Investment Mandate, no more than two major banks¹ could be appointed for a financial year. From 1 July 2022, this restriction on two majors banks has been removed. Currently three major banks have been appointed to participate in the Scheme.

The panel of Participating Lenders commenced in three stages:

- a) Two major banks on 1 January 2020; and
- b) non-major bank lenders on 1 February 2020. Following a Request for Proposal in early 2022, five additional non-major banks were appointed to the panel on 1 July 2022.
- c) One additional major bank operational under the scheme

Home buyers wanting to access the Scheme must apply for an eligible loan through a Participating Lender or their broker representatives.

Each Participating Lender is responsible for collecting all required information from applicants and determining eligibility in accordance with the requirements set out under the Scheme Rules (including the Verification Requirements), as well as conducting their own assessments in relation to the eligible loans they offer to borrowers. **Participating Lenders should also ensure that applicants are provided with relevant Fact Sheets and Information Guides, as soon as possible during initial engagement.**

2.2 The Guarantee

Under the Scheme, NHFIC will provide a contractual guarantee in favour of eligible lenders that have funded eligible loans to eligible borrowers (**Scheme-Backed Loans**). Broadly, the Guarantee will:

- a) in respect of the FHBG, NHG and the RFHBG, provide for a guaranteed amount that is limited to the difference between:
 - (i) the deposit applied by the borrower (minimum 5% of the value² for the relevant eligible property); and
 - (ii) 20% of the value of the eligible property that is the subject of the eligible loan;(the **Guaranteed Maximum Liability**, which enables up to a maximum of 15% of the value of the eligible property to be guaranteed); and
- b) in respect of the FHG, provide for a guaranteed amount that is limited to the difference between:
 - (i) the deposit applied by the borrower (minimum 2% of the value² for the relevant eligible property); and

¹ 'Major banks' is defined in the Investment Mandate as ANZ, CBA, NAB and Westpac and their related bodies corporate (within the meaning of the *Corporations Act 2001*).

² 'Value' is defined in the Investment Mandate as, in relation to a residential property, the value assessed by the eligible lender at the time a loan is entered into, in accordance with standard lending practice in the residential mortgage market.

- (ii) 20% of the value of the eligible property that is the subject of the eligible loan, (the **Guaranteed Maximum Liability**, which enables up to a maximum of 18% of the value of the eligible property to be guaranteed); and
- c) cover the payment of any amounts which remain to be owed to a participating lender after sale proceeds are applied to the residual amount owed by a borrower on an eligible loan.

The Guarantee will cease once the balance of the loan is 80% or less of the value of the property as at the time the loan was entered into. The Guarantee will fall away when this occurs as it is intended that the Guarantee only cover the risk of default for loans representing 80% or more of the property value.

2.3 Scheme Places

In line with the Investment Mandate, NHFIC can issue a maximum of 35,000 FHBG places in a financial year (including the 2023-2024 financial year).

From the start of the 2023-24 financial year, places for the FHBG will be allocated 50/50 between majors and non-major participating lenders. As at the 30th of September of each financial year, NHFIC will review the take up and trends of major banks and non-major banks for FHBG places. Thereafter, on a monthly basis NHFIC will review the take up of each class and may adjust the FHBG allocation between major and non-major banks in its discretion to assist with as many places being taken up as is possible.

From 1 July 2022, up to 5,000 Family Home Guarantees can also be issued by NHFIC each financial year up until 30 June 2025

From 1 October 2022, 10,000 Regional First Home Buyer Guarantees can also be issued by NHFIC each financial year up until 30 June 2025.

For the FHBG, FHG and the RFHBG, if guarantees remain unissued from the prior financial year, the Minister for Housing may make a determination to roll unused Scheme Places into the next financial year.

Participating Lenders can reserve and pre-approve Scheme Places and request the issuance of Guarantee Certificates through the Scheme Portal in accordance with the Scheme Rules and Scheme Portal User Manual. An overview of the process is outlined in Section 5 of this Lender Guide.

2.4 Switching under the Scheme and waterfall of Guarantees

The following waterfall of Guarantees is to be applied by Participating Lenders:

- where a borrower is eligible for the RFHBG and/or Family Home Guarantee (FHG), they are not eligible under the First Home Buyer Guarantee (FHBG)
- where a borrower is eligible for both the RFHBG and FHG, the Participating Lender may determine the Guarantee to be applied

In the event it is found that a borrower was eligible for the RFHBG or FHG, and a FHBG Guarantee was issued, this will impact the validity of the FHBG Guarantee.

Participating Lenders are required by the Investment Mandate (IM) and by NHFIC to be able to evidence their documented process for frontline staff (both lenders and brokers) to ensure this IM requirement is being followed. This will also be included in audit guidelines, for audit periods including the RFHBG.

Broadly, there are no restrictions under the Scheme Rules on a borrower with an existing place for a Scheme Guarantee choosing to switch to another Scheme Guarantee.

However, prior to effecting a switch, Participating Lenders should be aware:

- a) a borrower can only maintain a place under one Scheme Guarantee at any one time (and not under multiple Scheme Guarantees); it is the Participating Lender's responsibility to ensure that all of the relevant eligibility criteria are met in respect of the type of guarantee for which the application is made;
- b) the Scheme Portal does not (and will not) have an ability to switch a borrower between Scheme Guarantees,
- c) if a borrower decides to switch between any of the Scheme Guarantees, then this will need to be carefully managed because:
- d) the borrower's existing Scheme Place application (including any linked applications) will need to be withdrawn before making a new application under another Scheme Guarantee; and
- e) a Participating Lender's ability to make a new application under a new Scheme Guarantee will be dependent on whether a Scheme Place is available at the time the application is made.

3 Eligibility Criteria

The Eligibility Criteria in respect of Eligible Borrowers, Eligible Loans and Eligible Property are detailed in the Investment Mandate and the Scheme Rules. Broadly, the overarching requirement is that **Participating Lenders must only offer Eligible Loans to Eligible Borrowers in respect of the purchase of an Eligible Property.**

Participating Lenders should be aware that the FHG has separate, and distinct, borrower eligibility criteria, the NHG has separate and distinct Eligible Property criteria and the RFHBG has separate and distinct borrower and regional area eligibility criteria to the FHBG. Further information is set out in section 4 below in respect of eligible single parents and eligible single legal guardians under the FHG, in respect of eligible properties for the NHG (new reservations not able to be made, from 1 July 2022), and in respect of eligible areas and borrowers under RFHBG.

Each Participating Lender is responsible for verifying that a borrower satisfies each of the Eligibility Criteria in accordance with the Verification Requirements and its own credit assessment criteria. A copy of the Verification Requirements is set out in Schedule 2 of the Scheme Rules.

3.1 Search property price Caps

NHFIC has developed a postcode tool to help home buyers find out the property price cap for the suburb in which they are looking to purchase a property. This can be accessed at nhfic.gov.au.

Participating Lenders need to ensure that:

1. the correct property price cap is applied under the Scheme and relevant Guarantee; and
2. the property price caps applicable as at the Price Cap Determination Date (as defined in the Scheme Rules) are relied on in respect of an application. By way of example, if the price caps changed on 1 July in the future and a loan application had a Price Cap Determination Date of 30 June, the price caps in force as at 30 June would apply to that loan irrespective of whether the loan settled after 1 July.

For spots rolled over at the Minister's discretion and accessed in another subsequent financial year, NHFIC will confirm the price caps applicable to those spots in the relevant formal communication.

If a suburb or postcode is not in the property price tool, then please email NHFIC with the details at lender@nhfic.gov.au. A representative from NHFIC will contact you as soon as practicable.

3.2 Regional Checker tool (RFHBG)

NHFIC has developed a Regional Checker tool to help regional home buyers find out if their current residential location and the location they are looking to purchase a property in may be eligible for the RFHBG. This can be accessed at nhfic.gov.au.

Participating Lenders are required to ensure that the purchased property is either in the home buyers current regional area or an adjacent regional area. The definition of a regional area can be found defined within the Scheme Rules.

If participating lender staff experience any issues with this tool, they can email lenders@nhfic.gov.au and outline the issue being encountered (ideally with a screenshot).

3.3 Scenarios

For a Guarantee to be issued, all of the relevant eligibility criteria for the issuance of a guarantee in respect of a loan to that borrower must be met.

NHFIC is aware of the complexities that may arise with borrowers and continues to work with Participating Lenders to clarify scenarios of eligibility and non-eligibility. Some of these scenarios are located in Annexure B in this Guide.

NHFIC will update the scenarios from time to time and Participating Lenders are encouraged to compile and provide any updates to NHFIC directly.

For any scenarios that are not listed in this document, please email the scenario/query through to lenders@nhfic.gov.au

4 ELIGIBLE PROPERTIES AND BORROWERS

Please note – new reservations under the NHG cannot be made after 1 July 2022. The below relates only to existing NHG reservations made before this date.

4.1 Newly Built Dwelling under the NHG

To be Eligible under the New Home Guarantee, the property must be a Newly Built Dwelling. A property will be a Newly Built dwelling if:

- a) it has never been sold as residential premises. This would include vacant land as, vacant land of itself cannot be occupied as a residence; or

The purchase types that could fall under this category are:

- (i) Newly Constructed Dwellings
- (ii) House and Land Packages
- (iii) Land and Separate Contract to Build a Home
- (iv) Off-the-Plan Arrangements

- b) if it has previously been sold as residential premises, then prior to being sold to the first home buyer, it was:

- (i) created by the vendor through substantial renovations of a building; or
- (ii) built by the vendor to replace demolished premises on the same land,

The only purchase type that could fall under this category are Newly Constructed Dwellings.

and, in each case, since being completed until settlement of the Scheme-Backed Loan has:

- c) Never Been Occupied; or
- d) Never Been Rented or Leased.

More importantly, if a first home buyer proposes to buy a property and undertake a substantial renovation or a knock-down and re-build, then that property will not be an Eligible Property under the NHG. The NHG requires substantial renovations and/or knock-down rebuilds to be undertaken by a vendor, prior to the property being sold to the first home buyer.

Under the Scheme Rules, Participating Lenders must take reasonable steps to verify the property is a Newly Built Dwelling. What will constitute reasonable steps will broadly depend on the circumstances and Participating Lenders will need to assess whether the steps they have taken, or propose to take, are reasonable given the circumstances. Some guidance on the steps a Participating Lender could undertake is set out below.

4.2 Confirmation of Newly Built Dwelling under the NHG

If GST is payable on the sale of the property from the vendor to the first home buyer, the property is likely to be a Newly Built Dwelling.

If by examining the contract of sale a Participating Lender can clearly ascertain that GST is payable on the sale, the Participating Lender will simply have to verify that the property has never been occupied, rented or leased. (refer section 4.5)

If GST is not payable on the sale, the steps a Participating Lender could take to confirm whether a property is a Newly Built Dwelling may include one or more of the following:

- a) reviewing the contract of sale, valuation report and, to the extent applicable, building contract
- b) conducting a search of the property on RP data, domain.com.au or realestate.com.au; and/or
- c) obtaining statements from the Vendor/Builder. NHFIC provided some examples to lenders that can be used if adopted into a lender's own policy. Note these are not mandatory nor to be solely relied upon.

4.3 Substantial renovations under the NHG

If a property has previously been sold as residential premises, it may still be eligible under the NHG if it was created through substantial renovations.

For it to be eligible:

- a) the renovations must have affected the building as a whole (cannot just be one part of the building – e.g. a kitchen and/or bathroom, must affect most rooms in the building); and
- b) the renovations need to result in the removal or replacement of all, or substantially all, of the building.

The renovations need not be structural, although structural works often can be an indicator that the works are substantial. Renovations which are cosmetic in nature will not of itself be eligible as a Newly Built Dwelling that has been created through a substantial renovation.

In determining whether substantial renovations have taken place, any works undertaken on the land but not to the building itself are not to be taken into account. This includes landscaping and beautification of surrounding land and driveways.

The steps a Participating Lender could take to confirm whether a property is a Newly Built Dwelling created by the vendor through a substantial renovation may include one or more of the following:

- c) conducting a search of the property on RP data, domain.com.au or realestate.com.au to see what the property looked like before and after the substantial renovations; and/or
- d) obtaining statements from the Vendor/Builder which clearly set out the works undertaken on the property prior to being sold to the first home buyer.

It is NHFIC's expectation the number of properties which will qualify as a Newly Built Dwelling created by the vendor through a substantial renovation will be limited.

4.4 Built to replace a demolished dwelling under the NHG

If a property has previously been sold as residential premises, it may still be eligible under the NHG if it was built to replace demolished premises on the same land.

This category involves pulling down or removal of any building on the land. It does not need to involve the removal of a building previously used as a place of residence.

The steps a Participating Lender could take to confirm whether a property is a Newly Built Dwelling created by replacing demolished premises on the same land may include one or more of the following:

- a) conducting a search of the property on RP data, domain.com.au or realestate.com.au to see what the property looked like before and after it was built to replace a demolished building; and/or
- b) obtaining statements from the Vendor/Builder.

4.5 Never Been Occupied & Never Been Rented/Leased under the NHG

To be eligible under the NHG the property must not have previously been occupied as a place of residence (this includes, being occupied by the vendor) or rented or leased or made available for rent or lease.

The steps a Participating Lender could take to confirm whether a property satisfies these requirements may include one or more of the following:

- a) conducting a search of the property on RP data, domain.com.au or realestate.com.au to see if the property has previously been occupied, rented/leased or made available for rent or lease; and/or
- b) obtaining statements from the Vendor/Builder.

4.6 Construction commencement and completion times (NHG)

Being a stimulus measure, the NHG requires construction to commence, and be completed by, a set timeframe. Compliance with these timeframes is tested as at the loan agreement date either on a look forward and/or a look backward basis (as the context requires). For further detail of the validation rules which have been applied for each of the purchase types, please refer to the Verifications Requirements set out in Schedule 2 of the Scheme Rules.

Once a Guarantee Certificate has been issued to a Participating Lender, there is no requirement for a Participating Lender to continue to monitor that the timeframes to commence or complete construction have actually been met but given the overall policy objective of the Australian Government is aimed at stimulating the residential construction sector, it may be prudent for Participating Lenders to keep abreast of at least whether construction has in fact actually commenced within the required timeframe of the NHG.

The steps a Participating Lender could take to confirm whether this is the case include confirming, if applicable, whether the first progress payment was made within the timeframe construction was required to commence.

Participating Lenders need to also ensure that the correct commencement and Off the Plan (OTP) extension timelines are followed, relevant to where the NHG Scheme Place originated:

- a) for 2020-21 places, commencement will be required within 6 months of the signing of the eligible building contract. For OTP extensions, this would equate to a possible 25 or 31 month extension where eligible.
- b) for 2021-22 places, commencement will be required within 12 months of the signing of the eligible building contract under the NHG. For OTP extensions, this would equate to a possible 25 or 37 month extension where eligible.

4.7 Land registration requirements for the Scheme

For a Participating Lender to request the issue of a Guarantee Certificate under the Scheme involving the purchase of land, it is a requirement that the land will have been titled. To clarify, this is to be the child title entered in the Scheme Portal at the Guarantee issuance stage and not parent title.

Participating Lenders and their representatives should notify borrowers at the earliest possible step, of the potential for a Scheme Place to expire or not be valid, should there be delays with the registration and subsequent issuance of the title for the land being purchased.

4.7.1 ACT Crown Land exceptions (not applicable for the RFHBG)

In the ACT, a certificate of title for newly released Crown land is not available until the Crown lease is registered which only occurs after settlement. To allow Guarantee Certificates to be issued by NHFIC prior to the registration of the Crown lease and issue of a new certificate of title, the Scheme Rules allow for this situation – this is by way of an exception to the usual requirement for delivery of certificate of title or registered lease details prior to the Guarantee Certificate being issued.

In these instances, lenders are asked to enter 'ACT CROWN LAND' in the Title Reference field in the Scheme Portal when requesting the issuance of a Guarantee Certificate by NHFIC. The lender is responsible for ensuring that the executed Crown lease is delivered to the lender at settlement together with the executed mortgage of the relevant property and is then responsible for ensuring the Crown lease is registered together with the lender's mortgage immediately after settlement and retaining the certificate of title once issued.

Lenders should process an edit request via the edit functionality in the portal, after updating the settlement details (that is – update the application to "Settlement confirmed" then process an edit to that for the title reference field providing the actual title details once the certificate of title has issued and is held by the lender.

4.8 Eligible single parents and eligible single legal guardians under the FHG

With the Family Home Guarantee aimed at assisting single parents and single legal guardians of at least one dependent to purchase a family home, the FHG requires Participating Lenders to verify that the applicant is an eligible single parent or eligible single legal guardian.

Under the Scheme Rules, Participating Lenders must take reasonable steps when undertaking verification of this eligibility, such steps being dependent on the varying circumstances of the particular applicant.

Satisfaction of this eligibility requirement must be confirmed by the Participating Lender at the pre-approval stage in the portal and the eligibility must remain current as at the loan agreement date. For further detail, please refer to the Verification Requirements set out in Schedule 2 of the Scheme Rules.

Once a Guarantee Certificate has been issued, there is no requirement for a Participating Lender to continue to monitor the eligibility referred to above (that is, the single parent or legal guardian and dependent status).

4.8.1 Confirmation of a dependent under the FHG

A Participating Lender is only required to determine that the borrower has one "dependent child" as defined in the Investment Mandate.

Should the borrower have more than one dependent, the Participating Lender is only required to gather evidence in respect of one of the dependent to satisfy the eligibility requirement (but may wish to collect information on other dependent to support its credit assessment).

Examples of documents a Participating Lender could use to establish that the borrower is responsible for one or more dependent are:

- If the borrower is the natural parent – the child's birth certificate. The certificate should state the borrower as the natural parent and the date of birth of the dependent child (i.e. to ensure the child satisfies the age test);
- If the borrower is an adoptive parent – formal adoption order or other documentation showing the borrower to have adopted the child legally;
- If the borrower is a legal guardian – formal Government/court issued legal guardianship document (i.e. Guardianship order);
- If the borrower is divorced – a Consent Order made by the Family Court (a Consent Order is a parenting order made by the Court with the consent of the parties, and can be interim or final);
- Centrelink documentation that is addressed to the borrower showing that the borrower is receiving a benefit for, or as a result of having, a dependent (note this should be paired with evidence of the dependent's age should the documentation not have that detail);
- Centrelink documentation that details the care arrangement for the dependent child (note this should be paired with evidence of the dependent's child age should the documentation not have that detail);
- There is no requirement on the borrower to have a specific amount of care (i.e. no minimum % of care is defined by the Social Security Act), as long as it can be proven that the borrower has overnight care of the dependent child;
- in the case of a person who has reached 16 years of and is in receipt of a disability support pension, Centrelink documentation evidencing payment of that pension in respect of that person to an address which is the same as the borrower's address (i.e. to establish that the person is both receiving the pension and lives with the borrower); If the dependent is under the age of 16 they may be considered as a dependent child under the Social Security Act and evidence of a disability support pension is not required and;
- The borrower's previous financial year's tax return (Question IT8).

Participating Lenders may also wish to review bank statements to determine whether the borrower is paying expenses and outgoings related to the dependent child.

Note: where documentation is provided and there is no clear evidence that the borrower is the natural parent adoptive parent or legal guardian of the dependent then additional evidence should be obtained by the Participating Lender to establish the parent/guardian to dependent relationship exists (e.g. the child's passport). The same approach should be applied for establishing that any other required elements of the "dependent child" definition in 29D(5)(b) of the Investment Mandate have been met to the satisfaction of the Participating Lender.

4.8.2 Confirmation that borrower is single under the FHG

The Participating Lender should use its reasonable endeavours to determine that the borrower is "single" – this means that the Participating Lender must be satisfied that the borrower does not have a spouse or a de facto partner.

Examples of documents a Participating Lender could obtain to confirm the borrower does not have a spouse and is not in a de facto relationship are;

- a) If the person has been previously married but is now divorced – a copy of a final Divorce order from the Family Court of Australia (or relevant overseas body);
- b) If the person's spouse has died – a copy of the deceased spouse's Death Certificate;

As to whether a borrower has a “de facto partner”, Participating Lenders may also wish to review bank statements to determine whether the borrower has a joint bank account with another adult or is contributing to the expenses of another adult.

Note that a person who is separated but not yet divorced is NOT eligible under the FHG as that person still has a spouse.

4.9 Borrowers deposit

In section 29K (d) of the Investment Mandate ‘Principles for the operation of the Scheme’, the Scheme must be operated in a manner *“that ensures that eligible home buyers and eligible single parents and eligible single legal guardians have used the maximum amount of their savings as a deposit, subject to the credit policies of their eligible lenders;*

Participating Lenders should ensure their policy contains relevant guidelines to ensure this can be evidenced and met. NHFIC would suggest settlement related costs and a small but reasonable amount could be retained, whilst ensuring the integrity and principles of the scheme are upheld. For construction loans only, lenders could allow for this “small but reasonable amount” to be higher than for a non-construction loan.

4.10 Eligible Regional Properties under the RFHBG

The RFHBG applies only to loans where the residential property is located in a regional area. A regional area is defined as being Statistical Area Level 4 area (as defined by the Australian Bureau of Statistics 2016).

Areas not considered a regional area include all capital cities of the States and the Northern Territory. The whole of the Australian Capital Territory is excluded as the whole area is not considered a Statistical Area Level 4.

However, the territories of Jervis Bay Territory, Norfolk Island, Christmas Island and the Cocos (Keeling) Islands are included as regional areas.

4.10.1 What is a SA4 region?

Statistical Area Level 4 (SA4s) are the largest sub-state regions in the Main Structure of the ASGS and are designed for the output of a variety of regional data, including data from the 2021 Census of Population and Housing. SA4 boundaries represent labour markets and the functional area of Australian capital cities respectively. They are designed with an emphasis on stability over time to support the time series of statistical releases such as the Quarterly Labour Force publication. These areas represent labour markets or groups of labour markets within each state and territory.

Whole SA4s aggregate to Greater Capital City Statistical Areas and States and Territories. There are 108 SA4s covering the whole of Australia without gaps or overlaps.

The Other Territories of Jervis Bay, Cocos (Keeling) Islands, Christmas Island and Norfolk Island are together represented by a single SA4.

4.11 Eligible Borrowers under the RFHBG

The RFHBG is aimed at assisting eligible home buyers in regional Australia to purchase a modest home in a regional area. The RFHBG requires Participating Lenders to verify that the applicants are eligible Regional borrowers

To be an eligible Regional Borrower either of the following are required to be satisfied:

- a) at least one borrower under the loan agreement must have lived in the regional area or an adjacent regional area for the previous 12 months prior to the Loan Agreement Date;
or

- b) at least one borrower under the loan agreement must have lived in the regional area or an adjacent regional area for the previous 12 months prior to the Loan Agreement Date; or
- c) where one of the borrowers has been required by their current employer (employed by the current employer for at least 12 months) to relocate to perform their duties as an employee or is an Australian Defence Force (ADF) member and cannot satisfy the prior 12 month requirement, then they must be able to evidence that they resided (was their residential address and primary place of residence) in the regional or adjacent regional area for at least part of the previous 12 months prior to the Loan Agreement Date, and were only unable to complete the 12 months due to their relocation/posting.

The borrower who has been identified that either are or will be an eligible Regional Borrower by the loan agreement date are to be noted as the eligible Regional borrower at pre approval stage in the Scheme Portal and the lender must ensure that eligibility has been verified as at the home loan agreement date. For further details, please refer to the Verification Requirements set out in Schedule 2 of the Scheme Rules.

Once a Guarantee Certificate has been issued, there is no requirement for a Participating Lender to continue to monitor the eligibility referred to above.

4.12 Evidencing a Regional Borrower under the RFHBG

In addition to the Home Buyer Declaration, Participating Lenders are required to have at least one evidence point defined in their lending policy to verify that at least one borrower under the loan agreement has lived in the regional area or an adjacent regional area for the previous 12 months prior to the Loan Agreement Date.

Please note – if a borrower is not eligible at reservation date, but expects to meet the eligibility requirement in the 12 months between reservation and GC issuance – the risks if this does not occur (i.e. if a contract is signed before eligibility is satisfied) should be outlined to the borrower. It is the Participating Lender’s responsibility to ensure this occurs and that the IM requirement is met. Risks here should be identified by both the borrower and Participating Lender.

Some examples of documents a Participating Lender could use to establish that the borrower has lived in the regional area or an adjacent regional area for the preceding 12 months are:

- a) 2 consecutive ATO Notice of Assessments (with the one being the NOA used for income eligibility).
- b) Utility notices in the borrower’s name
- c) Rental agreement or statements
- d) Bank Statements
- e) Mobile phone statements
- f) Other Government supplied statements

Participating Lenders can determine the number (and combination) of documents that are required to satisfy the eligibility requirement as per their own lending policy. It is recommended that if the borrower has lived at one address throughout the 12 month period that one point of evidence is collected at each end of the timeline.

- a) Multiple addresses across regional areas during the prior 12 months:

A borrower is not required to live at the same address to satisfy the 12-month eligibility criteria, but they are required to live in the same regional area for the 12 months previously. *A borrower who has lived part of the year in one regional area and the remainder of the year in an adjacent regional area may only purchase within the 2 regional areas in which they have lived unless the adjacent area they are wishing to purchase in borders both previous areas.*

If a borrower is already a customer of the Participating Lender and can evidence the 12 month requirements from banking system records, the Participating Lender can record this as an

evidence point, but will be required to supply evidence if a claim is submitted.

For an employee or an active ADF member to satisfy the requirements for the RFHBG partial exemption, the lender will need to provide evidence that at least one borrower under the loan was unable to live in the regional area or a neighbouring regional area in any part of the previous 12 months prior to the Loan Agreement Date due to the relocation of the borrower required by their current employer or a posting in the course of performing duties as an ADF member. For a Partial exemption relating to an employee relocation, Participating Lenders are required to hold written confirmation from the employer confirming the borrower's tenure is for at least 12 months and confirming their requirement to be relocated. For a Partial exemption relating to an ADF member, the Participating Lender must hold a copy of an official statement confirming any posting required in the course of the person performing their duties over the last 12 months.

Examples of these partial exemptions:

- 1) Active full time ADF member lived in Orange for 5 months and is now posted in Townsville

The ADF member is eligible for RFHBG to purchase a residence in the Orange regional area (or adjacent area) as well as having the right to purchase in the Townsville regional area (or adjacent area) as they are now living there. In the very remote instance that the ADF member was posted to a 3rd or 4th destination in the 12 months they would also have the rights as above to all 4 regional areas once they have begun residing there.

- 2) Active full time ADF member lives in Orange and is being posted to Townsville and looking to purchase in Townsville.

The ADF member would not be eligible for RFHBG as they had not "lived" in the region prior to purchasing. They would be eligible once they had begun living in the Townsville region (such as the base).

4.13 Owner occupied residence requirement (all Guarantees)

4.13.1 Owner occupied purpose

As per the Investment Mandate (IM) since scheme inception on 1 January 2020, the Participating Lender must 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 residing in the property except as otherwise permitted under Rule 3.2 (f).

The Eligible Borrower intend to commence their residence of that Eligible Property, 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, except where a person who is an Individual Borrower (or any person part of a joint applicant) cannot use the Eligible Property as an owner-occupied residence because of a Relevant Exemption.

4.13.2 Ongoing eligibility

If the security property covered by the Guarantee is no longer being used as an owner-occupied residence by the loan applicant(s):

the Participating Lender must diligently investigate the circumstances and advise NHFIC (promptly as to whether the security property is in fact no longer being used as an owner-occupied resident by the borrower and

- a) if the Participating Lender confirms such matter to NHFIC, the loan will cease as from that time to be a Scheme-Backed Loan for any purpose under the Scheme Documents and NHFIC will cancel the Guarantee in respect of that loan.
- b) Participating Lenders should have in place policies and procedures that help identify when a borrower changes the purpose of the security covered by the Guarantee

4.13.3 Relevant Exemption

NHFIC may approve for the owner-occupier requirement to be exempt for a period of time up to 3 years where a Relocation Exemption or Health Exemption applies.

A **Health Exemption** applies where a borrower is unable to occupy their home as a principal place of residence as a result of either; the borrower being admitted to a Health Care Facility because of a serious illness, or the borrower has carer responsibilities of a person who suffers from a serious illness. The Participating Lender must hold evidence of written recommendation from a Health Care Professional to support the borrower not being able to reside in their home.

The Participating Lender may apply to NHFIC for the Health Exemption via email, detailing the circumstances for the exemption and confirmation that they hold the required evidence to verify the exemption. Exemptions can be granted for a period of up to 3 years and upon expiry of the approved term, the Participating Lender may apply for an extension if the exemption is still required.

A **Relocation Exemption** applies where a borrower is unable to occupy their home as a principal place of residence as a result of either:

- 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 defined in the Defence Act (Cth) 1903. The Participating Lender must hold a copy of an official statement confirming any posting required in the course of the person performing their duties as a member of the Australian Defence Force; or,
- Due to a relocation required by their current employer (employed for a period of at least 12 months) in the course of performing their duties as an employee for a reasonable amount of time. The borrower must be relocated far enough away from their home where it would be impractical to commute from their home in order to perform their duties as an employee. The Participating Lender must hold written evidence from the employer confirming at least 12 months tenure of the employee and confirmation of the relocation requirement.

The Participating Lender may apply to NHFIC for the Relocation Exemption via email, detailing the circumstances for the exemption and providing the required evidence within the email to verify the exemption. Exemptions can be granted for a period of up to 3 years and upon expiry of the approved term, the Participating Lender may apply for an extension if the exemption is still required. Note the ADF relocation exemption is not required to be approved by NHFIC and remains a process approved by a participating lender.

Note: The Relocation Exemption does not extend to persons who are not a borrower under your loan. If the borrower applies as a single under the FHBG but has a spouse or de facto, they will not be able to claim the Relocation Exemption if their spouse or de facto is required by their employer to relocate and they are unable to reside at the Eligible Property in order to perform their duties as an employee.

4.14 Eligible visa classes as a permanent resident under the Scheme

Permanent Resident has the same meaning as in the Australian Citizenship Act 2007 (Cth). To be an eligible permanent resident under the Scheme the borrower must hold an eligible visa class at the Loan Agreement Date.

Eligible visa classes may include and may change from time to time (subject to individual Participating Lender's credit policy):

- a) a Family-stream permanent resident visa;
- b) a Work-stream permanent resident visa;
- c) a Business or Investor stream permanent resident visa;

- d) a retirement pathway permanent resident visa;
- e) a former resident's permanent resident visa;
- f) a Global Talent permanent resident visa (subclass 858); or
- g) a Refugee and Humanitarian permanent resident visa,

in each case issued by the Australian Government – Department of Home Affairs.

Participating Lenders must have a process to conduct Visa Entitlement Verification Online (VEVO) checks to certify borrower's permanent residency. The timestamp of the VEVO check is to be dated in line with the assessment period of the relevant home loan application. These checks cannot be completed by the borrower with a printout submitted as part of their home loan interview.

In instances where a VEVO check is not available for a borrower due to them not having a passport recognised by the Australian Government, and instead a holder of an ImmiCard, an electronic copy of a Visa record from the Department of Home Affairs must be submitted as evidence that they can remain in the country indefinitely.

4.15 Eligible property ownership

4.15.1 Eligible property ownership under the FHBG and RFHBG

To be eligible under the FHBG or the RFHBG, the borrower (both borrowers for joint applications) must have not held any of the following, in the 10 years prior to the Home Loan Date:

- a freehold interest in real property in Australia (this includes owning land only)
- an interest in a lease of land in Australia with a term of 50 years (or more), or
- a company title interest in land in Australia.

In order to verify whether the borrower(s) meet the prior property ownership, Participating Lenders should, for all borrowers: obtain and review credit reports, obtain and upload to the Lender Portal a completed and signed copy of the Home Buyer Declaration, and as part of normal lending procedures conduct account checks to detect prior property ownership on a best endeavours basis.

4.15.2 Eligible property ownership under the FHG

To be eligible under the FHG, at the time of Home Loan Date the single borrower must not hold:

- a freehold interest in real property in Australia (including owning land),
- a lease of land in Australia or a company title interest in land in Australia, or,
- a company title interest in land in Australia.

If they do hold such an interest above at the Home Loan Date, the borrower may still be eligible if they:

- not intend to hold that interest from settlement of the property is being purchased; or,
- hold that interest as joint tenant or tenant in common in the property to which the loan relates, and intend to become the sole registered owner of the property as a result of the loan.

In order to verify whether the borrower meet the FHG property ownership requirements, Participating Lenders should obtain and review credit reports to determine if the borrower currently owns an interest in property, and ensures that the duly completed Home Buyer Declaration which reflects eligibility is signed and uploaded to the Lender Portal. As part of normal lending procedures, conduct account checks should also to detect prior property owner

5 SCHEME PORTAL

The Scheme Portal is the web-based interface between NHFIC and Participating Lenders to enable efficient administration of the Scheme. Within the portal Participating Lenders are able to reserve and pre-approve Scheme Places as well as request the issuance of Guarantee Certificates through the Scheme Portal for the Scheme.

In relation to the Scheme Portal:

- (a) it enables Participating Lenders to have direct access to the Scheme in real time;
- (b) Participating Lenders can track the number of Scheme Places available themselves;
- (c) Participating Lenders must use the Scheme Portal to reserve and preapprove Scheme Places and request the issuance of Guarantee Certificates through the Scheme Portal;
- (d) it will capture information in respect to the borrower, lender, loan and property;
- (e) a borrower can apply for a Scheme Place with more than one Participating Lender in the Scheme and the Scheme Portal will identify them through their Medicare or PMKeys number to link the applications to the same Scheme Place;
- (f) upon issuance of a Guarantee Certificate, any linked applications will be automatically withdrawn by the Scheme Portal;
- (g) track the progression of a Guarantee's activity through the Scheme's lifecycle.
- (h) Lodge a Claim in the event of a loan shortfall

Responses from the Portal are instantaneous with no direct intervention by NHFIC. The Scheme Portal will not distinguish between users under the Scheme. A user of a Participating Lender who has access to the FHBG on the Scheme Portal will accordingly be able to access the Scheme Portal for the NHG (if your organisation made NHG reservations), FHG and RFHBG.

Each Participating Lender will be required to nominate one or more administrators for their organisation ("**Portal Administrator**"). Each Portal Administrator must manage user access within their organisation, including the granting of access and prompt removal of such access when a user departs an organisation.

For a detailed end-to-end user manual of the Lender Portal, please see Annexure C – Portal Guide

5.1 Portal Architecture

The architecture of the Scheme Portal provides for each reserve and/or pre-approval Scheme Place that is successfully granted to be assigned to an individual/joint applicant for the FHGB, NHG and RFHBG, and individual applicant for the FHG. An individual or joint applicant (where applicable), can only hold an active place in one Scheme at any one time.

Where an individual applies for a reserve place under the Scheme with multiple Participating Lenders, that individual will only be allocated *one* Scheme Place and multiple Participating Lenders will be able to link to that Scheme Place. To be able to link to a Scheme Place that already exists, all applicant details that are entered into the portal for a reservation must be identical to those input in the applicant's existing Scheme Place.

When a Guarantee Certificate is issued to a Participating Lender, any linked applications from other Participating Lenders will lapse and the status of the other applications will change to withdrawn in the scheme portal

5.2 Registering your Scheme Portal account

You will be invited by NHFIC or your Portal Administrator to register for an account on the Scheme Portal. You must complete the registration from within the corporate network of your organisation. This is because IP whitelisting has been enabled and you will not, for example, be able to register from your home network unless you connect to your organisations via a VPN.

If you do not register from within your organisation's corporate network, the registration of your account will not complete successfully, and you will be presented with a web page saying that the request is blocked. If this occurs, you will need to try again from within your organisation's corporate network.

If you have attempted to register from within your organisation's corporate network and are still having difficulty, please contact the support desk on 1800 568 900 (Vigilant IT support, whom support NHFIC) with details of your IP address and username. To find out what your IP address is, type "what's my ip address?" into google.com.

5.3 Workflow Process

The below diagram (diagram 1: Scheme Place lifecycle) represents the overarching milestones for the Scheme.

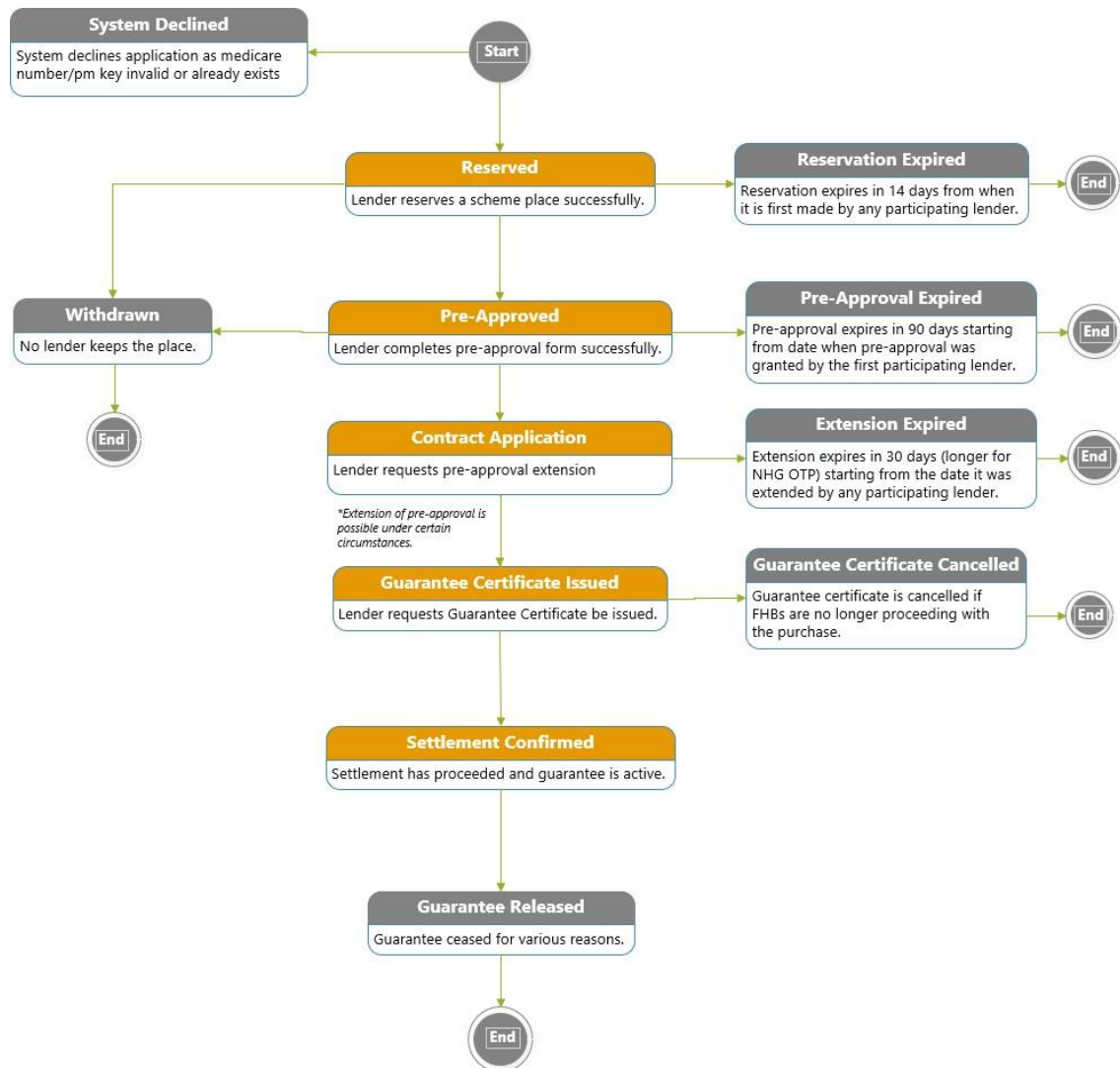
The process for a Scheme Place reservation, pre-approval and issuance of a Guarantee Certificate through the Scheme Portal is shown in more detail in Annexure C to this Guide.

Acceptable property purchase types under the FHBG, FHG and the RFHBG includes Established Dwellings, Off the Plan properties, Home & Land Packages, as well as separate land & build contracts. For the NHG, please note that established dwellings are replaced by newly built dwellings.

The Scheme Portal inputs that are required at each stage in the below process are outlined in the tables at Annexure C.

For further instructions on how to reserve Scheme Places in the portal for both established dwellings and construction purchases, refer to the Portal User Guide.

Diagram 1: Scheme Place lifecycle



Note – the below doesn't include the NHG, where an OTP extension may be permitted at Pre-Approval. Any reference to First Home Buyers is not relevant for a Family Home Guarantee.

5.3.1 Reserve Applications

Where an eligible home buyer intends to apply for an eligible loan with the Participating Lender, the lender may (provided there are places available to be used by that lender in the Scheme) reserve a Scheme Place for that home buyer for 14 calendar days pending the submission of a pre-approval application. This provides the home buyer with certainty that a Scheme Place will be available while they search for a property and finalise their loan application with the lender.

If the Participating Lender is given less than 14 calendar days to obtain a pre-approval, this is because the borrower has reserved a place under the Scheme through an application with another Participating Lender. Both Participating Lenders can progress an application with the borrower until such time as a Guarantee Certificate is issued for that place.

At least one Participating Lender must obtain a pre-approval within the 14 calendar day reservation period. If this does not occur, the Scheme Place and all linked applications will expire

A Reserve Application:

- (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 when there is no reasonable expectation that a Guarantee Certificate application will be made in relation to the reservation

When all Participating Lenders withdraw all linked applications or the Scheme Place expires, the Scheme Place is withdrawn and may be allocated to another borrower.

The Scheme Portal will decline an application where one or both borrowers (as applicable) have an existing Scheme Place that does not match with the party(ies) in the present application (i.e. a borrower cannot reserve separate places as an individual applicant in the FHG and as joint applicants in the FHBG, NHG and the RFHBG).

Participating Lenders should also ensure that any borrower that have received a scheme reservation, have also received a copy of the relevant information guide (whether the FHBG, FHG, NHG or RFHBG) at this stage. It is the lenders responsibility to ensure this has occurred, either via their own lending staff or broker network. This should be documented in any process documents relating to the scheme, and able to be evidenced. Borrowers will be expected to have read and understood this document, as per the Home Buyer Declaration. NHFIC would also suggest lenders have this collateral available on their websites.

Lenders will be asked to enter in the sex for a borrower. Please note, if you do not collect this field, then entering 'Prefer not to say' is sufficient.

5.3.2 Pre-Approval Applications

Prior to obtaining a pre-approval, a Participating Lender must (broadly)

- d) have provided financing pre-approval to the borrower; and
- e) taken steps to confirm the borrower (or both borrowers) is an eligible home buyer under the relevant Scheme Guarantee. In the case of joint applicants, reasonable enquiries have been made with the applicants to ensure each borrower has a sufficient interest in the property.

When the first Participating Lender pre-approves an application, the status of the linked Scheme Place becomes "Pre-Approved" with a new expiry date of 90 calendar days from the date the lender applies for a pre-approval under the Scheme. If the Scheme Place expires, all linked applications will also expire.

If the Participating Lender is given less than 90 calendar days, this is because the borrower has obtained a pre-approval through an application with another Participating Lender. Both Participating Lenders can progress an application with the borrower until such time as a Guarantee Certificate is issued.

The 90 calendar day period is provided to allow the borrower to purchase a property, or enter into a contractual arrangement to buy or build a new home under the NHG. If the borrower has not purchased or entered into a contract relating to a property by the end of this period, the related Scheme Place will expire.

For the RFHBG, when issuing a pre-approval – lenders will be asked to nominate which borrower the prior 12 month evidence point is to be collected for (however this evidence does not need to be loaded into the portal).

³ Please refer to the Scheme Rules including the Verification Requirements

5.3.3 Pre-Approval (Contracts) Extensions

If the borrower has entered into contractual arrangements to either buy or build their new home, then a Participating Lender may return to the Portal to notify NHFIC (via the “Extend Expiry” button and select “contract of sale/eligible building contract signed” from the drop down appearing on the application on the Scheme Portal) and confirm that it has sighted the signed contract of sale and/or eligible building contract (as the case may require).

Upon doing so, the Scheme Place will be extended for another 30 days from the date this is applied (not on top of the existing expiry date).

This 30-day period is not available for Off-the-Plan Arrangements under the NHG. This is because for an Eligible Off-the-Plan Arrangement under the NHG, the place can be extended for a period of 25 or 37 months (for FY21-22 places and depending whether construction has started or not). For further detail see the below section (“Off-the-Plan Arrangements under the NHG”) to enable a Participating Lender to obtain its final approvals to provide the Eligible Loan and must request a Guarantee Certificate by the end of this period otherwise the Scheme Place will expire.

Lender Self-extension capability and how to utilise this feature is set out in the Portal User Guide. An extension can only be applied once.

It is a strict requirement of the Investment Mandate that first home buyers under the NHG enter into a contract of sale (in the case of a Newly Constructed Dwelling and Off-the- Plan Arrangement) and a contract of sale and eligible building contract (in the case of a House and Land Package and Land and Separate Contract to Build a Home) by the end of the 90 day pre-approval period. NHFIC does not have the discretion to provide home buyers with more time to satisfy requirements of the Scheme. It is therefore critical that if the borrower has satisfied these requirements, a Participating Lender returns to the Portal as soon as possible and in any event by no later than the last day of the 90-day pre-approval to notify NHFIC or submit a Guarantee Certificate Application.

5.3.4 Off the Plan arrangements under the NHG

The New Home Guarantee includes providing better support to first home buyers entering into, or proposing to enter into, an Off-the-Plan Arrangement.

Under the FHBG, FHG or the RFHBG, an Off-the-Plan Arrangement must settle within 90 days of a Guarantee Certificate being issued. As a consequence only those home buyers whose Off-the-Plan Arrangements are nearing completion can maintain a place under the Scheme.

Home buyers whose Off-the-Plan Arrangements have yet to start construction, or had more than 90 days left to complete construction, are unable to maintain their place under the FHBG, FHG, the RFHBG.

Under the NHG, If a first home buyer can satisfy the OTP extension requirements, maintain its Scheme Place via an extension of its 90-day pre-approval period for up to 25 or 37 (for a FY21-22 NHG place) months from the date of signing a contract of sale. This additional period is aimed at providing first home buyers with the ability to maintain their Scheme Place whilst their property is being completed.

5.3.5 Guarantee Certificate Application under the NHG for OTP

If an OTP Extension has been applied to a Scheme Place, the details entered in by a Participating Lender into the Scheme Portal to obtain the extension will be saved by the Portal and carried over to a Guarantee Certificate Application made by that Participating Lender and cannot be changed.

If the borrower is unable to provide evidence that construction has commenced and there is no reasonable expectation that a Guarantee Certificate Application will be made including, where it is no longer an Eligible Off-the-Plan Arrangement under the NHG, then the application must immediately be withdrawn by the Participating Lender.

5.3.6 Linked applications under the NHG

If an OTP Extension is applied to a Scheme Place which has a linked application, then all applications linked to that Scheme Place will have the benefit of the extended expiry date. This will apply even if the linked application was made after application of the OTP Extension under the NHG.

Each Participating Lender will not be able to see the details entered by another Participating Lender to obtain an OTP Extension. To ensure any subsequent linked application made by another Participating Lender is verified against the correct NOA, the Scheme Portal will record the date of the contract of sale upon the Scheme Place being extended by the first Participating Lender. Any subsequent Participating Lender making a linked application will then be prompted to confirm that it has verified the borrower income against the same NOA.

5.3.7 No longer an Eligible Off-the-Plan Arrangement under the NHG

If a Participating Lender becomes aware that an Off-the-Plan Arrangement under the NHG is no longer an eligible arrangement, then the Participating Lender must notify the borrower as soon as possible and withdraw their application from the Scheme Portal. The earlier the borrower is notified that it can no longer finance its purchase with a Scheme-Backed Loan, the more time the borrower will have to arrange alternative financing. This is particularly relevant where the Off-the-Plan Arrangement has not, or is unable to satisfy, the dates within which construction must commence and be completed by.

5.3.8 Confirming construction commenced under the NHG

Under the Scheme Rules, a Participating Lender must seek confirmation from a borrower that construction commenced;

- (i) for 2020-21 NHG scheme places, within 6 months of the date of the contract of sale; and
- (ii) for 2021-22 NHG scheme places, within 12 months of the date of the contract of sale if construction had not commenced prior to the date of the contract of sale.

Upon receipt of details of when construction has commenced from a borrower, the Participating Lender must return to the Portal to update the application with the construction commencement date.

Participating Lenders may like to require a first home buyer to obtain a Vendor/Builder statement to confirm the date construction actually commenced

5.3.9 Guarantee Certificate Applications

Prior to requesting a Guarantee Certificate, the Participating Lender must (broadly):⁴

- a) have granted the borrower unconditional loan approval subject only to the condition of receiving a Guarantee Certificate;
- f) have taken steps to confirm that each borrower satisfies the Eligibility Criteria for the Scheme; and
- g) obtained a Home Buyer Declaration (see Section 5.5) signed by the borrower and encouraged the borrower to complete the NHFIC research survey

If all requirements are met, the Participating Lender will be issued with a Guarantee Certificate which may be treated as evidence of the registration of a Scheme-Backed Loan by NHFIC for the Scheme.

When a Guarantee Certificate is issued to a Participating Lender, all other applications from other Participating Lenders linked to the Scheme Place will be automatically withdrawn and the Scheme Place no longer has an expiry date.

In the event a Participating Lender wishes to vary, a Guarantee Certificate, the Participating

Lender should request an edit via the portal. This is done by using the edit function within each application (see the Portal User Guide for further details). Ensure suitable commentary for the change is included in the comments with the request. Please note, this can only be done prior to settlement. Participating Lenders can also 'Cancel' a Guarantee by selecting this option after moving to Update Settlement details in the portal.

For construction loans, Guarantee Certificates can be issued on the land loan when the Loan Offer Documents have been issued. Once the Loan Offer Documents have been issued for the construction loan, the Participating Lender is required to come back to the portal to update the details of the building loan and request an updated Guarantee Certificate. Construction loan related FHBG, FHG and RFHBG Places carry maximum time frames within which the construction must be commenced and must be completed, in order for the Guarantee to remain valid.

There is no ability for applications to be saved and returned to at a later date for completing. Please note, at this step – if a NHFIC research survey is completed by the borrower, it is to be entered into the portal as is, by the lender user.

For more details on how to execute & manage construction loan related Scheme Places within the portal, refer to your Portal User Guide.

5.3.10 Updating settlement details

Participating Lenders are required to confirm that a settlement (whether established dwelling, land & construction or land only) has taken place within 100 calendar days of the issuance of a Guarantee Certificate. Please note for Off the plan loans guaranteed under the FHBG, FHG and the RFHBG these must settle within 90 days of the issuance of a Guarantee Certificate. Under the NHG, for an OTP lenders may have utilised the OTP extension function to extend this timeframe from 90 days.

Participating Lenders are required to update the Portal to 'Settlement Confirmed' status no later than the 5th business day of the following month from settlement date. This does not impact the requirement to ensure settlement has also taken place within 90 or 100 calendar days from issuing the Guarantee Certificate

Note – a Guarantee will not expire if the above isn't completed, however lenders are to ensure this timeline is communicated and intended to be met.

5.3.11 Required information

The Scheme Portal inputs required at each stage are outlined in the tables at Annexure C along with details of the validation rules which must be satisfied

⁴ Please refer to the Scheme Rules including the Verification Requirements.

5.4 Borrower details

At the reservation stage it is critical that the borrower details entered into the Scheme Portal are correct. Borrower's name can be amended by sending the request via 'edit' function, however there is no opportunity for a Participating Lender to edit Medicare number or PMKeyS number after a Scheme Place has been reserved. If incorrect details are entered in the portal by accident, Participating lenders are required to email lenders@nhfic.gov.au to request the amendment.

This includes:

- **Borrower's Full Names:** this must be the same full name in which the loan documents are issued, and the same name as appears on the certificate of title of the security property
- **Borrower's Medicare Number:** Please sight the borrower's Medicare card and ensure that the accurate number (including place on the card) is entered into the Scheme Portal
- **PMKeyS Number:** If the borrower is a member of the Defence force and does not have a Medicare number, the customer's PMKeyS number must be input into the portal in its place.

5.5 Home Buyer Declaration

To be considered for a Scheme Place, the borrower is required to complete and sign a Home Buyer Declaration. This declaration is separate to their application for a home loan from the Participating Lender and must be uploaded to the Scheme Portal when a Guarantee Certificate is requested. It is open to a Participating Lender to decide at which point during its own business process it will require the borrower to sign and return the Home Buyer Declaration. In all cases however, a signed Home Buyer Declaration will be required to be submitted with an application for a Guarantee Certificate.

Participating Lenders are permitted to make their own proprietary version of the Home Buyer Declaration, however if they decide to, it is the Participating Lender's responsibility to ensure eligibility and compliance is met on all applicable items when submitting a Home Buyer Declaration.

Attached to the back of the Home Buyer Declaration is a voluntary survey for the borrower to complete. The information provided will be used by NHFIC and the Australian Government for research purposes to develop a greater understanding of housing demand, supply and affordability in Australia, including housing demand by single parents and single legal guardians with dependents. Lenders are to ensure borrowers are encouraged to complete this, and to ensure this is suitably recorded in the portal by selecting 'Yes' at upload and ensuring the data entry matches the answers recorded by the borrower.

If a Vendor/Builder Statement or a statutory declaration for refinance has been obtained and relied upon by a Participating Lender, then this must be uploaded to the Portal where available or kept on file by the Participating Lender.

5.6 Information and Verification

The Scheme Portal requires all relevant information be provided in order to proceed to the next step of the workflow process. The portal inputs required at each stage of the Scheme life cycle are detailed at Annexure C to this document.

On multiple occasions, a Participating Lender will be required to confirm in the Scheme Portal that certain mandatory Verification Requirements have been complied with. For example, there will be a checkbox for the Participating Lender to verify that they have sighted a borrower's relevant Notice of Assessment.

Consistent with the Scheme Rules, NHFIC has developed verification requirements which must be followed by all Participating Lenders in offering Scheme-Backed Loans. The Verification Requirements can be found in Schedule 2 of the Scheme Rules

5.7 Portal Enhancements

NHFIC regularly releases enhancements and new features to the portal. Portal updates are released in order to ensure that the portal is continually aligned with the Scheme Rules, and to automate manual processes as identified by both Participating Lenders and NHFIC staff.

For information and instructions on how to utilise and execute portal related features, including these releases, please refer to the Portal User Guide.

6 SECURITY

6.1 Scheme Portal Security

NHFIC undertakes an assessment of the security controls for the Scheme Portal annually, which is carried out by an independent third party. A number of tests are performed to ensure the security of the information contained within the portal and the controls around this security. The findings were that the portal and the controls therein provide reasonable assurance that NHFIC is able to carry out its service commitments, and system requirements are met based on the applicable criteria. This was previously under the SOC2 framework in 2020/2021 and moving forward is under ASAE3150. The ASAE3150 report was issued to lenders on 8 September 2022.

All the controls tested met the common criteria used in the assessment and no exceptions were noted.

Some of the controls implemented by NHFIC and assessed are set out below.

6.2 Scheme Portal Access

Scheme Portal user access is to be controlled via the issuance of secure logins. Participating Lenders will be ultimately responsible for all activity performed under logins issued by their administrator.

The Lender Portal Administrator has the exclusive ability to issue and terminate secure logs into their personnel. Participating Lenders are expected to develop their own rules and protocols for managing the staff they issue secure logins to.

Participating Lender administrators must review their list of registered portal users at the end of each half financial year and advise NHFIC that this has been completed via email to lenders@nhfic.gov.au

Lenders should also ensure they are aware and meet the relevant IT obligations set out in the Scheme Rules and Audit framework by NHFIC.

6.3 Password Control

Secure login to the Scheme Portal is managed through a combination of user ID and password. User IDs are usually easily attributed to individuals. It is therefore recommended that users create a strong password and keep it secret.

In addition to the above protocols, users should be aware that entering a password incorrectly 5 times will lock their account for a limited period. Additional lock-out periods will be applied where a user incorrectly enters their password another 5 times after the initial lock-out.

The Scheme Portal utilises Multi Factor Authentication as an added security measure.

6.4 Password Creation

Passwords for Scheme Portal secure logins must keep with the following rules:

- a) passwords must be between 8 and 16 characters long
- b) contain at least 3 of the following:
 - passwords must contain at least one upper case letter (A-Z)
 - passwords must contain at least one lower case letter (a-z)

- passwords must contain at least one number (0-9)
 - passwords must contain at least one non-alphabetic character (such as !, #)
- c) passwords must be changed at least every 90 calendar days

In addition to rule Participating Lenders may choose to require users to change passwords more regularly.

6.5 Australian Government Information Security Manual

NHFIC is not bound by the Attorney General's Protective Security Policy Framework / Australian Government Information Security Manual (**ISM**) but has adopted relevant principles when developing the Scheme Portal given it represents best practice for corporate Commonwealth entities like the NHFIC. ISM principles to which the NHFIC has had regard to when developing the Portal include:

- a) the Guidelines for System Hardening
- b) the Guidelines for System Management
- c) the Guidelines for System Monitoring, Guidelines for Software Development;
- d) the Guidelines for Database Systems Management.

6.6 Penetration testing

NHFIC has engaged an external third party, Security Centric, to conduct penetration testing on the Scheme Portal.

6.7 IP whitelisting

NHFIC has enabled IP whitelisting for the Scheme Portal. Each Participating Lender must advise the NHFIC of the IP addresses/ranges for inclusion in the whitelist for the Scheme Portal. If a Participating Lender does not do so, then it may not be able to access the Scheme Portal. It is also the responsibility of Lenders to advise NHFIC as and when certain IP addresses no longer require to be whitelisted.

6.8 Virus scanning of documents uploaded to the Portal

Documents uploaded to the portal are scanned for viruses.

6.9 Data Encryption

The Scheme Portal utilises Microsoft Azure's PaaS. Databases are encrypted with specific column encryption being applied to the Medicare, PMKeyS and borrower names fields (encryption at rest). All traffic between the database and the Scheme Portal is also encrypted (encryption in transit)

6.10 Intrusion Detection & Protection Systems

The Scheme Portal implements firewalls to deny all traffic unless explicitly allowed, as well as both an Intrusion Detection System and Intrusion Protection System to monitor and provide automatic alerts to detect unauthorised traffic or traffic attempts. For more detail regarding Scheme data and data breaches, please refer to Section 8 of the Scheme Rules

7 TRANSFERS AND REFINANCE OF SCHEME-BACKED LOANS

A home buyer under the Scheme may refinance an existing Scheme-Backed Loan:

- (a) with the same Participating Lender, by for example, moving from the existing standard loan product used for its existing Scheme-Backed Loan to another standard loan product offered by that Participating Lender (clause 5.1.2(c)(iv) of the Deed of Guarantee); or
- (b) with another, Participating Lender (**New Lender**).

A home buyer with a guaranteed loan under the Scheme may refinance the loan, provided both the existing loan and the new loan fit the refinancing criteria.

7.1 Refinancing Criteria

To be an Eligible Refinancing Loan under the Scheme:

- a) the existing Scheme-Backed Loan must have the benefit of a Guarantee Certificate which continues, remains in force and no claims have been made on it, until settlement of the refinancing loan; and
- b) the refinancing loan must (**Refinancing Loan Criteria**):
 - i. not have more than two borrowers (or a single borrower under the FHG). The refinancing loan may have one borrower even if the existing Scheme-Backed Loan was made to two borrowers – i.e., a refinancing that results in one of the original borrowers being removed;
 - ii. be for the refinancing of a residential property that is the same residential property mortgaged under the existing Scheme-Backed Loan;
 - iii. be for an Established Dwelling, Newly Built Dwelling under the NHG, New-Build Dwelling under a House and Land Package or New Build Dwelling under a Land and Separate Contract to Build Home;
 - iv. be provided for owner-occupied purposes;
 - v. be only used for the purposes of paying out the existing Scheme-Backed Loan and in this regard, amounts disbursed by the New Lender must be paid directly to the exiting Participating Lender – that is, no monies under the refinancing loan may be disbursed to the home buyer or any other person;
 - vi. be for not more than the permitted maximum loan amount. The permitted maximum loan amount is the outstanding principal amount (as defined in Scheme Rules) of the existing Scheme-Backed Loan as at the Loan Settlement Date for the refinancing loan
 - vii. require repayments of the principal for the full term of the loan; and be for not more than the permitted loan term. The permitted loan term is the remaining loan term of the existing Scheme-Backed Loan. A borrower may refinance more than once with the same or multiple lenders but the total loan term for which it can have the benefit of a guarantee across all of those loans must not be more than 30 years in aggregate.

7.2 Originating an Internal Refinance

Step 1. To originate an internal refinance, the lender is to settle the internal refinance under the parameters set out in section 7.1. Once settled the lender will access the application (use the Scheme Id to search) in the Scheme Portal and click on the 'Request Refinance' button. Once selected a pop-up box will appear asking:

- a) If there is a change in borrowers (yes/no) – not applicable for individual borrower applications. If there is a change in borrower, the lender is to choose which borrower remains on the loan.
- b) New Loan Term – this is to be entered in months e.g., 300 would be entered if the loan had 25 years remaining. The new loan term cannot exceed the remaining term that was provided by the lender in the latest Periodical Monthly reporting.
- c) New loan amount – This cannot exceed the outstanding principal amount provided by the lender in the latest Periodical Monthly reporting.
- d) Settlement date – date the internal refinance settled. This field cannot be future dated and can only be post-dated a maximum of 30 calendar days.

Once the correct details have been entered and the submit button has been clicked upon the application will release the prior version of the loan and create a new version with the changes applicable (if any). A new certificate will be available on the documents tab of the application.

Step 2. Click 'Edit' in Loan details. Enter the settlement details. Submit the changes by clicking 'Create Request'.

The versioning of the scheme ID will change to reflect the refinance e.g., Loan 2019-20-000001ABC2 will change to 2019-20-000001ABC3, and the lender reporting will be required to be updated to reflect the new version.

Note: If the loan has been settled outside the parameters, then it will not be able to be entered.

7.3 Originating an External Refinance

Step 1. To originate an external refinance, the lender is to enter the Scheme Portal and select "New External Refinance Request" from the Request's menu. The lender will then be required to enter some details of the original loan including 2 unique identifiers.

- 7.3.1 Number of buyers – Select the number of borrowers that are currently on the loan to be refinanced.
- 7.3.2 Medicare numbers (or PM KeyS if relevant) of all the borrowers and their position on the Medicare card.
- 7.3.3 Title reference of the property being refinanced.

Note – in the event of receiving an error:

If the above details do not match what is on file from the prior lender, you may receive an error message and not be able to progress. In this instance, please email lenders@nhfic.gov.au and provide the details (as above) and any other identifiers that may assist (i.e., a DOB or surname). The email should include Refinance Request – and the AppID in the subject line. A NHFIC staff member will search for the original application and provide back the required details. These details should be copied and entered exactly

Once entered this will create a downloadable refinance enquiry attached to the request that details the following;

- (A) Current Scheme Place ID
- (B) Permitted maximum loan amount
- (C) Permitted loan term
- (D) Guaranteed Maximum Liability for the existing Scheme-Backed Loan which will be transferred to the New Lender if it refinanced the existing Scheme-Backed loan
- (E) The original lender's assessed value
- (F) Date that the refinance enquiry expires (30 days)

The lender then is required to settle the refinance and update the portal within the 30-day window. If it is settled or updated outside this window, the lender will be required to get a new refinance enquiry and settle it under the new parameters set out on the new enquiry.

Step 2. Once a lender has settled the external refinance, the lender returns to the outstanding request (found in the requests tab under "all requests"). Select the relevant request and click on the request refinance button within that enquiry and enter the following:

- a) If there is a change in borrowers (yes/no) – not applicable for individual borrower applications. If there is a change in borrower, the lender is to choose which borrower remains on the loan.
- b) New Loan Term – this is to be entered in months e.g., 300 would be entered if the loan had 25 years remaining. The new loan term cannot exceed the remaining term that was provided by the lender in the latest Periodical Monthly reporting.
- c) New loan amount – This cannot exceed the outstanding amount provided by the lender in the latest Periodical Monthly reporting.
- d) Settlement date – date the internal refinance settled. This field cannot be future dated and can only be post-dated a maximum of 30 calendar days.

Once the correct details have been entered and the submit button has been clicked upon the application will release the previous lender's Guarantee and create a new Guarantee certificate in the new lender's name and incorporate any borrower changes. A new certificate will be available on the documents tab of the newly created application.

Step 3. Go to the menu 'Applications' and search the new refinance application. The new refinance application number is same as the request number without the last two letters

- e) g., Request number: R2022-23-00013ABCR1 & Application number: R2022-23-00013ABC1

Step 4. Click 'Edit' in Loan details. Enter the settlement details. Submit the changes by clicking 'Create Request'.

Note 1: If the loan has been settled outside the parameters, then it will not be able to be entered and may no longer be covered by the scheme.

Note 2: When the new lender enters settlement details in the portal, the guarantee will be released from the formal lender and the replacement guarantee will be issued to the new lender. The formal lender does not require to request to release a guarantee separately.

8 RELEASING A GUARANTEE (DISCHARGE)

To initiate a release of Guarantee, a lender is to enter the scheme portal and enter the application (search via the application ID) they intend to release. The lender clicks on the “Release Guarantee” button and chooses the most appropriate reason for release. Most common requests for Guarantee releases are;

- Refinancing to a non-participating lender and no longer using the scheme
- Sold the security
- Variation to the contract e.g., a top up
- Security is now an investment property
- Security is no longer Borrower's principal place of residence e.g., holiday home
- The outstanding scheduled loan amount is below 80% of the original lender's assessed value.
- Claim finalised

Once “submit” has been clicked, it will generate a task for NHFIC to review the release request. Once approved, an email advice is sent to the lender advising of the outcome. If declined, NHFIC will advise why it is not able to process the release. If this is addressed, a new request could be made with the relevant detail requested. Lenders will be able to follow the status of their release request by viewing the “All Requests” option on the Requests tab.

Lenders are to ensure that the request is for the application being released as once a Guarantee is released, we are unable to reinstate it.

NHFIC staff endeavour to resolve requests within 48 hours of receipt.

9 CLAIMS GUIDE

This Guide sets out details of the process to be followed by a Participating Lender and documentation required by NHFIC to assess a claim by a Participating Lender under the NHFIC Guarantee ("Claim") in respect of a Scheme-Backed Loan.

This Guide supplements Rule 11 (Claims Procedures) of the Scheme Rules.

9.1 Participating Lender Claim process

9.1.1 Claimable Event

A Participating Lender must follow its applicable Lender Policies in relation to the enforcement of its security over the mortgaged property via sale as mortgagee in possession ("**MIP**") or a part of its borrower sale process. A Scheme Backed loan must be in default of the mortgage to be considered for a claim.

A Claim can only be submitted by a Participating Lender once the sale of the relevant mortgaged property has been settled. All costs and expenses associated with the sale of that property and recovery of the debt are to be included in the claim. Once this has occurred, the overall shortfall in regard to the loan can be identified (referred to as "**Loan Shortfall**").

9.1.2 Claimable amount

A Claim cannot be greater than the applicable Guaranteed Maximum Liability for the relevant loan (as defined in the HGS Guarantee Certificate (GC) and recorded in the Portal in respect of that loan).

Where the Loan Shortfall is less than the Guaranteed Maximum Liability, the maximum Claim amount is the Loan Shortfall. Where the Loan Shortfall is more than the Guaranteed Maximum Liability, the Claim amount is capped at the Maximum Guaranteed Liability (less any Claim previously paid under the GC).

Example 1: Loan X has the benefit of a HGS guarantee with a Guaranteed Maximum Liability of \$100,000 and the mortgaged property has a total shortfall of \$70,000. The maximum amount claimable from NHFIC is \$70,000.

Example 2: Loan Y has the benefit of a HGS guarantee with a Guaranteed Maximum Liability of \$100,000, and the mortgaged property has a total shortfall of \$150,000. The maximum amount claimable from NHFIC is \$100,000.

9.1.3 Claim preparation and submission

Participating Lenders can originate a Claim via the Lender Portal through the unique Scheme Application ID page. Participating Lenders must complete the HGS Claim Checklist (see Annexure D) and gather the mandatory documentation outlined in section 9.1.4 and provide them as part of the Claim submission. Submitted and completed Claim submissions are visible via the Claims tab in the Portal.

9.1.4 Evidence required to support a Claim submission

Each Claim made by a Participating Lender must be accompanied by information and documentation that confirms that the loan was eligible for coverage under the Scheme at origination, during the term of the loan and by evidence of the Loan Shortfall.

Claim Summary Information:

- a) Scheme unique reference number – as per identifier on Guarantee Certificate;
- b) Method of sale – circumstances under which the property was sold; (MIP/Borrower Sale)
- c) Settlement date – Date the sale of the mortgaged property was settled;

- d) Sale date – The Contract of Sale date of the sale of the mortgaged property;
- e) Loan balance prior to settlement - Loan Balance prior to settlement funds from the sale of the mortgaged property being deposited to the borrower's loan account. Balance should include all borrower costs accrued that are not accounted for in the settlement statement;
- f) Net sale proceeds – The final proceeds of sale of the mortgaged property after all settlement costs have been deducted;
- g) Total Loss – final Loan Shortfall after net sale proceeds are credited to the loan account;
- h) Guarantee amount – The Guaranteed Maximum Liability as at the date of origination of the loan; and,
- i) Claim Amount – Total amount to be claimed from NHFIC - where the total loss is less than Guaranteed Maximum Liability, the whole of the Loan Shortfall may be claimed; where the Loan Shortfall is in excess of the Guaranteed Maximum Liability, an amount equal to the Guaranteed Maximum Liability may be claimed.

Mandatory Documents – Scheme Origination:

- j) Evidence that borrower/s were 18 years old or older at loan origination date - Passport, Birth Certificate, or other Government issued identification documentation;
- k) Evidence of Australian Citizenship/Permanent Residency – copy of one of the following for each borrower - Passport, Birth Certificate, Citizenship Certificate, VEVO or Immicard;
- l) For FHG, evidence that borrower is single and has an eligible dependent as of origination date. For previously married partners, evidence includes divorce certificate or other Government documentation. If not applicable, the Home Buyer Declaration may be relied upon;
- m) For RFHBG, evidence that borrower(s) have lived in an eligible regional address for the past 12 months;
- n) Participating Lender's Loan Contract;
- o) Income documentation – Copy of Notice of Assessment used to verify borrower(s) income is within Scheme income caps at time of loan origination;
- p) Evidence of genuine savings – Evidence that borrowers met minimum 5% genuine savings threshold (2% for FHG claims), documents/evidence used to verify 5%/2% held at time of loan application assessment;
- q) Original valuation – copy of valuation or evidence of how original valuation was calculated or accepted within the lender system;
- r) Original Contract of Sale (and building contract if applicable) – copy of Contract of Sale and copy of building contract for construction loans;
- s) Borrower(s) moved into secured property within 6 months of settlement date of Scheme-Backed Loan – evidence that loan account is owner occupied at origination, or lease agreement evidencing the end of the lease within 6 months; and,
- t) If the Scheme-Backed Loan was a construction loan (all types), the build was complete within the prescribed timeframe under the Scheme Rules and an explanation as to why the timeframe was exceeded if applicable. Eg. Final valuation to confirm 100% completion date or Occupancy Certificate.
- u) Copy of title – Evidence that Participating Lender was 1st Mortgagee;

Mandatory Documents – Lifecycle eligibility criteria:

- v) Evidence the loan required payment of both principal and interest throughout its lifecycle (except during the construction phase or due to Hardship/Covid-19 assistance). Eg. repayment type tracking history / monthly NHFIC submission data history (for just the applicable account(s)); and,
- w) Evidence the secured property remained owner occupied throughout its lifecycle (except where a Relevant Exemption applies).

Mandatory Documents – Evidence of Loan Shortfall:

- x) Contract of sale – Full copy of the Contract of sale for the mortgaged property pursuant to MIP/Distressed sale (not the Contract of Sale used at origination);
- y) Settlement statement – Full copy of the final settlement statement for the sale of the mortgage property, outlining all expenses related to the sale of the mortgage property;
- z) Property Presenter's report; where applicable – Full copy of report provided by property presenter, detailing findings on MIP property; and,
- aa) Copy of sale valuation – Full copy of sale valuation for the mortgaged property. In cases where a desktop valuation is used to assess the security value for a Distressed Sale, provide a copy of the desktop valuation.

9.1.5 What is not claimable from NHFIC

Any Damage to the mortgaged property that would be covered by a Building Insurance Policy cannot be claimed from NHFIC.

9.1.6 Claimable limits

There are no prescribed claimable limits but a Claim (or sum of Claims under a GC) cannot be made for an amount greater than the applicable Guaranteed Maximum Liability.

9.2 Assessment of Claim

A Guideline on how NHFIC will review and assess Claims by Participating Lenders is set out below.

9.2.1 Time taken to assess Claim

Once a Claim is received through the portal, NHFIC will assess the successfully submitted claim (once all mandatory information is provided) within 20 business days, subject to Section 9.2.6.

9.2.2 Incomplete Claims

Any Claim that is incomplete will be referred back to the Participating Lender for more information. The time period to assess the Claim will begin once the required information is received by NHFIC.

More Information Requests (MIR) will be sent to the Participating Lender via email. An email notification will be sent to the Participating Lender's Claim case manager and applicable nominated Claims contact(s) to advise them of the action required. The Participating Lender must upload the MIR supporting documentation through the Portal.

9.2.3 Claim assessment

Claims will be assessed by NHFIC for their validity in accordance with the requirements of the Scheme Rules.

9.2.4 Claim decision

Once assessment of the Claim is complete, NHFIC will notify the Participating Lender of its decision via email (to the Participating Lender's Claim case manager and nominated claims contact[s]) with a link to the Claim case within the Portal.

9.2.5 Declined outcome of a Claim

If a claim is declined, NHFIC will provide the reasons for the Decline via email notification, which will also be visible within the Portal Claim case. The Participating Lender is to review and accept the decision within the Portal or lodge a dispute within 5 business days as per Section 9.2.6. If the Participating Lender has not accepted the outcome within 5 business days, NHFIC will send an 'Action Outstanding' emails to the Participating Lender to accept or dispute the outcome.

9.2.6 Claim dispute resolution

A Participating Lender has the right to dispute a Declined Claim from NHFIC, via email to product@nhfic.gov.au within 5 business days of receiving notification of the Decline decision. The Participating Lender must provide NHFIC, further information as to why the decision should be reviewed and amended.

NHFIC will acknowledge receipt of the Participating Lender dispute via email . NHFIC will review

the submission and advise the Participating Lender of the results of its review of the disputed Claim decision within 20 business days from confirmation of receipt of the dispute, subject to exceptional circumstances where internal escalation of the case is required, in which case NHFIC will advise an alternate timeline.

If the Participating Lender is still not satisfied with the outcome, a participating lender can refer to section 13 (Disputes) of the Participating Lender Deed.

9.2.7 Claim Payment

NHFIC will pay the Participating Lender recipient all approved Claims on a Quarterly basis as set out in Section 11 of the Scheme Rules. Payment in respect to a quarter will be made on the 10th business day of the subsequent quarter. To ensure a claim is processed within a quarter payment, the Participating Lender should ensure the claim is successfully submitted at least 20 business days prior to the end of the quarter. However, this does not preclude the ability for some successful Claim submissions from being processed within the final 20 business days of the quarter and paid with respect to that quarter, subject to exceptional circumstances.

Upon payment, NHFIC will email the Participating Lender confirmation that the payment has been made, detailing which Home Guarantee Scheme IDs were successfully processed for the quarter.

10 REPORTING REQUIREMENTS

10.1 Introduction

Under the Scheme Rules, each Participating Lender must, within 5 Business Days of each calendar month, provide NHFIC with the Periodic Loan Data of the previous calendar month in the form required by NHFIC.

This paper sets out details of the:

- (a) form in which the Periodic Loan Data must be provided; and
- (b) how the Periodic Loan Data can be securely transferred by a Participating Lender to NHFIC.

Capitalised terms used not otherwise defined in this paper have the same meaning given to them in the Scheme Rules.

10.2 New Lenders

Before submitting your Periodic Loan Data to NHFIC, we request you send a test file to ensure that NHFIC can receive and digest the data.

- (a) **SFTP**: that a file can be securely transferred from a Participating Lender to NHFIC; and
- (b) **Periodic Loan Data**: the Periodic Loan Data delivered by a Participating Lender conforms with NHFIC's requirements.

A timetable of steps is set out in Schedule 1 of this paper.

10.3 Secure File Transfer Protocol

10.3.1 Secure file transfer protocol (SFTP Server)

NHFIC has deployed a secure file transfer protocol server (**SFTP Server**) for the Scheme.

Participating Lenders can access the SFTP Server at the following url:

sftp.nhfic.gov.au.

Accounts have been established for each Participating Lender to allow it to commence testing delivery of a file to the SFTP Server. Participating Lenders are encouraged to test its ability to connect, authenticate and deliver a file (e.g. a dummy file that does not contain Periodic Loan Data ahead of the delivery of any Periodic Loan Data) to the SFTP Server as soon as practicable.

10.3.2 Connecting to the SFTP Server

Participating Lenders will need:

- (a) to install a secure file transfer protocol client; and
- (b) contact NHFIC/Vigilant to obtain keys/certificates, in order to connect to the SFTP Server.

10.3.3 Encryption

Files sent to the SFTP Server will be encrypted in transit.

10.3.4 Obtaining keys/SSL certificates

Each Participating Lender will be given its own key/certificates to authenticate itself on the SFTP Server. If not already setup, to obtain a copy of your key/SSL certificates, please contact: lenders@nhfic.gov.au

10.3.5 Folders

A separate folder has been established on the SFTP Server for each Participating Lender. Participating Lenders will only be able to upload files to its designated folder and will not be able to access the folder of any other Participating Lender.

10.4 Periodic Loan Data

10.4.1 Format

Periodic Loan Data must:

- (a) be provided in the template *.CSV file supplied by NHFIC (**Template**); and
- (b) conform with the data format requirements, required by this guide and data dictionary.

Schedule 2 to this paper extracts the Periodic Loan Data requirements from the Scheme Rules. It contains descriptions and data format for each field.

10.4.2 Multiple loan accounts

The Template will need to be populated with Periodic Loan Data for each Scheme-Backed Loan. If a Scheme-Backed Loan has more than one loan account number, each loan account number will need to be reported on a separate record.

For example, a Scheme-Backed Loan with 3 loan accounts should be reported as follows:

Application ID	Lender Reference No.	Loan Account No.
2019-20-01234ABC1	123456	XX1234234234
2019-20-01234ABC1	123456	XX2234234234
2019-20-01234ABC1	123456	XX3134234234

10.4.3 File naming convention

Periodic Loan Data file must use the following file naming convention:

[YYYY]-[MM]-[Participating Lender's 3 letter mnemonic code under the Scheme].CSV

For example: 2020-06-ABC.CSV

10.4.4 Each calendar month to be provided in a separate file

The initial delivery of Periodic Loan Data must include data starting from the first settled application.

For example, if ABC Bank joined the Scheme on 1 February 2023 and their first application settled on 15 April 2023, ABC Bank must provide the April Periodic Loan Data (2023-04-ABC.CSV) by 5 May 2023 (the fifth business day of the month) as the initial delivery. Subsequently, ABC is required to provide the data for the previous month in each subsequent month.

10.4.5 File handling

It is proposed that each file received from a Participating Lender will:

- (a) by virtue of being transferred via SFTP Server, be encrypted in transit;
- (b) be stored on NHFIC's Microsoft Azure Blob Storage. All files stored on NHFIC's Microsoft Azure Blob Storage will be encrypted at rest.
- (c) NHFIC's Periodic Loan Data processing tool will access the file from within NHFIC's Microsoft Azure Blob Storage.

10.4.6 File processing

It is contemplated that the Periodic Loan Data Tool will:

- (a) if required, de-encrypt the file in memory (but not save the file) using the public key provided by the Participating Lender;
- (b) verify the file is of the correct format. If not, then an "Failed Validation" notification will be emailed to the Participating Lender by NHFIC;
- (c) verify the file contains the Periodic Loan Data required by NHFIC. , If not, then a "Data Errors File" notification will be emailed to the Participating Lender by NHFIC;
- (d) conduct a reconciliation check to verify:
 - (i) no unknown Application IDs are included in the file; and
 - (ii) each Application ID with "Settlement Confirmed" in the Portal has been included in the file.

If there are any reconciliation issues, then a "Reconciliation Errors" notification will be emailed to the Participating Lender by NHFIC.

- (e) if the verification checks described in paragraphs (b), (c) and (d) above are satisfied:
 - (i) process and upload the contents of the file into the Periodic Loan Data Database; and
 - (ii) an “Upload Success” notification will be emailed to the Participating Lender by NHFIC

10.4.7 Re-sending a file

- (a) NHFIC will process each file received in a Participating Lender’s folder on the SFTP Server. If a file has failed one or more of the verification checks described in paragraphs (b), (c) or (d) above, then the Participating Lender will need to provide a new file which satisfies the verification requirements.
- (b) The new file must contain all the Periodic Loan Data required for the reporting period. For example, if a reconciliation verification identifies there are 10 missing Application IDs, then the new file must be provided for all Application IDs for that reporting month (including the missing 10 Application IDs).
- (c) NHFIC’s Periodic Loan Data processing tool will assume the latest file contains the most up to date information without undertaking a reconciliation / cross matching of any previous file delivered to it for that reporting month.

10.4.8 Application IDs

A list of all the Application IDs of a Participating Lender can be obtained from the Portal. This report is generated daily and can be accessed via the “My Reports” menu option in the Portal. Only a Participating Lender’s administrator users have access to these reports.

Application IDs in the daily report includes applications at all stages (i.e. Reserved, Pre-Approved, Guarantee Certificate Issued, Settlement Confirmed, Guarantee Certificate Cancelled, Withdrawn, Expired).

Periodic Loan Data is required only from the funded applications that are in Settlement Confirmed status in the Portal.

10.4.9 Data format

To fully comply with its Periodic Loan Data reporting obligations, each field must conform to the data format required by NHFIC (see Schedule 2). If a field does not conform with a data format, NHFIC will be unable to load the Periodic Loan Data into its own database. If this occurs, NHFIC will contact the Participating Lender and the Participating Lender will need to arrange for the Periodic Loan Data to be re-supplied in the required data format.

10.4.10 Loan account numbers

Participating Lenders are required to provide NHFIC with details of the loan account numbers after settlement of a Scheme-Backed Loan by entering the details into the Portal.

NHFIC recognises that over time, loan account numbers may change due to loan account maintenance activities. Periodic Loan Data monthly reporting will be the

mechanism by which Participating Lender's will notify NHFIC of the loan account numbers that exist for the Scheme-Backed Loan as at the reporting date.

That is, once the Periodic Loan Data process has been established between the Participating Lender and NHFIC, there is no need for Participating Lenders to separately request NHFIC to update the loan account numbers on the Portal when a loan account number changes.

10.5 Contacts

If you have any queries or are experiencing technical difficulties when attempting to connect to the SFTP Server, please contact:

NHFIC

Lenders inbox:
lenders@nhfic.gov.au

NHFIC's IT Delivery Manager for the SFTP Service

Liz Henry – Service Delivery Manager
Mobile: 0479 170 675
Email: lhensy@vigilant.it

Secure delivery of Periodic Loan Data

Schedule 1 - New Lender Test (not applicable for existing panel lenders)

Step	Description	Timelines – TBC
1	New Participating Lenders to commence work on how it will go about extracting the Periodic Loan Data from its systems into the Template in a manner that conforms with NHFIC's data requirements.	
2	NHFIC to establish SFTP Server	
3	SFTP Server test: Participating Lender to: contact Vigilant to obtain keys/SSL certificates; connect to NHFIC's SFTP Server; test uploading a blank file to NHFIC's SFTP Server	
4	Periodic Loan Data test: Participating Lender to: extract Periodic Loan Data into Template and data format required by NHFIC. For these purposes a sample of [20] Application IDs will be sufficient for testing purposes. deliver the sample Periodic Loan Data to NHFIC via the SFTP Server. NHFIC to: receive sample Periodic Loan Data from Participating Lender; validate and populate UAT database with sample Periodic Loan Data; and notify Participating Lender of results.	
5	NHFIC to establish production accounts for each Participating Lender and provide each Participating Lender with production keys/SSL certificates	
6	Live: Delivery of first Periodic Loan Data report under the Scheme Rules	

Schedule 2 Periodic Loan Data

The information required as Periodic Loan Data in respect of each Scheme-Backed Loan is set out below (as extracted from Scheme Rules taking effect on 1 July 2023).

Each data point must be populated in the corresponding column contained in the CSV template file. For example, “Application ID” must be populated in the column described “ApplicationID” in the CSV template file.

* Denotes mandatory fields

1 Monthly Reporting for Scheme - Backed Loans		Description	Data 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 examples: 2022-23-01234ABC- 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.	MM-YY (e.g. Jun-20)	ReportingDate

Borrower details				
1.4	Borrower 1 residential address*	Residential address of the Borrower 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 the Borrower Unit and/or Street Number, Street Name, Suburb, State/Territory, Postcode Note: when there is no borrower 2, a value is not required.	As above	Borrower2Address Borrower2Suburb Borrower2Postcode Borrower2State
Loan details				
1.6	Loan account number(s)*	Loan account number	No more than 50 characters	LoanAccountNo
1.7	Outstanding principal amount*	<p>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:</p> <ul style="list-style-type: none"> voluntarily prepaid in advance of any scheduled principal repayment, and which may be freely redrawn, under the terms of the loan; or notionally set-off against the outstanding loan 	Number (up to two decimal places)	OutstandingPrincipalAmount

		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.		
1.8	Interest rate type (fixed / variable)*	Current interest rate type.	Permitted values: Fixed Variable	InterestRateType
1.9	Fixed term*(if applicable)	Current Fixed rate term (in years)	Permitted Values 1 2 3 4 5 *note Variable loans are not required to have a value	Fixed Term
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.e.g. (5.12) No percent '%' sign	CurrentInterestRate

1.13	Remaining loan term in months*	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
1.14	Remaining interest only term (if applicable) in months*	Remaining interest only term in number of months	A positive whole number that is no more than 3 digits (to be rounded up to a whole number).	RemainingInterestOnlyTerm
1.15	Scheduled 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.	A number that has a maximum of 2 decimal points No dollar '\$' sign e.g. 10000.25	LoanAmountInAdvance
		It includes amounts in redraw but not offset accounts.		
		If the loan is not in advance, then this should be zero.		
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	60 days+*	Whether the loan is 2 + monthly payments in arrears	Permitted Value: Yes/ No	60DaysPlus

1.19	90 days+*	<p>Whether the loan is 3+ monthly payments in arrears</p> <p>If 'Yes', the required details in item '2. Arrears and Default Management Reporting' must be provided.</p>	Permitted Value: Yes No	90DaysPlus
1.20	Mortgagee in Possession*	<p>Whether the loan is currently in MIP</p> <p>If 'Yes', the required details in item '3. Mortgagee in Possession (MIP) Reporting' must be provided.</p>	Permitted Value: Yes No	MortgageeInPossession
1.21	Hardship account*	<p>If 'Yes', the required details in item '4. Hardship Management Reporting' must be provided.</p>	Permitted Value: Yes No	Hardship
1.22	COVID-19 account*	<p>Whether the loan has had the benefit of a Participating Lender's COVID-19 related policies</p>	Permitted Value: Yes No	COVID19

2. Arrears and Default Management Reporting		All Scheme-Backed Loans falling within a Participating Lender's Arrears/Customer Care 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)	<p>Active</p> <p>Arrears litigation not started - any loan that is in arrears but has not started Litigation</p> <p>Arrears litigation started - any loan that is in arrears has started Litigation</p> <p>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 until dispute has been investigated and resolved</p> <p>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</p> <p>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</p> <p>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)</p> <p>Cured – the loan was delinquent, but the lender no longer considers that to be the case</p>	<p>Permitted values: Active/Cured Arrears Litigation not started Arrears Litigation Started IDR EDR</p> <p>Defended matter Eviction Scheduled Cured NA</p>	DelinquencyStatus

2.2	Months in arrears	Total arrears balance divided by minimum monthly repayment	A positive whole number that is no more than 3 digits (to be rounded down to a whole number).	MonthsInArrears
2.3	Total arrears	Total amount the customer is behind on the Scheme- Backed Loan.	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)	<p>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</p> <p>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</p> <p>Pending settlement - any loan where the security in Possession is awaiting settlement, this status is to include all stages until the property has been discharged</p> <p>Settled - any loan where the security in Possession has been discharged</p> <p>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</p> <p>Shortfall borrower sale pending settlement - any loan where the Borrower has sold the</p>	<p>Permitted values from 1 July 2020</p> <p>In possession On market</p> <p>Pending settlement Settled</p> <p>Shortfall borrower sale on market</p> <p>Shortfall borrower sale pending N/A</p>	MIPStatus

		security and is awaiting settlement, this status is to		
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 sale	Number (no dollar \$ Sign)	MIPShortfallBorrowerSaleValuation
3.4	Estimated claim date	Date which the Participating Lender expects claim to NHFIC	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.			
4.1	Hardship status (In assistance / Cured / ce Declined)	<p>Status of the hardship file. In assistance – the lender decided to provide assistance.</p> <p>Cured – the loan was delinquent, but the lender no longer considers that to be the case.</p> <p>Assistance Declined – the lender decided to provide hardship assistance.</p>	<p>Permitted values:</p> <p>In assistance Cured</p> <p>Assistance Declined N/A</p> <p>Only one value is permitted</p>	HardshipStatus
4.2	Hardship start date	Date the Participating Lender classified the Scheme- Backed Loan to be a hardship loan.	DD-MM-YYYY	HardshipStartDate

4.3	Hardship end date	Date the Participating Lender classified the Scheme- Backed Loan as no longer being a hardship loan.	DD-MM-YYYY	HardshipEndDate
4.4	Nature of hardship support provided (Interest Moratorium / Repayment Break / Interest Rate Reduction / Principal to Interest Only/ Other)	The type of support provided by the Participating Lender.	Permitted values: Interest Moratorium Repayment Break Interest Rate Reduction Principal to Interest Only Other N/A Only one value is permitted	HardshipSupportProvided
4.5	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 reason is permitted	HardshipReason
4.6	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

11 AUDIT

11.1 Internal Audits

Participating Lenders must comply with all obligations under the Participating Lender Deed and Scheme Rules, including in relation to audit in Rule 6 of the Scheme Rules. Under this Scheme Rule, Participating Lenders must perform an internal audit of Scheme-Backed loans and lender activity with regard to the Scheme initially within 6 months of the first Scheme- Backed Loan settled by it, and thereafter perform an internal audit by August 31 annually. The findings of the annual audit must be provided in a written report to NHFIC within 10 business days after 31st August

The purpose of this internal audit is to provide NHFIC with assurance that eligibility criteria was and continues to be met on each Scheme-Backed Loan, that the periodic reporting of Scheme-backed loans has been provided and is up to date. Additionally, the audit is to demonstrate to NHFIC that the Participating Lender has internal governance and processes in place to ensure its continued compliance with the Scheme Rules and all related Scheme Documents.

Section 11.4 contains the Internal Audit Requirements as well as Templates that must be completed and included in the Internal Audit Report.

11.2 Spot Checks

At any time, NHFIC reserves the right to conduct a spot check on a Participating Lender's portfolio of Scheme-Backed Loans. NHFIC will provide reasonable notice of Spot Checks to Participating Lenders and will sample a size of no more than 10% with a minimum of 25 and a maximum of 100 samples from settled loans during the previous 12 month period. NHFIC will provide Participating Lenders with a selection of Scheme Place ID's that are to be included in the spot check, along with the details of any required documentation that is to be uploaded electronically to NHFIC. For more information pertaining to Spot Checks, refer to Rule 6.2 of the Scheme Rules.

11.3 Lender Review

At any time and upon reasonable notice being given to the Participating Lender, NHFIC (or an agent acting on behalf of NHFIC) may conduct an audit (Lender review) of the Participating Lender's compliance with the Scheme Rules.

11.4 Internal Audit Requirements FY2023

The Participating Lender must ensure that the following Audit Requirements are met as part of compliance with Rule 6 ("Audit") when completing the internal audit for the FY2023 period.

Scheme Rule Ref.	Audit Scope	Evidence Requirement
6 (a) and 6 (b)	<p>Completion of the Internal Audit</p> <p>The annual internal audit must be completed by 31 August each year for the previous financial year period. The Participating Lender must provide their Internal Audit Report to NHFIC within 10 business days of 31 August.</p> <p>The internal audit must include an overview of the process undertaken to perform the audit, all requirements outlined in Scheme Rule 6.1 (c) and this Schedule, detail of the findings identified, evidence upon which the findings are based and progress on previously raised findings.</p>	<p>Prepare a detailed Internal Audit Report that includes all areas outlined in the Scheme Rules and provide a summary using Template 1.</p> <p>Complete Template 1: Internal Audit Summary</p>
6 (b) (iii) and 6 (b) (iv)	<p>Internal Audit findings</p> <p>All findings must be risk-rated and include associated remediation action plans, owners and committed timelines to resolve.</p> <p>An update must be provided on any previously raised audit findings including if they have been resolved or if remediation has been extended or remains outstanding.</p>	<p>Complete Template 2: Detailed Internal Audit Findings</p>
6.1 (c) (i) (A)	<p>Policies and Procedures</p> <p>Consider policies, procedures, internal controls and governance processes that support compliance with Scheme documents. For example, this could include but is not limited to policies and procedures relating to:</p> <ul style="list-style-type: none"> • Home Guarantee Scheme • Credit / High LVR • Scheme Portal User Access • Customer Care, Hardship and Collections • Claims • Complaint Handling and Dispute Resolution 	<p>For each policy, procedure, internal control and governance processes relating to the Scheme or compliance with the Scheme Rules:</p> <ul style="list-style-type: none"> • assess the adequacy, appropriateness and operational effectiveness as it relates to effectively supporting compliance with the Scheme; and • note any findings relevant to compliance with the Scheme as per Scheme Rule 6 (b) (iii). <p>Lenders can leverage any Internal/External Audit Reports recently conducted on this scope area to demonstrate compliance. A copy of the report must be attached to the Internal Audit Report and any findings relevant to compliance with the Scheme from these audits must be included in the findings for this Internal Audit Report as per Scheme Rule 6 (b) (iii).</p>

6.1 (c) (i) (B)	<p>Operational practices demonstrate compliance with Scheme Documents</p> <p>Consider whether operational practices relating to the Scheme are compliant with Scheme documents. For example, operational practices to be assessed could include the following:</p> <ul style="list-style-type: none"> i. Provision of the Scheme Information Guide to borrowers; ii. Maintenance of Scheme related content on the website; iii. Processes governing prioritisation of Scheme places (i.e. not prioritising borrowers with a signed contract); iv. Scheme discharge processes (including sub 80% LVR); v. Genuine and retained savings processes; vi. Enforcement of the Investment Mandate waterfall as it relates to the FHG and RFHBG; vii. Initial and on-going training and assessment of employee knowledge of Scheme requirements; viii. Competitiveness of loan products offered for Scheme-backed loans including interest rates and other fees; ix. Validation of Scheme on-going eligibility 	<p>For each operational practice:</p> <ul style="list-style-type: none"> • assess the adequacy, appropriateness and operational effectiveness as it relates to effectively supporting compliance with the Scheme; and • note any findings relevant to compliance with the Scheme as per Scheme Rule 6 (b) (iii). <p>Lenders can leverage any Internal/External Audit Reports recently conducted on this scope area to demonstrate compliance. A copy of the report must be attached to the Internal Audit Report and any findings from these audits must be included in the findings for this Internal Audit Report as per Scheme Rule 6 (b) (iii).</p>
6.1 (c) (i) (C)	<p>Compliance with obligations under Rule 5 (“Reporting”)</p> <p>An assessment of compliance with all reporting obligations as per Scheme Rule 5.</p>	<p>Complete Template 3: Periodic Loan Data</p> <p>Complete Template 4: Reporting Obligations</p> <p>Note any findings as per Scheme Rule 6 (b) (iii).</p>
6.1 (c) (i) (C)	<p>Compliance with obligations under Rule 7 (“Scheme Portal”)</p> <p>An assessment of compliance with lender responsibilities as per Scheme Rule 7 (e) (i).</p>	<p>Assess the adequacy, appropriateness and operational effectiveness of policies and procedures in place to support compliance with responsibilities related to the Scheme Portal.</p> <p>Note any findings relevant to compliance with the Scheme as per Scheme Rule 6 (b) (iii).</p> <p>Verify that:</p> <ul style="list-style-type: none"> • Appropriate access controls are in place and are operating effectively. The test should confirm the independent approval for access to the Lender Portal and that access is restricted to those users that require it as part of their role. • Appropriate controls are in place to notify the Lender Portal Administrator that staff have left or no longer require access and that access removal has been actioned (i.e. access has been

		<p>removed).</p> <ul style="list-style-type: none"> Completion of management periodic access reviews and user access attestations are provided to NHFIC as required to verify validity of access to the Lender Portal. Confirmation that Portal is only accessed from within Australia.
6.1 (c) (i) (C)	<p>Compliance with obligations under Rule 8 (“Scheme Data Security”)</p> <p>An assessment of compliance with lender responsibilities as per Scheme Rule 8.3.</p>	<p>If applicable, evidence that the Participating Lender has notified NHFIC of any Security Incidents that they have become aware of within 2 business days including any data breaches that have impacted Scheme-Backed Loans.</p>
6.1 (c) (ii) (A)	<p>Eligibility Compliance (Origination)</p> <p>Test a sample of loans as per the loan sample size requirements outlined in Scheme Rule 6 (d).</p> <p>If possible and where appropriate, consider using data analytics to test 100% of the loans written during the period.</p> <p>If non-compliance with any of the Scheme requirements are identified as part of the file reviews, further sampling should be undertaken to provide confidence that the error / issue is not broader or systemic.</p>	<p>Complete Template 5: Eligibility Criteria</p> <p>Comment on the level of compliance observed including whether the requirement was met, the evidence upon which the conclusion was based and if there were any issues identified.</p> <p>Note any findings relevant to compliance with the Scheme as per Scheme Rule 6 (b) (iii).</p>
6.1 (c) (ii) (A)	<p>Eligibility Compliance (On-going)</p> <p>Assess the effectiveness of processes and controls in place to identify potential eligibility issues post the issue of the Guarantee Certificate.</p> <p>For example, processes and controls to be considered may include but are not limited to:</p> <ul style="list-style-type: none"> Monitoring industry information to review rental data for the security address to ensure the property remains owner-occupied. Address management processes (such as retuned mail processes that may indicate that the borrower is no longer living at the address or change of address procedures that might trigger further investigation for Scheme-backed loans) Processes that can lead to the Participating Lender becoming aware of, or have 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 and which failure was not identified prior to the issue of a Guarantee Certificate First Home Buyer follow-up program. For example; proactive call campaigns to confirm on-going eligibility with 	<p>Assess the adequacy, appropriateness and operational effectiveness of processes and controls related to ensuring ongoing compliance with Scheme eligibility.</p> <p>Note any findings relevant to compliance with the Scheme as per Scheme Rule 6 (b) (iii).</p>

	customer	
6.1 (c) (ii) (B)	<p>Completeness and accuracy of Periodic Loan Data Reporting</p> <p>Test a sample of Periodic Loan Data as per sample size requirements outlined in Scheme Rule 6 (d) to validate the accuracy and completeness of information provided to NHFIC through monthly reporting. The data provided to NHFIC in the Periodic Loan Data files should be verified against information held in Participating Lender's Product Administration systems.</p>	<p>Note any findings relevant to compliance with the Scheme as per Scheme Rule 6 (b) (iii).</p>

Template 1: Internal Audit Summary

Lender Name	
Financial Year Assessed	
Completion date of Audit	

Name of Auditors	Title

Overall Rating	
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Audit Scope	Key Observations	Rating – this period	Rating – previous period	# of Findings
Policies and Procedures				
Operational Practices				
Scheme Reporting				
Scheme Portal				
Scheme Data Security				
Eligibility				

Findings	Risk Rating	Is the finding new or a previous finding?

Template 2: Detailed Internal Audit Findings

Audit Scope	Finding	Risk Rating	Actions	Owner	Due Date	Status	New or existing finding

Template 3: Periodic Loan Data

Month	Periodic Loan Data Lodgment Date	Within timeframe as per Scheme Rule 5.1 (a)? Y/N	Issues identified
July			
August			
September			
October			
November			
December			
January			
February			
March			
April			
May			
June			

Template 4: Reporting Obligations

Reporting Requirement	Requirement met? (Y/N/NA)	Complete and accurate	Supporting information	Issues identified
Scheme Rule 5.1 (a)(iii): Material policy changes every 6 months (30/6; 31/12) within 10 business days after half end				
Scheme Rule 5.1 (a)(iv): Benchmarking Data within 20 business days of written request				
Scheme Rule 5.1 (a)(iv): ASIC Annual Compliance Certificate within 5 business days of it being lodged to ASIC				
Scheme Rule 5.1 (a)(v): Annual lender internal audit within 10 business days of 31 August				
Scheme Rule 5.1 (a)(vi): Lender policies in force as requested				
Scheme Rule 5.1 (a)(vii): All other Information, documents and materials reasonably requested within 5 business days of written request				
Scheme Rule 5.2 (a)(i): ASIC breaches of ACL material to the Scheme within 5 business days of notifying ASIC				
Scheme Rule 5.2 (a)(ii)(A): Copy of any ASIC notices under s49 of the NCCP within 5 business days of receipt				
Scheme Rule 5.2 (a)(ii)(B): Copy of audit / written statement in response to any ASIC notice under 5.2(a)(ii)(A)				
Scheme Rule 5.2 (a)(ii)(C): Copy of any ASIC notices under s247 of the NCCP within 5 business days of receipt				
Scheme Rule 5.2 (a)(iii): Details of any matter relating to Rule 3.7 (Non-satisfaction of Eligibility Criteria) within 5 business days of becoming aware				
Scheme Rule 5.2 (a)(iv): Details of any Suspension Event that has occurred within 5 business days of becoming aware				
Scheme Rule 5.3: Details of any erroneous information as soon as reasonably practical				

Template 5: Eligibility Criteria

Eligibility Criteria	Requirement met at loan origination	Supporting information	Issues identified
Scheme Rule 3.3 Eligible Loan			
(a) No more than two borrowers			
(b) Each borrower is the spouse or de facto partner of the other borrower;			
(c) Each borrower is an eligible first home buyer or an eligible single parent			
(d) Loan is for purchase of Residential Property			
(e) Purchase of land on which a dwelling is not affixed, the loan also relates to the construction of a dwelling on the land;			
(f) LVR 80-95% (FHBG, RFHBG) or 80-98% FHG			
(g) Scheduled repayments required for principal for life of loan			
(h) The loan agreement is principal and interest and has a term of no more than 30 years. <i>Exception where land does not yet have dwelling – IO payments can apply for land until construction complete, the total period of IO and P&I cannot be greater than 30 years.</i>			
(i) Deposit included a minimum of 5% (FHBG, RHBG, NHG) of Genuine Savings			
(j) Deposit included a minimum of 2% (FHG) of Genuine Savings for Eligible Single Parent			
(k) Maximum amount of savings to be used (subject to the credit policies of eligible lender)			
(l) loan be secured by a first-ranking mortgage granted in favour of the Participating Lender;			
(m) loan payable only in Australian dollars			
(n) Eligible loan must relate to Eligible Dwelling			
(o) The refinancing of the loan is for the sole purpose of fully satisfying the obligations of existing loan. Ensure that: <ul style="list-style-type: none"> NHFIC has previously issued a guarantee under this Part relating to the existing loan No claim has been made in respect of the guarantee; the guarantee remains in force until the refinancing loan is entered into. Refinance amount is not greater than previous loan balance Refinance term of the loan does not exceed previous loan term 			
Scheme Rule 3.2 Eligible Borrower			
a) (a) the Eligible First Home Buyer is a first home-owner and has never held or the Eligible Single Parent does not hold at the time: <ul style="list-style-type: none"> a freehold interest in real property in Australia; or a lease of land in Australia a company title interest in land in Australia. 			

Eligibility Criteria	Requirement met at loan origination	Supporting information	Issues identified
b) the person satisfies the income test <ul style="list-style-type: none"> single person does not exceed \$125,000 couple does not exceed \$200,000 			
c) the person is at least 18 years of age and an Australian citizen			
d) Eligible single parent is single and <ul style="list-style-type: none"> has at least one dependent child does not have a spouse does not have a de facto partner 			
Scheme Rule 3.4 Eligible Property			
(a) RFHBG borrower has lived for part of prior 12 months in the Region, but only if the borrower's inability to reside in that area was as a result of a posting required in the course of a borrower performing their duties as a member of the Australian Defence Force			
(b) Value of property does not exceed price cap			
(c) Purchase price or aggregate amount of the purchase price and contract sum does not exceed price cap			
(d) Property is owner-occupied			
(e) Commence residence within 6 months and is the primary residence thereafter			

HGS Lender Spot-Check Requirements

Purpose

The purpose of a HGS Spot Check is set out in Section 6.2 of the HGS Scheme Rules.

Scope and Loan selection

The scope of the Spot Check is to verify that lenders have met their requirements of the Scheme by providing eligible loans to eligible borrowers on eligible securities.

A random sample of loans will be selected from the last 12 months as part of the Spot Check. NHFIC will provide a list of Application ID's to each lender that will be included in the Spot Check. When we request evidence, we will also ask how you evidence each requirement.

Documentation required

Lenders are to provide documentary evidence to satisfy each requirement noted on the Spot Check documentation list. The evidence provided is to be what the lender has relied on to satisfy the eligibility requirements noted on the document list. NHFIC will require a copy of the artefact. For example, evidence of "Income Threshold" compliance would require a copy of the relevant Notice of Assessment the lender relied upon to satisfy the "Income Threshold" eligibility.

Documentation can be provided in:

1. PDF;
2. Word file;
3. JPG; or
4. Excel formats.

Timeframe

Documents are to be provided to NHFIC by the due date that has been communicated to the lender for the relevant Spot Check.

How to submit documents

Lenders will upload documents via the NHFIC SFTP to ensure secure transfer of files to NHFIC.

Security and Storage of Data

NHFIC complies with the Australian Government Agencies Privacy code, more information can be found here [Privacy \(Australian Government Agencies – Governance\) APP Code 2017 | OAIC](#)

Documentation list

The documentation list below outlines the requirements to be met under the Scheme that will be considered as part of the Spot Check assessment. Please note that documentation listed are examples only and lenders may have different evidence points to meet the requirement.

HGS SPOT CHECK DOCUMENTATION LIST

HGS	Examples of what might be provided as evidence
Evidence that each borrower is 18 years or older	Driver licence, Passport, Photo ID, Birth Certificate
Evidence of Australian Citizenship Evidence of Permanent Resident for eligible Scheme reservations from 1 July 2023.	Current Australian Passport, Australian Birth Certificate, Australian Citizenship Certificate Visa Entitlement Verification Online System printout.
Evidence that the borrower has never held any interest in property in Australia – FHBG, RHBG, NHG only for eligible loans prior to 1 July 2023. Evidence that the borrower's interest in property in Australia is greater than 10 years for Scheme reservations from 1 July 2023.	Credit report, Statutory declaration, Home Buyer Declaration
Evidence that the borrower does not currently hold any interest in property in Australia (FHG) for Scheme reservations prior to 1 July 2023. Evidence that the borrower's interest in property was greater than 10 years for Scheme reservations from 1 July 2023.	Credit report, Statutory declaration, Home Buyer Declaration
Evidence that borrower couple are either married or in a de facto relationship (requirement for guarantees prior to 1 July 2023).	Home Buyer Declaration, Marriage Certificate, Relationship Registration certificate
Evidence the borrower was single with an eligible Dependent Child at reservation (FHG).	Single Divorce Certificate, Statutory declaration, Home Buyer Declaration, Dependent child Centrelink Statement, Birth Certificate, Court issued Guardian document
Evidence that the Income Threshold has been satisfied	Notice of Assessment
Evidence of Genuine Savings	Bank Statement, Rental ledger, Share statement
Evidence that the security is used for residential purposes, is habitable and meets the property price cap.	Original Valuation Report, Contract of Sale, Builder's contract
Evident that the Lender has taken First Title over the property	Title search, Bank notes on the system where title search is not available.
Evidence of maximum savings used	Bank Statements, share statements, loan application
Evidence that borrower/s lived in an eligible area in the previous 12 months (RFHBG)	Utility notices, Rental agreement, Notice of Assessment, official statement confirming ADF posting
Evidence of 30 Year loan term and	Loan Agreement

HGS	Examples of what might be provided as evidence
principle and interest repayment if applicable	
Evidence that the security is in the borrower(s) name(s)	Contract of Sale
Evidence of owner-occupancy within 6 months of settlement date / occupancy certificate date	Bank statement showing updated address details
Evidence to verify that loan met construction timelines (NHG)	Vendor/Builder statement

12 LENDER SUPPORT AND ENQUIRIES

12.1 Portal Support

The Scheme Portal is supported by dedicated IT service staff who are available to provide technical assistance.

Users can request support by calling 1800 568 900 during the hours below:

Monday to Friday: 07:00 to 18:00 (AEST) Saturday: 08:00 to 16:00 (AEST)

Outside of regular hours, support is available in the event of emergencies by calling the support desk phone number. Otherwise, a technician will respond on the next business day.

A Participating Lender I need to provide its user name to the helpdesk in order to receive technical support.

12.2 Lender Enquiries

Questions relating to Scheme policies, eligibility criteria or other non-Portal related matters should be directed to lenders@nhfic.gov.au. Responses to questions directed to this email address will be provided via email or phone by the appropriate NHFIC representative as soon as practicable

13 HANDLING COMPLAINTS AND OBJECTIONS

13.1 Complaints

NHFIC's Complaints Mechanism is available on its website. This mechanism will be used to address any complaints made in relation to the Scheme.

As set out in the Complaints Mechanism, complaints are addressed via the NHFIC General Counsel. There is also the additional option for a complainant to refer a complaint to the Commonwealth Ombudsman should not they be satisfied with NHFIC's handling of their complaint.

In relation to the Scheme, NHFIC will take the following approach to complaints:

- a) Complaints received by NHFIC will be handled by NHFIC's General Counsel.
- b) NHFIC will only deal directly with complaints made by Participating Lenders.
- c) Borrowers making a complaint about aspects of a Participating Lender's approach to their guarantee application will be referred to the Participating Lender (and its complaints mechanism/procedure).
- d) Borrowers making a complaint about the conduct of a Participating Lender will be provided with the details of the relevant regulatory body (e.g., AFCA, ASIC etc).
- e) NHFIC will only address borrower complaints made via and with the support of the Participating Lender.

13.2 Objections

Only Participating Lenders can lodge an objection at a borrower's request with NHFIC. Borrowers cannot themselves lodge objections.

To be an objection, both the Participating Lender and borrower must be dissatisfied with one of the following:

- a) a decision in relation to an application for reservation of a place under the Scheme;
- b) a decision in relation to an application for the issue of a Guarantee Certificate;
- c) a decision in relation to the removal of a Guarantee after it has been issued.

Objections must be lodged by a Participating Lender in writing within 60 days of notification of a decision by NHFIC.

Objections are required to contain clear grounds before NHFIC decides to review an objection. An objection should include:

- a) identification details of the Participating Lender and the borrower;
- b) details of loan application and date submitted
- c) detail of NHFIC's decision and date;
- d) detail on which aspect of the decision is objected to, including reasons why the decision is believed to be incorrect and
- e) evidence to support the objection.

NHFIC will send an acknowledgement letter or email within 7 calendar days of receiving an objection providing a contact name to facilitate enquiries about the progress of the objection.

NHFIC will conduct an internal review of the decision within 21 calendar days, take a fresh look and decide if the decision should stay the same or be changed.

NHFIC will inform the Participating Lender making the objection in writing or email of the decision and the reasons for it.

Annexure A Required Information for Applications

The Required information set out in this Annexure is to be read in conjunction with the Verification Requirements in Schedule 2 of the Scheme Rules.

Part 1 – Reservation Applications

Required Input	Description, Clarification or Additional Information
Number of borrowers (1 or 2)	Joint applications are permitted in respect of the HGS Reserve applications under the FHG can only be made in respect of a single applicant. De facto partner has the meaning under the Acts Interpretations Act (Cth).
Full name	Title, first name, middle name (if applicable) and family name. The name must match the loan documentation. It must match the name(s) that will be registered on the title of the property. It is important that the name is entered correctly as no changes can be made. The Guarantee Certificate that is issued will have the names of the borrower. If there is a mistake in entering the name of a person and the application has been submitted, the application will need to be withdrawn and re-submitted with the correct name.
Date of birth of borrowers	The borrower must be at least 18 years of age to reserve a Scheme Place.
Sex	Advise the Sex of each borrower – Male, Female, Non-Binary or Prefer not to say. If your business does not capture this field, Prefer not to say is acceptable.
Medicare number	Including position on Medicare card. If the borrower is a defence force personnel and does not have a Medicare number, the Defence Personal Management Key Solution (PMKeyS) number should be input instead.

Part 2 – Pre-Approval Applications

Required Input	Description, Clarification or Additional Information
Home Buyer Details	
Taxable income of (each) borrower for preceding financial year	<p>The taxable income must be as per the immediately previous financial year's ATO Notice of Assessment.</p> <p>If the borrower has not submitted a tax return or received a Notice of Assessment from the ATO, a pre-approved Scheme Place will not be granted.</p> <p>The Scheme Portal will automatically reject an application if the borrower's taxable income is above \$125,000 p.a. (for individuals) or \$200,000 (combined, for joint applicants).</p>
Confirmation by the Participating lender that it has confirmed the borrower's taxable income against a copy of their Notice of Assessment from the ATO for the preceding financial year	This must be ticked (not mandatory from 1 July to 31 August and can instead be ticked at Guarantee Certificate issuance stage).
Confirmation by the Participating Lender that it each borrower is an eligible first home buyer under the NHFIC Investment Mandate	This must be ticked (for the FHBG, NHG, and the RFHBG only).
Confirmation by the Participating Lender that the borrower is an Eligible Single Parent or Eligible Single Legal Guardians as detailed under the NHFIC Investment Mandate	This must be ticked (the FHG only).
Finance Pre-Approval Details	
Intended purchase location	Property price cap region
Date finance pre-approval was granted	No rules
Maximum pre-approval loan amount	No rules
Origination channel	Options: Branch; Broker / Introducer; Mobile lender; Online; Other; Telephone
Borrower/s who lived in regional Australia for the past 12 consecutive months	<p>Buyer 1, Buyer 2, Both</p> <p>Note – employees who have been required by their employer to relocate or active ADF members may be eligible for a partial exemption</p>

Part 3 – Guarantee Certificate Applications

Required Input	Description, Clarification or Additional Information
Home Buyer Details	
<i>Participating Lender to reconfirm correct details have been entered for Parts 1 & 2 of this Annexure</i>	
Eligible Borrower Details	
Taxable income for the preceding financial year	The taxable income must be as per the immediately previous financial year's ATO Notice of Assessment. The financial year for ATO Notice of Assessment is determined by an application reservation date. The Scheme Portal will automatically reject an application if the borrower's taxable income is above \$125,000 p.a. (for individuals) or \$200,000 (combined, for joint applicants).
Tick Each State / Territory the borrower has lived in	
Current residential address (for each borrower)	Address Line 1, Address Line 2, Suburb/Town/City, State/Territory, Post Code. (state/territory & postcode must be validated) This should be different to the address of the property being purchased.
Current postal address	If different from residential address, otherwise tick checkbox.
Eligible property details (FHBG, FHG, and RFHBG)	
Address of Residential Property to be purchased / Constructed	Address Line 1, Address Line 2, Suburb/Town/City, State/Territory, Post Code. (state/territory & postcode must be validated)
Purchase type	Options: 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)
Title Reference	The title reference of the property. That is, the child title and not a parent title.
If an <u>Established Dwelling</u> : <ul style="list-style-type: none"> • Date of contract of sale • Purchase price • Participating Lender's assessed value 	<p>The purchase price and Participating Lender's assessed value (including any purchase related improvements) must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The date of the contract of sale should be dated after 1 January 2020 for the FHBG, 1 July 2021 for the FHG or 1 October 2022 for the RFHBG.</p> <p>The sum of the deposit and the loan amount must be equal to the purchase price.</p> <p>The LVR test is on the total amount of the loan (inclusive of any fees lent by the participating lender) / the Participating Lender's assessed value. It must be over 80 and less than or equal to 95% for the FHBG and the RFHBG or 98% for the FHG.</p>

<p>If a New Build Dwelling under a <u>House and Land Package</u>:</p> <ul style="list-style-type: none"> • Loan Limit • Date of contract of sale • Purchase price 	<p>The sum of the Loan Limit and the Deposit must not be lower than the Purchase Price.</p> <p>The purchase price and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95% for the FHBG and RFHBG or 98% for the FHG.</p>
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Required Input	Description, Clarification or Additional Information
<ul style="list-style-type: none"> Participating Lender's assessed 'as if complete' value Scheduled date for construction to commence Scheduled date for practical completion 	<p>The scheduled date for construction to commence must be within 12 months of (and in the case of an eligible building contract entered into during the COVID-19 Pandemic Period, 18 months of) the Loan Settlement Date.</p> <p>The scheduled date for practical completion must be within 24 months of (and in the case of an eligible building contract entered into during the COVID-19 Pandemic Period, 30 months of) the scheduled settlement date. No extensions will be granted.</p> <p>The scheduled date for construction to commence and the scheduled date for practical completion must be after the date of contract of sale.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95% for the FHBG and the RFHBG or 98% for the FHG.</p>
<p>If New Build Dwelling under a <u>Land and Separate Contract to Build Home</u>:</p> <ul style="list-style-type: none"> Loan Limit Date of contract of sale (land) Purchase price (land) Date of building contract* Contract sum Lender's assessed 'as if complete' value Scheduled date for construction to commence* Scheduled date for practical completion* 	<p>The sum of the Loan Limit and Deposit must not be lower than the sum of the Purchase Price (Land) and the Contract sum.</p> <p>The purchase price and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95% for the FHBG and the RFHBG or 98% for the FHG.</p> <p>The scheduled date for construction to commence must be within 12 months of (and in the case of an eligible building contract entered into during the COVID-19 Pandemic Period, 18 months of) the Loan Settlement Date.</p> <p>The scheduled date for practical completion must be within 24 months of (and in the case of an eligible building contract entered into during the COVID-19 Pandemic Period, 30 months of) the scheduled settlement date. No extensions will be granted.</p> <p>The scheduled date for construction to commence and the scheduled date for practical completion must be after the date of contract of sale.</p> <p>*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 the guarantee certificate to be updated to include the Building Loan. Participating Lenders must ensure land loan satisfies the requirements for an eligible construction loan.</p>
<p>If an <u>Off-the-Plan Arrangement</u>:</p> <ul style="list-style-type: none"> Date of contract of sale Purchase price Lender's assessed 'as if complete' value Scheduled date for practical completion 	<p>The purchase price and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The sum of the loan amount and the deposit must equal the purchase price.</p> <p>The scheduled date for practical completion must not be more than 90 calendar days from the loan agreement date.</p> <p>The scheduled date for practical completion must be after the date of contract of sale.</p>
Dwelling type	Options: House / Townhouse / Unit or apartment

Required Input	Description, Clarification or Additional Information
Scheduled settlement date	Scheduled settlement date must be on or after the Date of contract of sale.
Confirmation by participating lender that property satisfies the eligibility criteria.	This box must be ticked. Records to be maintained as per verification requirements.
Eligible property details (NHG) – no new reservations can be made from 1 July 2022	
<p>If a New Home Guarantee <u>Newly Constructed Dwelling</u>:</p> <p>Date of contract of sale</p> <p>Purchase price</p> <p>Lender's assessed value</p> <p>Date construction completed</p>	<p>The purchase price and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The sum of the deposit and the loan amount must not be lower than the purchase price.</p> <p>The LVR test is on the total amount of the loan (inclusive of any fees lent by the participating lender) / the Participating Lender's assessed value. It must be over 80 and less than or equal to 95%.</p> <p>Date construction completed must be on or after 1 January 2020.</p> <p>Date of contract of sale must not be more than 90 days from the date that Pre-Approval was given. Above are all mandatory fields.</p>
<p>If a <u>House and Land Package</u>:</p> <ul style="list-style-type: none"> Loan Limit Date of contract of sale <p>Purchase price</p> <p>Lender's assessed 'as if complete' value</p> <p>Has construction commenced on contract date? – Yes / No</p> <p>Has construction completed? – Yes / No (new)</p> <p>Context based fields:</p> <p>Date construction commenced; OR</p> <p>Scheduled date for construction to commence</p> <p>Date construction completed; OR</p> <p>Scheduled date for practical completion</p>	<p>The sum of the Loan Limit and the Deposit must not be lower than the purchase price.</p> <p>The purchase price and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95%.</p> <p>Date of contract of sale must not be more than 90 days from the date that Pre-Approval was given.</p> <p>Date of contract of sale must be on or after 7 October 2020</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95%.</p> <p>Construction commenced on contract date? Yes/No radio button. Mandatory field.</p> <p><u>If Yes, then ask:</u></p> <p>Date construction commenced [insert drop down list]. This must be on or after the Date of contract of sale but not more than 6 months after the Date of contract of sale (or 12 months for 2021-22 places). Mandatory field.</p> <p>Construction completed? Yes/No radio button. Mandatory field.</p> <p>If Yes, then dialogue box to appear with following text: "This property does not fit the eligible property criteria for a House & Land</p> <p>Package and is likely to be a Newly Constructed Dwelling. Please contact lenders@nhfic.gov.au to discuss this application."</p> <p>If No, then ask Scheduled date for practical completion: [Date drop down box]. This must be on or after the Date of contract of sale but not more than 24 months after the Date construction commenced. Mandatory field.</p>

Required Input	Description, Clarification or Additional Information
	<p>If No, then ask:</p> <p>Date construction scheduled to commence: [date drop down box]. This must be on or after the Date of contract of sale but not more than 6 months after the Date of contract of sale (or 12 months for 2021-22 places). Mandatory field.</p> <p>Scheduled Date for Practical Completion: [date drop down box]. This must be on or after the Date of Contract of sale but not more than 24 months after the Date construction scheduled to commence. Mandatory field.</p> <p>Above are all mandatory fields.</p>
<p><u>If a Land and Separate Contract to Build Home:</u></p> <ul style="list-style-type: none"> • Loan Limit • Date of contract of sale (land) • Purchase price (land) • Date of building contract* • Contract sum • Participating Lender's assessed 'as if complete' value <p>Scheduled settlement date (Land)*</p> <p>Construction commenced on contract date – Yes / No</p> <p>Construction completed – Yes / No</p> <p>Context based fields (new):</p> <p>Date construction commenced</p> <p>Scheduled date for construction to commence*</p> <p>Date construction completed</p> <p>Scheduled date for practical completion*</p> <p> *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 for the guarantee certificate to be updated to</p>	<p><u>Land and Building Loan:</u></p> <p>The sum of the Loan Limit and Deposit must not be lower than the sum of the Purchase price (Land) and the Contract sum.</p> <p>The (i) purchase price (land) plus contract sum, and (ii) the Participating Lender's assessed value, in each case, must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95%.</p> <p>Date of building contract and contract of sale must not be more than 90 days from the date that Pre-Approval was given.</p> <p>Date of building contract must be on or after 7 October 2020</p> <p>Above are all mandatory fields.</p> <p>Construction commenced on contract date? Yes/No radio button. Mandatory field.</p> <p><u>If Yes, then ask:</u></p> <p>Date construction commenced [insert drop down list]. This must be on or after the Date of contract of sale but not more than 6 months after that date (or 12 months for 2021-22 places). Mandatory field.</p> <p>Construction completed? Yes/No radio button. Mandatory field.</p> <p>If Yes, then dialogue box to appear with following text: "This property does not fit the eligible property criteria for a Land and Separate Contract to Build a Home and is likely to be a Newly Constructed Dwelling. Please contact lenders@nhfc.gov.au to discuss this application."</p> <p>If No, then ask Scheduled date for practical completion: [Date drop down box]. This must be on or after the Date of contract of sale but not more than 24 months after the Date construction commenced. Mandatory field.</p> <p><u>If No, then ask:</u></p> <p>Date construction scheduled to commence: [date drop down box]. This must be on or after the Date of contract of sale but not more than 6 months after the Date of contract of sale (or 12 months for 2021-22 places). Mandatory field.</p> <p>Scheduled Date for Practical Completion: [date drop down box]. This must be on or after the Date of contract of sale but not more than 24 months after the Date construction scheduled to commence. Mandatory field.</p>

Required Input	Description, Clarification or Additional Information
<p>include the Building Loan. Participating Lenders must ensure land loan satisfies the requirements for an eligible construction loan.</p>	<p><u>Land Loan only:</u></p> <p>The sum of the Loan Limit and Deposit must not be lower than the Purchase price (land).</p> <p>The purchase price (land) and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95%.</p> <p>Date of contract of sale must not be more than 90 days from the date that Pre-Approval was given.</p> <p>Scheduled settlement date (land) must not be earlier than Date of contract of sale (land)</p> <p><u>When Update for Building Loan is selected upon returning to Land Loan only application:</u></p> <p>The sum of the Loan Limit and Deposit must not be lower than the sum of the Purchase price (land) and the Contract sum.</p> <p>The (i) purchase price (land) plus contract sum, and (ii) the Participating Lender's assessed value, in each case, must be at or below the property price cap applicable to the suburb in which the purchased property is located.</p> <p>The LVR test is on the Loan Limit / the Participating Lender's assessed 'as if complete' value. It must be over 80 and less than or equal to 95%.</p> <p>Date of building contract must not be more than 90 days from the date that Pre-Approval was given.</p> <p>Date of building contract must be on or after 7 October 2020</p> <p>Above are all mandatory fields.</p> <p>Construction commenced on contract date? Yes/No radio button. Mandatory field.</p> <p><u>If Yes, then ask:</u></p> <p>Date construction commenced [insert drop down list]. This must be on or after the Date of contract of sale but not more than 6 months after that date (or 12 months for 2021-22 places). Mandatory field.</p> <p>Construction completed? Yes/No radio button. Mandatory field.</p> <p>If Yes, then notify Participating Lender: "This property does not fit the eligible property criteria for a Land and Separate Contract to Build a Home and is likely to be a Newly Constructed Dwelling. Please contact lenders@nhfc.gov.au to discuss this application."</p> <p>If No, then ask Scheduled date for practical completion: [Date drop down box]. This must be on or after the date of contract of sale but not more than 24 months after the Date construction commenced. Mandatory field.</p> <p><u>If No, then ask:</u></p>

Required Input	Description, Clarification or Additional Information
	<p>Date construction scheduled to commence: [date drop down box]. This must be on or after the Date of contract of sale but not more than 6 months after the Date of contract of sale (or 12 months for 2021-22 places). Mandatory field.</p> <p>Scheduled Date for Practical Completion: [date drop down box]. This must be on or after the Date of contract of sale but not more than 24 months after the Date construction scheduled to commence. Mandatory field.</p>
<p>If an <u>Off-the-Plan Arrangement</u>:</p> <p>Date of contract of sale</p> <p>Purchase price</p> <p>Lender's assessed 'as if complete' value</p> <p>Scheduled settlement date</p> <p>Construction commenced on contract date Yes/No?</p> <p>Construction completed – Yes / No</p> <p>Context based fields:</p> <p>Date construction commenced; OR</p> <p>Date construction scheduled to commence</p> <p>Date construction completed; OR</p> <p>Scheduled date for practical completion</p>	<p>The purchase price and Participating Lender's assessed value must be at or below the property price cap applicable to the suburb in which the purchased property is located. This validation rule only applies where a Participating Lender has not effected OTP Extension. This is because for a Lender who has effected an OTP extension of their application, price cap test will have been conducted prior to extension being given.</p> <p>The sum of the loan amount and the deposit must equal the purchase price.</p> <p>Participating Lender's assessed 'as if complete' value Mandatory field.</p> <p>The scheduled settlement date must be 90 days or less from date Guarantee Certificate is requested.</p> <p>Date of contract of sale must not be more than 90 days from the date that Pre-Approval was given.</p> <p>Date of contract of sale must be dated on or after 7 October 2020</p> <p>Construction commenced on contract date? Yes/No radio button. Mandatory field.</p> <p><u>If Yes, then ask:</u></p> <p>Construction completed? Yes/No radio button. Mandatory field.</p> <p>If Yes, then ask Date construction completed: [Date drop down box]. This must be on or after the Date of contract of sale and within 24 months of the Date of contract of sale.</p> <p>If No, then ask Scheduled date for practical completion: [Date drop down box]. This must be on or after Date of contract of sale and within 24 months of the Date of contract of sale. It must not be after the scheduled settlement date.</p> <p><u>If No, then ask:</u></p> <p>Date construction scheduled to commence: [date drop down box]. This must be on or after the Date of contract of sale and not more than 6 months after the Date of contract of sale (or 12 months for 2021-22 places).</p> <p>Scheduled Date for practical completion: [date drop down box]. This must be on or after the Date of contract of sale and not more than 24 months after the Scheduled Date for construction to commence. It must not be after the Scheduled settlement date.</p>
Eligible Loan Details	
Deposit paid by borrower	The deposit must be at least 5% and no more than 20% of the Participating Lender's assessed value (FHBG, NHG and RFHBG). The deposit must be at least 2% and no more than 20% of the Participating Lender's assessed value (FHG).
Loan amount	For each loan account (additional loan account details may be added by clicking "Add more loan account details")

Required Input	Description, Clarification or Additional Information
Initial interest rate	The interest rate applied to the borrower's loan
Loan account number(s)	This is requested for ongoing reporting processes and to enable tracking/monitoring of the status of a guarantee
Interest rate type	Options: Fixed / Variable. Where fixed, please select the fixed rate term in years applicable.
Repayment basis	Principal & Interest or Interest only. Interest only not permitted on Established Dwellings or Off-the Plan Arrangement.
Loan term	The loan term must be no more than 30 years.
Confirmation by the Participating Lender that the loan satisfies the loan eligibility criteria	This box must be ticked. Records to be maintained as per verification requirements.
<i>Other Details</i>	
Other Government schemes	The borrower has been (or intends to be) approved to participate in: <ul style="list-style-type: none"> • A First Home Owner's Grant • A Stamp Duty Concession Scheme • The first Home Super Saver Scheme
Signed Home Buyer Declaration	A copy of the signed Home Buyer Declaration must be uploaded. Note this is a mandatory Scheme requirement and will be a key focus of audit and spot checks.
Survey Question	Please select Yes/No as to whether the survey has been completed. Then input these exactly as recorded by the borrower, where this has been completed.

Annexure B Scenarios

1

Eligible Properties under FHBG

Scenario	Eligible or Non-eligible and why?
An eligible borrower has entered into a contract to purchase a 6ha hobby farm style property in rural NSW. The property has a small cottage used as residence. It is under the price cap for this region. Is this eligible?	The property will be an eligible property providing: <ul style="list-style-type: none"> the property will be the owner's principal place of residence, and; the lender considers it to be a residential property and offers an eligible loan to the borrower.
An eligible borrower applies for a loan to purchase a property in north west WA. It is in a mining town and is an industrial unit with a small accommodation unit at the rear for worker housing purposes. The borrower intends to live in the unit at the rear. The property is zoned general industrial with the unit a permitted use as 'workers accommodation'. Is this an eligible property?	No – The property must fall within the meaning of "residential property" under the NCCP. In this instance, it is a commercial property and is not considered an eligible property. <i>*If the lender considers this a residential property for mortgage security purposes, then the property would be eligible.</i>
Two couples who are all eligible home buyers wish to buy a property which has two dwellings on a single title. They apply for two different guaranteed loans against the same property under a tenant in common arrangement. Are both copies eligible for a Scheme-Backed Loan?	No – the joint applicants must be the sole registered owner of the property and there can be no more than two people owning a property and borrowing a loan.
A eligible home buyer purchases a home and moves into the property. After a few months they decide to let out a room or some rooms. Is this permitted under the Scheme?	Yes – as long as the property is lived in by the borrower as their principal place of residence and the lender continues to offer the loan as a residential loan for owner occupation, then this is permitted.
An eligible borrower applies for a loan to purchase a property with a price above the property price cap. The contract of sale states the customer is eligible for a rebate after the purchase. Is this permitted under the Scheme?	No – the amount of money paid for the property at purchase is above the property price cap. In this instance, the property is not eligible.

Scenario	Eligible or Non-eligible and why?
My home loan provides me with a portability feature that enables me to sell and buy another home, and so long as the Bank accepts the new security property valuation etc, then the existing loan arrangement stays on foot. Will this style of loan be eligible?	No - eligible loans apply to a first home mortgage only and the Scheme does not permit a change of mortgage security. The sale of the security property would result in the cancellation of the guarantee.
A single borrower purchases their first home using the benefit of the Scheme. They then marry and after settlement apply to add their spouse to the loan as a joint borrower – is this loan still eligible for the guarantee?	No - A subsequent change to a loan agreement, such as moving from an individual to joint borrowers, would necessitate a new loan contract. The first loan would be considered refinanced with a new mortgage registered, thereby cancelling the Guarantee. There is an associated issue around whether the property title remains in the original sole owner's name or transferred to joint ownership. The Scheme requires the property title ownership to match the name/s of the loan borrower/s.
A borrower with a pre-approved place under the Scheme is interested in buying a home which is currently leased out to tenants for another 10 months. Are they able to purchase the property, honour their legal obligation to the tenant and then move in as their principal place of residence?	No – Scheme Rules mandate that a purchaser must move into the property within 6 months of settlement
An eligible joint applicant, for estate planning purposes, signs a contract to purchase a property as tenants in common, not the usual joint tenants. Is this possible under the Scheme?	Yes – This is a matter for the lender in terms of their own credit policies, however under the Scheme Rules this arrangement is eligible
An eligible borrower enters into a construction loan with their preferred lender. The lender's policy is that during construction, the loan must maintain Interest Only repayments. Is the loan eligible?	Yes – for purposes of construction only, the Scheme allows for Interest Only repayments. Once the property is completed, the loan must revert to Principal & Interest repayments.

3 Eligible Borrowers under FHBG

Scenario	Eligible or Non-eligible and why?
A first home buyer applies for a loan to build their first home. They previously signed a contract to purchase the land and it is to settle imminently. They have now signed a building contract and would like to apply for a second loan for construction on the land. As this is their first home are they eligible to apply for a guaranteed loan?	Yes – if the purchase was structured at origination to be separate land and construction contracts, and the land and construction contracts fall within the eligible timelines, then in this instance the property is eligible.
An Australian citizen has a partner who is not an Australian citizen or Permanent Resident. The Australian citizen purchases a property in their sole name and applies for a guaranteed loan. For credit reasons, the lender requires the support of the partner to meet loan serviceability hurdles and accepts a guarantee from the non-citizen partner separate to the loan. Is the Australian citizen still eligible?	Yes – the Australian citizen is still eligible under the FHBG. The partner who is not an Australian citizen or Permanent Resident is not eligible to be on the scheme place or home loan application.
A married couple apply for a guaranteed loan. One of the borrowers owns a part share in a small business which owns an industrial unit as part of its operations. Are they eligible for the FHBG?	Yes – providing the industrial property is in name of the business and neither have previously owned any real property in their own name within the past 10 years
A couple includes one person who in a previous relationship had an ownership interest in a property within the past 10 years. Can the other partner, who is an eligible first home buyer, still benefit from the FHBG?	Yes – but only if they are the sole purchaser of a property and the sole applicant for the guaranteed loan
A individual borrower reserves a FHBG Place and receives pre-approval. One month later they are married and wish to adjust their pre-approved place to be joint applicant with their spouse. Is this possible?	No – the initial FHBG Place would need to be withdrawn and a new application be made from a Participating Lender in their joint names.
A borrower Joint applicant who are partners reserves a FHBG Place, and they separate prior to purchasing a home and settling the loan. Can either or both borrowers continue to benefit from the reserved FHBG Place?	No – the current reserved place would need to be withdrawn (or would expire), after which the borrowers would be able to reapply for individual FHBG Places.
A borrower applies for a FHBG Place towards the end of the Financial Year and provides their previous year's Notice of Assessment. The new financial year ticks over before they settle. Does the borrower have to provide the new, most recent FY Notice of Assessment?	No – given they have already provided the NOA for the relevant FY for their scheme place. i.e. for a 2022-23 place, they will have provided a FY21/22 NOA. For a 2023-24 place, a FY22/23 NOA will be required.

<p>Joint applicant apply for a FHBG Place on 8 July 2022 and submit a pre-approval application. They have not submitted their tax return as one of them has not received their PAYG statement from their employer. Are they able to apply for a pre-approved FHBG Place through their lender?</p>	<p>Yes – their lender will be able to apply for a reservation FHBG Place, however prior to the issuance of any Guarantee, both need to receive their Notice of Assessment for the 2022/23 financial year.</p> <p>Note - They can only reserve a FHBG Place for 14 calendar days, although a lender can move them to pre approval between 1 July and 31 August, whilst they await the receipt of the NOA. However, any issuance of a Guarantee, will still require the NOA during this period.</p>
<p>Joint Applicant consist of one Australia citizen and one non-citizen. Can the Australian citizen apply for an individual FHBG Place?</p>	<p>Yes – the Australian citizen can apply for a FHBG Place as an individual, providing they are also the sole borrower on the loan.</p>
<p>Joint Applicant earn a joint income over the FHBG income threshold. One of the borrowers earns under the individual applicant threshold. Can just one borrower apply for a FHBG Place?</p>	<p>Yes – the borrower can apply for the FHBG Place as an individual, providing they are also the sole borrower on the loan.</p>

4 NHG scenarios (Note: no new NHG applications can be reserved from 1 July 2022)

Scenario	Eligibility
A first home buyer is looking to purchase an inner-city terrace under the NHG in November 2020. The terrace retains the heritage facade and core structural beams but has been completely gutted and rebuilt by the current vendor, with works completed in October 2020.	This property could be eligible as a 'Newly Constructed Dwelling' because the vendor has substantially renovated the dwelling prior to selling it to the first home buyer.
A first home buyer has purchased and settled on a house on 22 October 2020 and is looking to substantially renovate under the NHG. The works include full renovations of the kitchen and 2 bathrooms, new flooring throughout, landscaping and a new driveway. The bedrooms and outer structure will not be altered.	This property is not eligible under the NHG. This is because under the NHG, a first home buyer can only buy a new home which has been substantially renovated (or was a knocked down and re-built) by the vendor. The first home buyer cannot themselves purchase an existing home and plan to undertake a substantial renovation of an existing home or knock down and re-build.
A couple sign a contract of sale dated 7 October for an off the plan property, looking to use the NHG. Construction is scheduled to commence in December 2020. Construction is expected to be completed in November 2021.	This property could be eligible for an NHG because: <ul style="list-style-type: none"> the contract of sale is dated on or after 7 October 2020; construction is scheduled to commence within 6 months of the date of the contract of sale; and construction is scheduled to complete within 24 months of the date of the contract of sale. <p>Note, for applications in 2021-22, the commencement timeline will be 12 months from the date of contract of sale.</p>
A couple sign a contract of sale for an off-the-plan property in November 2020. Construction is scheduled to commence in September 2021 and complete by October 2022.	Not eligible – whilst the completion date is within 24 months, the date construction commenced is outside the 6 months required for commencement.
A borrower is looking to purchase in a new development in an outer city suburb. The dwelling was completed in August 2020. The borrower signs a contract of sale on 8 October. No tenants will have occupied the house prior to the borrower settling and the vendor has not advertised the place prior.	This property could be eligible for an NHG as a 'Newly Constructed Dwelling'. New completed properties after 1 January 2020 that have not been lived in, rented or made available for rent are eligible.
A couple is looking to purchase a newly built house using the NHG in a new development in the outer suburbs of one of Australia's capital cities. Construction was completed on 30 June 2020. The property was advertised for rent by the vendor on numerous platforms but did not have any takers.	Not eligible. This is because the property was made available for rent whilst it was owned by the vendor.

5 FHG scenarios

Scenario	Eligibility
A borrower owned a property with an ex-partner previously, and would like to confirm their eligibility for the FHG.	The borrower may be eligible. At the loan agreement date, the borrower must not hold, or at settlement of the property the borrower is purchasing, they do not intend to hold a separate interest in property (including owning land) in Australia, a lease of land in Australia or a company title interest in land in Australia
A borrower is married, but separated. The divorce will be finalised prior to the loan agreement date. Are they eligible?	Yes, they may be eligible – given the divorce will be finalised (and evidence of such can be provided to the Participating Lender) prior to the loan agreement date and subject to meeting all other eligibility criteria.
A borrower (legal Guardian) has one dependent child. The dependent is 16 years old and earns around \$8,000 in the financial year relating to the time they are verified as being a dependent of the eligible legal guardian. Does this impact the legal guardian's eligibility?	Yes – this may impact the eligibility of the legal guardian, as this child would not qualify as a dependent child for the purposes of the FHG due to their annual income exceeding the threshold specified in the Social Security Act (which is the reference source for dependency under the Investment Mandate).

6 RFHBG scenarios

Scenario	Eligibility
Borrower is a single parent with 2 young dependents. Has lived in Orange (NSW) for 2 years and satisfies other requirements. Has 5% genuine deposit and wishes to purchase in the same SA4 region.	Borrower is eligible for FHG and RFHBG, not eligible for FHBG (if borrower had 2% savings only eligible for FHG)
Joint Applicants, with one borrower having lived in Orange (NSW) for 14 months and the other borrower for 5 months. Satisfies other requirements and have 5% deposit. Wish to purchase in the neighbouring SA4 region	Borrowers are eligible for RFHBG, not eligible for FHBG
Joint Applicants, with one borrower having lived in Orange (NSW) for 11 months and the other borrower for 5 months, with both previously living in Sydney for 18 months. Satisfies other requirements and have 5% deposit. Wish to purchase in the neighbouring SA4 region	Borrowers are eligible for FHBG but not eligible for RFHBG (unless either borrower is required to relocate by their current employer in the course of performing their duties as an employee or is an ADF member that has been transferred to the region and could be provided a partial exemption to the 12 month requirement).

Annexure C SCHEME PORTAL USER MANUAL

About the Scheme Portal

The Home Guarantee Scheme Portal ("Scheme Portal" or "Portal") is the website administered by NHFIC and accessible at fhlds.nhfic.gov.au to enable the efficient administration of the Scheme and communication as between NHFIC and Participating Lenders.

Learning to use the Scheme Portal is easy, but it assumes that you are familiar with the rules, procedures, terms and concepts presented in the Scheme Rules and Participating Lender Deed. These documents should be thoroughly reviewed before you make use of the Portal.

This user guide presents an overview of the features of the Portal and gives step- by-step instructions for completing key tasks.

The Portal enables Participating Lenders to apply for, and manage, applications for guarantees under the;

- First Home Guarantee (formerly First Home Loan Deposit Scheme) launched on 1 January 2020 ("**FHBG**")
- New Home Guarantee from 7 October 2020 ("**NHG**")
- Family Home Guarantee from 1 July 2021 ("**FHG**")
- Regional First Home Buyer Guarantee from 1 October 2022 ("**RFHBG**")

Note – the NHG does not allow new reservations from 1 July 2022.

If you require further assistance, please refer to section 1.5 below for technical support contact details.

System requirements

The Portal is a website that can be accessed using Internet browsers. While the Portal should work with the recent versions of most major web browsers, the latest version of the following browsers have been tested and are officially supported:

- (a) Chrome
- (b) Safari
- (c) Internet Explorer
- (d) Edge

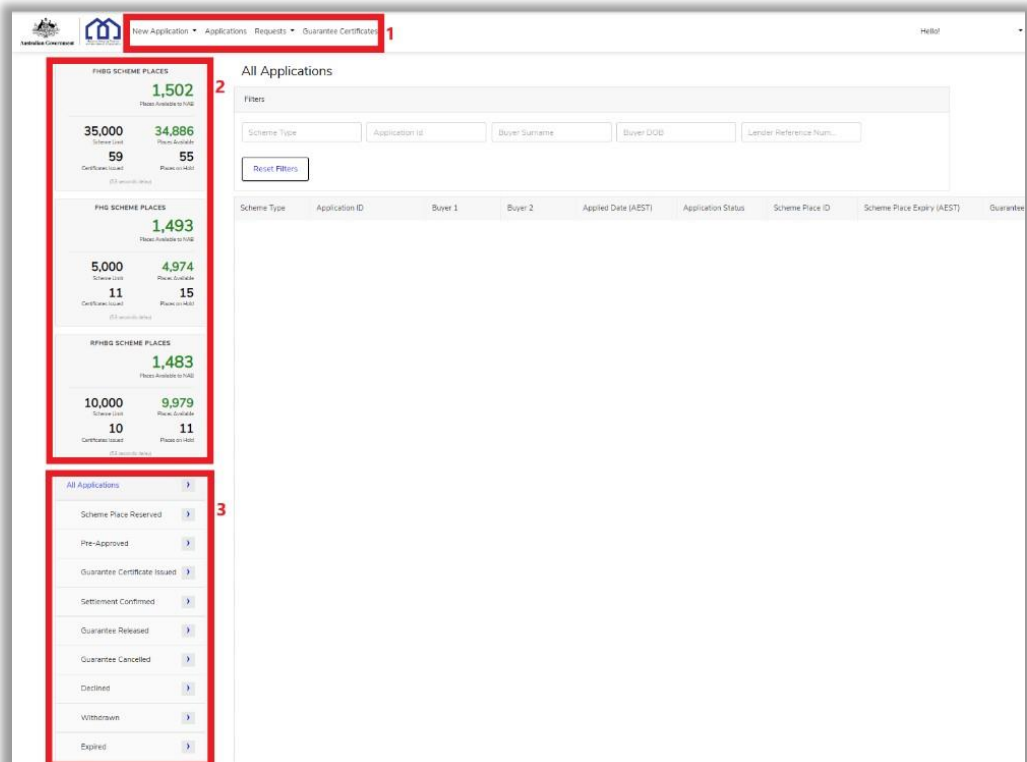
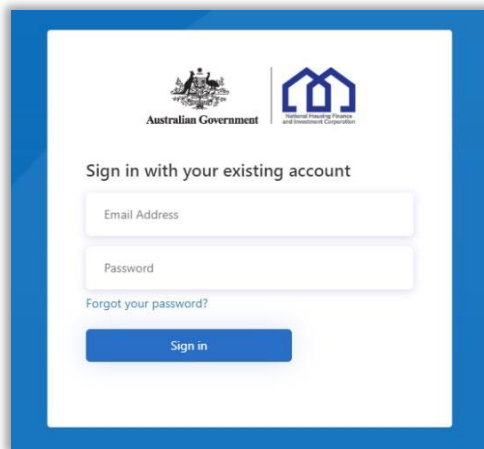
You should use the latest version, but not beta versions, of the supported browsers. Private browsing or incognito mode browsing is not supported for logging into the Portal.

You should also ensure that the Portal's system-generated email address fhlds_portal@nhfic.gov.au has been placed on your IT system's 'safe-sender' list to ensure all Portal-related emails are received and not filtered to filtered to junk mail

Note: The Portal is not designed to be used on mobile devices with small screens.

Layout of the Portal

To access the Scheme Portal, please visit <https://fhlds.nhfic.gov.au>. Log in using your email address and password.



Pages in the Portal have some common elements, as illustrated in the above screenshot taken from our UAT environment):

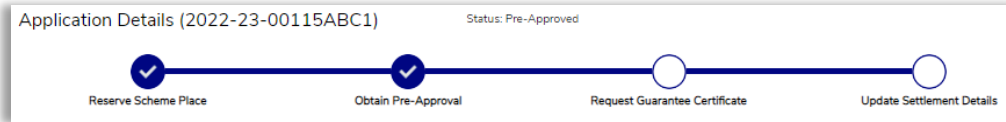
- a) Element ① is the top navigation menu, which provides links for you to access different main functional areas of the Portal.
- b) Some main functional areas have a side navigation menu (Element ③), which provides links for you to explore further within the selected main functional area.
- e) c) Element ② provides you a view of the current availability of the places across each scheme, automatically refreshed periodically. Note – New places for the NHG ceased as at 1 July 2022, and has been removed from the dashboard.

FHBG, NHG, FHG or RFHBG Scheme Place

FHBG Application IDs will have the following format:
[Financial Year]-[Scheme Place Number]-[3 letter bank code][number of application]

for example: 2020-21-00001-ABC1

In addition, the milestone bar for a FHBG Application will be blue, as follows:



NHG Application IDs will have similar format as above but will have “N” as a prefix.
N[Financial Year]-[Scheme Place Number]-[3 letter bank code][number of application]

for example: N2020-21-00001-ABC1

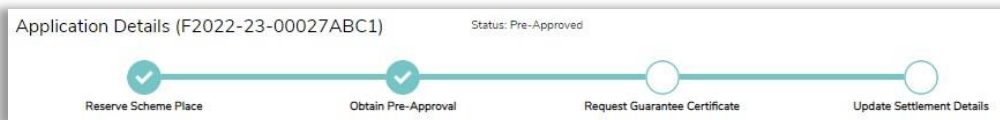
In addition, the milestone bar for a NHG Application will be orange, as follows:



FHG Application IDs will maintain a similar format but will have “F” as a prefix.
F[Financial Year]-[Scheme Place Number]-[3 letter bank code][number of application]

for example: F2021-22-00005ABC1

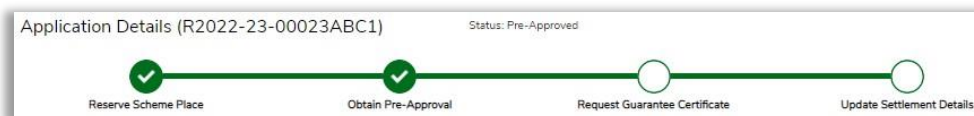
In additional, the milestone bar for a FHG Applications will be teal, as follows



RFHBG Application IDs will maintain a similar format, but will have “R” as a prefix.
R[Financial Year]-[Scheme Place Number]-[3 letter bank code][number of application]

for example: R2021-22-00005ABC1

In additional, the milestone bar for a FHG Applications will be green, as follows:



These distinctions are to assist Lenders to determine whether its application is a FHBG application, NHG application, FHG application, or RFHBG application.

Getting additional help

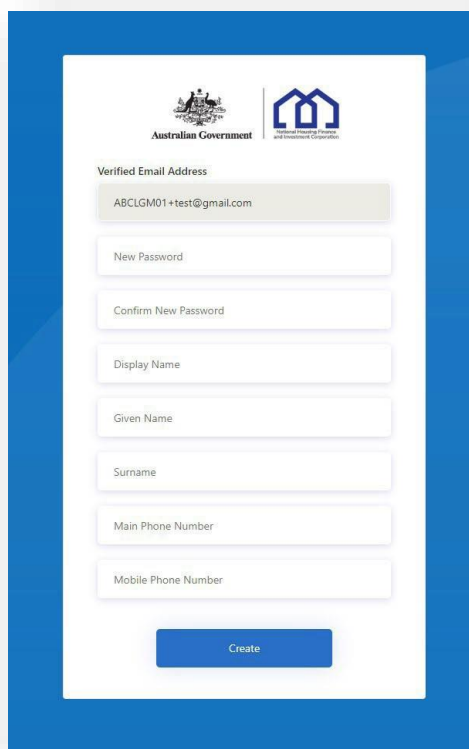
- To receive technical support and assistance, please contact NHFIC on 1800 568 900. Note: this is provided by our third party provider Vigilant IT.
- For Questions regarding scheme policies and procedures, please contact the Home Guarantee Scheme team via lenders@nhfic.gov.au

Accessing your account

Registering your account

You must be invited by your organisation's Portal Administrator (or a NHFIC Administrator on initial lender setup) to register your account. Once invited an invitation email will be sent to you with the email subject "DO NOT REPLY – Invitation to register for Scheme Portal". This email link will remain valid for 24 hours only.

- **To register your account after receiving an invitation email:**
 1. Click the web link in your invitation email to go to the Scheme Portal and register your account.

A screenshot of a web registration form for the Scheme Portal. The form is white with a blue border and is set against a blue background. At the top, it features the Australian Government crest and the NHFIC logo. Below the logos, the text 'Verified Email Address' is followed by a text box containing 'ABCLGM01+test@gmail.com'. The form includes several input fields: 'New Password', 'Confirm New Password', 'Display Name', 'Given Name', 'Surname', 'Main Phone Number', and 'Mobile Phone Number'. At the bottom, there is a blue 'Create' button.

Tip: Make sure you are using a supported browser (Chrome, Safari, Edge or Internet Explorer). See section 1.2 above.

2. Enter the required details and click Continue to complete your registration.



Tip: Make sure you are using a supported browser (Chrome, Safari, Edge or Internet Explorer). See section 1.2 above.

3. You will be redirected to a page confirming that registration of your account was successful.

Signing into the Portal

You must have a registered account before you can access the Portal. To access the Portal, you must sign in (see steps below).

If you try to access the Portal without signing in, the following dialogue box will be displayed:

The screenshot shows a sign-in dialog box with a blue border. At the top, it features the Australian Government crest and the NHFIC logo. Below the logos, the text 'Sign in with your existing account' is displayed. There are two input fields: 'Email Address' and 'Password'. Below the password field is a link that says 'Forgot your password?'. At the bottom is a blue button labeled 'Sign in'.

- **To log-in to your account:**

1. Enter your email address and the password you chose during registration. Note: forgotten passwords can be reset by users themselves, please see chapter [2.4: Resetting your password](#).
2. Click the Sign in button to sign in.
3. The portal uses Two-Factor authentication to grant access, for added security. Once you click on the sign in button you will be asked to verify your email address. You **MUST** click on "Send Verification code" to have a security code sent to your linked email address.

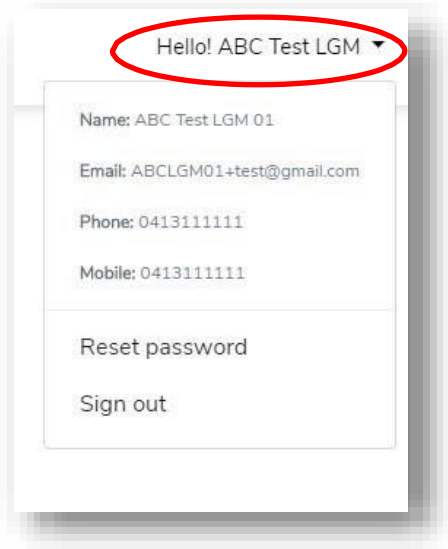
This screenshot is similar to the one above but shows example text entered into the fields. The 'Email Address' field contains 'john.smith@nhfic.gov.au'. The 'Password' field is empty. The 'Forgot your password?' link and the 'Sign in' button are still present.

4. Once the Authentication email has been received in your inbox, retrieve the six digit code from the email and input it in to the Portal where asked.

Click on “Verify Code” and follow the prompts to complete your log in.

Viewing your contact details

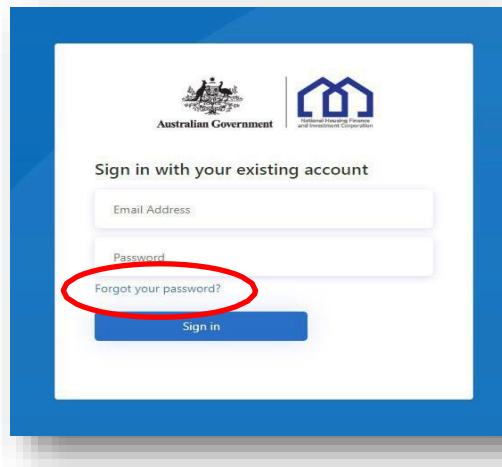
- **To view your contact details**, click your Display Name in the top right- hand corner of the Portal page:



Note: You must be signed in to view your contact details.

Resetting your password

- **To reset your password from the sign in page (before you have signed into the Portal)**, click the Forgot your password? link on the sign in page:



- **To reset your password after you have signed into the Portal**, select Reset password from your Display Name dropdown menu in the top right-hand corner of the screen:

Hello! ABC Test LGM ▾

Name: ABC Test LGM 01

Email: ABCLGM01+test@gmail.com

Phone: 0413111111

Mobile: 0413111111



Reset password

Sign out

To reset your password:

1. Confirm your email address that is registered to your account and click Send verification code.

< Cancel

Australian Government | National Housing Finance and Investment Corporation

Verification is necessary. Please click Send button.



Email Address

Send verification code

Continue

2. Follow the system prompts to complete the verification process.
3. Enter the new password that you want to use for your account.

< Cancel

Australian Government | National Housing Finance and Investment Corporation

New Password

Confirm New Password

Continue

Signing out of the Portal

- To sign out of the Portal, select Sign out from your Display Name dropdown menu in the top right-hand corner of the screen:



Note: After a period of inactivity, the system will automatically sign you out to keep your account and details safe.

Submitting Scheme applications

5.7.1 Submitting a Reserve Place Application

A Reserve Place Application must be submitted using the Reserve Application form.

Set out below is a Reservation Application for FHBG.

FHBG SCHEME PLACES
2,468
Places Available to ABC

35,000
Scheme Limit

23
Certificates Issued

34,942
Places Available

35
Places on Hold

FHBG SCHEME PLACES
1,482
Places Available to ABC

5,000
Scheme Limit

9
Certificates Issued

4,967
Places Available

24
Places on Hold

RFBG SCHEME PLACES
2,984
Places Available to ABC

10,000
Scheme Limit

13
Certificates Issued

9,974
Places Available

13
Places on Hold

Reserve Application - First Home Guarantee (FHBG)

Reserve Scheme Place

Obtain Pre-Approval

Request Guarantee Certificate

Update Settlement Details

Application Details

To reserve a Scheme Place, complete the information below.

Number of home buyers
☐ One ☒ Two

Home Buyer 1

Title
Dr

First name*

Middle name

Family name*

Date of birth*
DDMMYYYY

Sex*
Please Select

Eligibility status*
Please Select

Medicare number*
Position*

Home Buyer 2

Title
Dr

First name*

Middle name

Family name*

Date of birth*
DDMMYYYY

Sex*
Please Select

Eligibility status*
Please Select

Medicare number*
Position*

☐ This buyer is a member of the Australian Defence Force and does not have a Medicare card

☐ This buyer is a member of the Australian Defence Force and does not have a Medicare card

Borrower Relationship*
Please Select

Set out below is a Reservation Application for the Family Home Guarantee (FHG).

FHBG SCHEME PLACES

2,499
Places Available to ABC

35,000 Scheme Limit 34,995 Places Available

3 Certificates Issued 2 Places on Hold

(24 seconds delay)

FHG SCHEME PLACES

1,500
Places Available to ABC

5,000 Scheme Limit 4,998 Places Available

2 Certificates Issued 0 Places on Hold

(24 seconds delay)

RFHBG SCHEME PLACES

3,000
Places Available to ABC

10,000 Scheme Limit 9,999 Places Available

0 Certificates Issued 1 Places on Hold

(24 seconds delay)

Reserve Application - Family Home Guarantee (FHG)

Reserve Scheme Place
Obtain Pre-Approval
Request Guarantee Certificate
Update Settlement Details

Application Details

To reserve a Scheme Place, complete the information below.

Title
Dr ▾

First name*

Middle name

Family name*

Date of birth*

Sex*
Please Select ▾

Eligibility status*
Please Select ▾

Medicare number*

Position*

☐ This buyer is a member of the Australian Defence Force and does not have a Medicare card.

Relationship to dependent(s)*
Please Select ▾

Set out below is a Reservation Application for the Regional First Home Buyer Guarantee (RFHBG).

FHBG SCHEME PLACES

2,499
Places Available to ABC

35,000 Scheme Limit 34,995 Places Available

3 Certificates Issued 2 Places on Hold

(24 seconds delay)

FHG SCHEME PLACES

1,500
Places Available to ABC

5,000 Scheme Limit 4,998 Places Available

2 Certificates Issued 0 Places on Hold

(24 seconds delay)

RFHBG SCHEME PLACES

3,000
Places Available to ABC

10,000 Scheme Limit 9,999 Places Available

0 Certificates Issued 1 Places on Hold

(24 seconds delay)

Reserve Application - Regional First Home Buyer Guarantee (RFHBG)

Reserve Scheme Place
Obtain Pre-Approval
Request Guarantee Certificate
Update Settlement Details

Application Details

To reserve a Scheme Place, complete the information below.

Number of first home buyers
☒ One ☐ Two

Title
Dr ▾

First name*

Middle name

Family name*

Date of birth*

Sex*
Please Select ▾

Eligibility status*
Please Select ▾

Medicare number*

Position*

☐ This buyer is a member of the Australian Defence Force and does not have a Medicare card.


To submit a new Reserve Place Application for your customer(s):

1. Click [New Application](#) from the top navigation menu.
2. Select either *New FHBG Reservation*, *New FHG reservation* or *New RFHBG Reservation* from the drop-down menu.
3. Fill out the Reserve Application form with the applicable details.

Note: the Sex field is now required for all Guarantees. If you do not collect this field, enter 'Prefer not to say'

Note: there are new fields to capture eligibility status and relationship status, which are required in the Home Buyer Declaration form

4. Click the [Submit](#) button to submit the application.
5. The portal will display the Reserve Application Outcome page to inform you the outcome of the submission as below. The scheme reservation remains valid for 14 days from the date you made the reservation. You will need to move this to scheme pre-approval prior to the expiry date.

 Congratulations! You have obtained a reservation.

Application ID	Borrower(s) name	Expiry date
2020-21-00024ABC1	Dr Taylor Swift	25/06/2021 (AEST)

You obtained a reservation. This reservation will expire on 25/06/2021 (AEST). You should return to the Portal before the Expiry Date to obtain a Pre-Approval otherwise the place may be made available to another person.

Prior to obtaining a Pre-Approval, you must:

- have provided financing pre-approval to the borrower(s); and
- taken steps to confirm that each borrower is an eligible first home buyer.

You should record the Application ID (2020-21-00024ABC1) referenced above. You will need this when you return to the Portal to apply for a Pre-Approval under the Scheme.

Usually you are given 14 days to obtain a Pre-Approval. If you have been given a different expiry date, this is because the borrower(s) has reserved a place under a FHLDs through an application with another Lender (this does not mean you cannot also progress an application with the borrower(s)).

Note:

Note:

- All fields must be completed before a Reserve Application can be submitted.
- The customer must be at least 18 years of age at the time the loan agreement is entered into. It is the lender's responsibility to ensure the customer is at least 18 years of age at the time they sign a loan agreement.
- The Portal will not verify a customer's Medicare or PMKeys number. It is the lender's responsibility to confirm the Medicare card provided by the customer is in fact their Medicare card or PMKeys number.
- Your customer(s) may have applications with other lenders. Depending on the status of those applications, you may not be able to reserve a place.
- It is the lenders responsibility to ensure ALL eligibility criteria are met for each relevant Guarantee.

Submitting a Pre-Approval Application

A Pre-Approval Application must be submitted using the Pre-Approval Application form.



Tip: In order to submit a pre-approval application for your customer, you must first reserve a Scheme place (see 3.1 above).

Set out below is a Pre-Approval Application for FHBG.

FHBG SCHEME PLACES

2,468

Places Available to ABC

35,000

Scheme Limit

34,947

Places Available

23

Certificates Issued

30

Places on Hold

(8 seconds delay)

FHG SCHEME PLACES

1,483

Places Available to ABC

5,000

Scheme Limit

4,971

Places Available

9

Certificates Issued

20

Places on Hold

(8 seconds delay)

RFHBG SCHEME PLACES

2,985

Places Available to ABC

10,000

Scheme Limit

9,979

Places Available

11

Certificates Issued

10

Places on Hold

(8 seconds delay)

Pre-Approval Application (2023-24-00053ABC1)

Reserve Scheme Place

Obtain Pre-Approval

Request Guarantee Certificate

Update Settlement Details

Application Details

History

To obtain a Pre-Approval, complete the information below.

Scheme Place - 2023-24-00053

Start date:

27/06/2023 (AEST)

Expiry date:

11/07/2023 (AEST)

Home Buyer 1 Details

Name:

Dr Monica Galler

PMKeys:

9928160

Date of birth:

01/06/2004

Sex:

Female

Eligibility Status:

Permanent Resident

Taxable income for preceding financial year:*

Eligibility Ownership:*

Please Select

☐ I confirm I have verified each borrower(s) taxable income against their FY2023 NOA.

Finance Pre-Approval Details

Intended purchase location:*

Please Select

Date finance pre-approval was granted:*

Maximum pre-approval loan amount:*

Origination channel:*

Please Select

Set out below is a Pre-Approval Application for the FHG.

FHBG SCHEME PLACES

2,468

Places Available to ABC

35,000

Scheme Limit

34,946

Places Available

23

Certificates Issued

31

Places on Hold

(1.4 seconds delay)

FHG SCHEME PLACES

1,482

Places Available to ABC

5,000

Scheme Limit

4,970

Places Available

9

Certificates Issued

21

Places on Hold

(1.4 seconds delay)

RFHBG SCHEME PLACES

2,985

Places Available to ABC

10,000

Scheme Limit

9,979

Places Available

11

Certificates Issued

10

Places on Hold

(1.4 seconds delay)

Pre-Approval Application (F2023-24-00030ABC1)

Reserve Scheme Place

Obtain Pre-Approval

Request Guarantee Certificate

Update Settlement Details

Application Details

History

To obtain a Pre-Approval, complete the information below.

Scheme Place - F2023-24-00030

Start date:

27/06/2023 (AEST)

Expiry date:

11/07/2023 (AEST)

Home Buyer Details

Name:

Dr Rachel Green

PMKeys:

2908160

Date of birth:

01/06/2004

Sex:

Female

Eligibility Status:

Permanent Resident

Dependent(s) Relationship:

Legal guardian

Taxable income for preceding financial year:*

Eligibility Ownership:*

Please Select

☐ I confirm I have verified the borrower taxable income against their FY2023 NOA.

Finance Pre-Approval Details

Intended purchase location:*

Please Select

Date finance pre-approval was granted:*

Maximum pre-approval loan amount:*

Origination channel:*

Please Select

Set out below is a Pre-Approval Application for the RFHBG.

- **To submit a Pre-Approval Application for your customer(s):**

1. Click [Applications](#) from the top navigation menu to view all Applications that have been submitted by your organisation across all schemes. From here you may search for, or filter by your application details.
2. Go to the Application Details page for the application that you want to obtain pre-approval for (see chapter 4.1 and 4.3: Viewing the details of an application). You can search by using the Application ID. Click the Application ID, it will show the Application Details.

Note: The application should have the “Scheme Place Reserved” status.

3. Click the [Obtain Pre-Approval](#) button on the top left hand side of the application. This is consistent across all schemes.
Note: If you do not see the button, check the status of the application is “Scheme Place Reserved” and/or confirm with your administrator whether you have permission enabled for this function.

Note: On and after 1 September 2023 taxable income must be verified (validation box ticked) prior to making a Pre- Approval Application. Prior to this, your application will be able to progress without this, but will be required to be acknowledged prior to requesting a Guarantee Certificate.

4. Fill out the Pre-Approval Application form with the applicable details
5. Click the [Submit](#) button to submit the application.
6. The Portal will display the Pre-Approval Application Outcome page to inform you of the outcome of the submission and the scheme approval expiry date.

Note: for an RFHBG pre approval, you will need to select which borrower you have collected evidence for to meet the prior 12 months in a regional area requirement.

Note: there are new fields to capture eligibility ownership status

Note: If your customer(s) no longer meets the Scheme eligibility criteria, you must not submit the form. Instead, you must click the Cancel button to exit the application and then separately take steps to withdraw the application (see chapter 4.6: Withdrawing an application). If you do not withdraw the application, the Scheme Place count will not be updated.

Submitting a Guarantee Certificate Application

A Guarantee Certificate Application must be submitted using the Guarantee Certificate Application form. Note – an NHG application may be able to progress from a reservation to a pre-approval, or a pre approval to a Guarantee Certificate, after 1 July 2022, however no new reservations would be able to be made.

Set out below is a Guarantee Certificate Application for FHBG.

Guarantee Certificate Application (2023-24-00053ABC1)

✓

✓

Reserve Scheme Place

Obtain Pre-Approval

Request Guarantee Certificate

Update Settlement Details

Application Details

History

To obtain a Guarantee Certificate, complete the information below and upload a copy of the signed Borrower Declaration Form.

Scheme Place - 2023-24-00053

Start date:

27/06/2023 (AEST)

Expiry date:

25/09/2023 (AEST)

Home Buyer 1 Details

Name:

Dr Monica Galler

PMKeys:

9928160

Date of birth:

01/06/2004

Sex:

Female

Eligibility Status:

Permanent Resident

Eligibility Ownership:

Owned a property 10 or more years ago

Taxable income for preceding financial year:*

\$100,000

☒ I confirm I have verified each borrower(s) taxable income against their FY2023 NOA.*

Select Occupation Type:*

Please Select

Occupation:

Set out below is a Guarantee Certificate Application for FHG.

FHBG SCHEME PLACES

2,497
Places Available to ABC

35,000
Scheme Limit
4
Certificates Issued
(0 seconds delay)

34,993
Places Available
3
Places on Hold

FHG SCHEME PLACES

1,499
Places Available to ABC

5,000
Scheme Limit
2
Certificates Issued
(0 seconds delay)

4,997
Places Available
1
Places on Hold

RFHBG SCHEME PLACES

2,998
Places Available to ABC

10,000
Scheme Limit
0
Certificates Issued
(0 seconds delay)

9,997
Places Available
3
Places on Hold

Guarantee Certificate Application (F2023-24-00003ABC1)

✓ Reserve Scheme Place
✓ Obtain Pre-Approval
○ Request Guarantee Certificate
○ Update Settlement Details

Application Details
History

To obtain a Guarantee Certificate, complete the information below and upload a copy of the signed Borrower Declaration Form.

Scheme Place - F2023-24-00003

Start date: 20/06/2023 (AEST)
Expiry date: 18/09/2023 (AEST)

Home Buyer Details

Name: Dr Taylor Swift
PMKeys: 7951628
Date of birth: 01/06/2003
Sex: Female
Eligibility Status: Australian Citizen
Dependent(s) Relationship: Please Select
Taxable income for preceding financial year*: \$100,000

☒ I confirm I have verified the borrower taxable income against their FY2023 NOA.*

Select Occupation Type*:
Please Select

Occupation:

Tick each State / Territory the borrower has lived in.*
☐ ACT ☐ NSW ☐ NT ☐ QLD ☐ SA ☐ TAS ☐ VIC ☐ WA

Set out below is a Guarantee Certificate Application for RFHBG.

Guarantee Certificate Application (R2023-24-00022ABC1)

✓ Reserve Scheme Place
✓ Obtain Pre-Approval
○ Request Guarantee Certificate
○ Update Settlement Details

Application Details
History

To obtain a Guarantee Certificate, complete the information below and upload a copy of the signed Borrower Declaration Form.

Scheme Place - R2023-24-00022

Start date: 27/06/2023 (AEST)
Expiry date: 25/09/2023 (AEST)

Home Buyer 1 Details

Name: Dr Rachel Green
PMKeys: 3339085
Date of birth: 01/06/2004
Sex: Female
Eligibility Status: Permanent Resident
Eligibility Ownership: Owned a property 10 or more years ago

Taxable income for preceding financial year*: \$100,000

☒ I confirm I have verified each borrower(s) taxable income against their FY2023 NOA.*

Select Occupation Type*:
Please Select

Occupation:

Home Buyer 2 Details

Name: Dr Ross Galler
PMKeys: 1105297
Date of birth: 02/06/2004
Sex: Male
Eligibility Status: Permanent Resident
Eligibility Ownership: Never owned a property before
Relationship: Defacto

Taxable income for preceding financial year*: \$100,000

Select Occupation Type*:
Please Select

Occupation:

Tick each State / Territory the borrower has lived in.*

- **To submit a Guarantee Certificate Application for your customer(s):**

1. Go to the Application Details page for the application that you want to request a Guarantee Certificate for (see chapter 4.3: Viewing the details of an application). The status of the application should be "Pre-Approved".
2. Click the Request Guarantee Certificate button. This is consistent across all schemes.

Note: If you do not see this button, check the status of the application is "Pre-Approved" and/or confirm with your administrator whether you have permission enabled for this function.

3. Fill out the Guarantee Certificate Application form with the applicable details

Purchase type:*	Separate land and contr ^o	Land only / land and building loan:*	Land Loan
Dwelling type:*	House	Title reference:*	1/22222
Purchase price (Land):*	\$200,000	Lender's assessed value (Land):*	\$200,000
Date of contract of sale (Land):*	27/06/2021	Scheduled settlement date:*	30/06/2021

Upon doing this, the 'Update GC for Building Loan' button will be available. Click this and update the relevant details to generate an updated Guarantee now including the building component, which then factors the deposit and Lenders Assessed Value for both the land and build.

Application Details (2021-22-00013ABC1) Status: Settlement Confirmed

Reserve Scheme Place Obtain Pre-Approval Request Guarantee Certificate Update Settlement Details

Update GC for Building Loan

Application Details Documents History

Scheme Place - 2021-22-00013

Start date:	21/06/2021 (AEST)	Guarantee Certificate:	2021-22-00013ABC1-GC1
Expiry date:		Guarantee Certificate Status:	Settlement Confirmed

To obtain a Guarantee Certificate for a land & construction loan where the land and build are settling at the same time, select “Land and Building Loan” in the drop-down box on the right hand side.

Under the NHG the scheduled construction commencement date must be on or after the building contract date but not more than 12 (or 6 months for FY20-21 places) months after the building contract date.

Otherwise, the system will not allow you to proceed. Please note below, this is for a FY21-

Newly built dwelling type: Built to replace a demolished dwelling Land only / land and building loan: Land and Building Loan

22 place under the NHG.

Fill out the Guarantee Certificate Application form with the applicable details then submit.

Newly built dwelling type:*	Built to replace a demo ✓	Land only / land and building loan:*	Land and Building Loan ✓
Purchase type:*	Separate land and cont ✓	Title reference:*	123456 ✓
Dwelling type:*	House ✓	Lender's assessed 'as if complete' value:*	\$950,000
Purchase price (Land):*	\$400,000	Scheduled settlement date:*	01/12/2022
Date of contract of sale (Land):*	01/06/2021	Date of the building contract:*	01/06/2021
Contract sum:*	\$550,000	Has construction commenced <input type="radio"/> Yes <input checked="" type="radio"/> No on contract date:*	
		Scheduled construction commence date:*	01/10/2021
		Scheduled practical completion date:*	01/11/2022 ✓

Note:

- The fields required on the Guarantee Certificate Application form will change depending on the selection
- Requirements for a Guarantee Certificate Application will look similar across all schemes, however, note the validation rules will be reflective of their relevant specific scheme rules. For further information see the Scheme Rules and Lender Guide.

1. Upload the customer's signed and completed Home Buyer Declaration Form (note - for a land loan only, this step and the following is still required to issue the GC).



Tip: Only PDF or PDF/A documents with a maximum size of 20MB can be uploaded. If no document is loaded, you will not be able to progress.

2. Please note, that as well as uploading the Home Buyer Declaration, if the NHFIC Research Survey has been completed by the borrower(s), please ensure this is also uploaded to the Portal during the previous step.

If the survey has been completed and uploaded, click Yes and complete the questions exactly as the borrower has, on the survey provided.

Note – if Yes has been selected, at least one answer needs to be provided. In some instances, we are aware surveys do not have every question completed. The portal will allow for some questions to be left blank, as long as at least one question has been completed.

For Question 1, if the survey completed has been left blank or had a zero written on it (as there is no zero option on the survey), this can be recorded here in the portal – via the 'No dependents' option.

NHFIC undertake periodic spot checks of the data input by lenders, to ensure it matches the information provided by borrowers.

Note - Phone and email addresses of borrowers entered are encrypted, to ensure data security.

If No is selected, you will be asked to reconfirm that the borrower hasn't completed the declaration via an additional checkbox

The following documents must be provided (only PDF and PDF/A document formats are accepted. The size of each document must not exceed 20MB).

You are required to upload a copy of the signed borrower(s) declaration form.

If you do not upload the correct documents, your ability to make a claim under the Guarantee may be affected.

Has the borrower(s) completed the NHFIC Research Survey included in the Home Buyer Declaration, and has this been uploaded?

☒ Yes, please complete the NHFIC Research Survey on behalf of the borrower(s).

☐ No

Survey Questions

1. What best describes your gender?

Applicant 1:

☒ Female

☐ Male

☐ Other

☐ Prefer not to say

2. How many children/dependents do you have that are under 18 years of age, and are wholly or substantially financially dependent on you? (choose one only)

☐ 1 dependent

☐ 2 dependents

☐ 3 dependents

☐ 4 or more dependents

3. Click the Document Upload Complete button and confirm the issuance of a Guarantee Certificate

The screenshot shows the 'Guarantee Certificate Application (N2021-22-00013ABC1)' page. On the left, there are three sections for 'PHLDS SCHEME PLACES', 'NHS SCHEME PLACES', and 'PHG SCHEME PLACES', each displaying a 'Scheme Limit' of 10,000 and a 'Places Available' count. The 'PHLDS' section shows 984 available places, 'NHS' shows 988, and 'PHG' shows 954. The main content area shows a progress bar with three steps: 'Reserve Scheme Place' (completed), 'Request Guarantee Certificate' (current), and 'Update Settlement Details'. A modal dialog box titled 'CONFIRM ISSUANCE OF A GUARANTEE CERTIFICATE' is open, asking 'Have you uploaded the signed Borrower Declaration Form?'. The dialog has 'No' and 'Yes' buttons. Below the dialog, there is a 'Document Upload Complete' button and a 'Signed Borrower Declaration Form' section with a 'Select Files' button. A note at the bottom states: 'NOTE: Only PDF and PDF/A document formats are accepted. The size of each document must not exceed 20MB.'

Note: Your application is saved when you submit the Guarantee Certificate Application form.

The screenshot shows the same 'Guarantee Certificate Application (N2021-22-00013ABC1)' page. The modal dialog box now displays a success message: 'GUARANTEE CERTIFICATE ISSUED'. The message reads: 'Congratulations! A guarantee certificate has been issued for your application. A copy of the certificate document will be emailed to you shortly. You can also view and download the certificate from the portal.' There is an 'OK' button at the bottom of the dialog. The background content remains the same as in the previous screenshot.

4. If successful, the Portal will display the Application Details page. A link to a Guarantee Certificate will be added to the Documents page for you to download.

Note: If your customer(s) no longer meets the Scheme eligibility criteria, you must not submit the form. Instead, you must click the Cancel button to exit the application and then separately take steps to withdraw the application. (See chapter 4.6: Withdrawing an application). If you do not withdraw the application, the Scheme Place counter will not be updated.

5. A system generated notification email attaching a Guarantee Certificate document will be sent to your registered email address.



Tip: Once a Guarantee Certificate has been issued for a customer, all other applications associated with that customer will be withdrawn.



Tip: If you haven't received the email, check your junk / spam mailbox and ask your IT team to add <fhlds_portal@nhfc.gov.au> to the safe-sender list.

Managing scheme applications

Viewing the applications list

The *Applications* page will display a list of all the applications (across all schemes) submitted by your organisation:

Application ID	Buyer 1	Buyer 2	Applied Date (AEST)	Application Status	Scheme Place ID	Scheme Place Expiry (AEST)	Guarantee Certificate ID	Guarantee Certificate Status
2019-20-00043abc1	TEST SDFJ	asd ad	18/12/2019	Scheme Place Reserved	2019-20-00043	28/12/2019		
2019-20-00043abc1	mer ASFD		18/12/2019	Scheme Place Reserved	2019-20-00043	28/12/2019		
2019-20-00000abc2	das asd		18/12/2019	System Declined				
2019-20-00000abc1	test name		18/12/2019	System Declined				
2019-20-00043abc1	Harry Parntester	Jenny Tale	18/12/2019	Pre-Approved	2019-20-00043	17/03/2020		

To view all Scheme applications that have been submitted by your organisation, click [Applications](#) from the top navigation menu.

To view all Scheme applications under another scheme use the “Scheme Type” filter function at the top of the applications table and search “NHG”, “FHBG”, “FHG” or “RFHBG”. This is case sensitive (as is the borrower surname field).

- **To change the number of applications displayed per page**, change and apply the number of items per page option at the bottom of the list.

Note: When the total number of applications displayed per page is 100, the number of applications displayed per page will be 100. To navigate between the pages, click the page numbers and navigation arrows below the list.

- To sort and change the order of applications displayed in the list, click the header of the column you want to sort by. Clicking on the header again will reverse the sort order.
- To filter applications displayed in the list, enter the Application ID and select the application you are looking for.

Finding an application

Click [Applications](#) from the top navigation menu to view all Applications that have been submitted by your organisation.

Viewing the details of an application

- **To view details of an application from the Application List:**

1. Go to the Applications page (see chapter [4.1: Viewing the applications list](#)).
2. Find your application using the Application ID (see chapter 4.2: Finding an application).
3. Click the Application ID for the relevant application.

Note: Different sorting and filtering options can be applied to help you find applications.

- **To view details of an application from the Guarantee Certificates list**
(for applications with issued Guarantee Certificates only):

1. Go to the Guarantee Certificates list page (see chapter [5.1: Viewing the Guarantee Certificate list](#)).
2. Click the [Linked Application](#) on the right hand side for the relevant record

Tip: You will only be able to view applications for which a Guarantee Certificate has been issued.

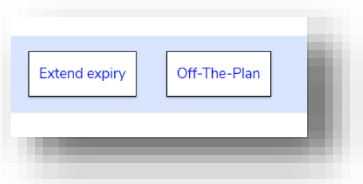
Note: Different sorting and filtering options can be applied to help you find applications.

Extending an application at the Pre-Approval Stage

Applications that are in the pre-approval stage of the scheme have the ability to be extended by the lender in two different circumstances. An application for any purchase type can be extended by 30 days if the customer has entered into a contract of sale for an eligible property, once there is less than 30 days left of the Scheme place's pre-approval period.

- **Extension Options when viewing a pre-approval:**

1. "Extend Expiry"
2. "Off-The-Plan" (for an NHG pre approval only)

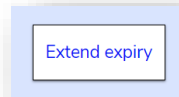


- **To Extend Expiry when a customer has entered into an eligible Contract of Sale:**

1. Go to the Applications page (see chapter 4.1: Viewing the applications list).
2. Find your application using the Application ID (see chapter 4.2: Finding an application)
3. Click on the Application ID for the relevant application.

Note: Different sorting and filtering options can be applied to help you find applications.

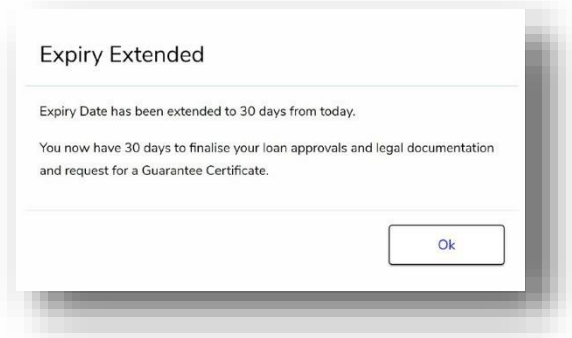
4. At the top of your chosen application, you will see the following button



5. Click “Extend Expiry”, and the dialog box will appear. Fill in the details in the Extend Expiry form and click submit.

Note: You must confirm that you have sighted a copy of the signed Contract of Sale before the application can be extended.

6. Once you have successfully extended the application, you will see a dialog box confirming your extension detailing the number of days you have extended your pre-approval by. Please note this extension adds 30 days to the expiry from the date you extend (not the date of the existing expiry listed).



Updating the settlement status

The settlement status must be updated as soon as the settlement is completed or if the settlement will no longer proceed. This step can only be done after a guarantee certificate has been issued.

- **To update the settlement status:**

1. Click Applications from the top navigation menu to view all Applications that have been submitted by your organisation.
2. Go to the *Application Details* page of the relevant application (see chapter 4.1 and 4.3: Viewing the details of an application). The status of the application should be “Guarantee Certificate Issued”.
3. Click the *Update Settlement Details* button. Note: If you do not see the button, check the status of the application is “Guarantee Certificate Issued” and/or confirm with your administrator whether you have permission enabled for this function.



4. The form will appear, as seen below:

Note: the interest rate type field now includes multiple options for the Year term for a fixed rate term. Please select the relevant one applicable.

5. Enter the settlement details and click the Submit button. Note, if you wish to cancel the Guarantee after issuing, select Cancel and enter some details relating to why this is occurring.
6. The Portal will inform you that the settlement status has been updated and the updated Application Details page will be displayed.

Note: If you update the settlement status to “cancelled”, (i.e., the property purchase will no longer proceed), the application will be withdrawn and the issued Guarantee Certificate will be cancelled.

Withdrawing an application

- **To withdraw an application at any stage before a Guarantee Certificate has been issued:**
 1. Click Applications from the top navigation menu to view all Applications that have been submitted by your organisation.
 2. Go to the Application Details page for the application that you want to withdraw (see chapter 4.1 and 4.3: Viewing the details of an application).
 3. Click the Withdraw Application button.
Note: if you do not see the button, check if the guarantee certificate has already been issued and/or confirm with your administrator whether you have permission enabled for this function.
 4. A popup dialogue box will appear, as seen below:

5. Enter the relevant details and click the Withdraw button.
 6. The Portal will inform you that the application has been withdrawn and the updated Application Details page will be displayed. This will also release the Scheme place that had been reserved.
- **To withdraw an application once a Guarantee Certificate has been issued and updated to settled**, you can do this via section 6.2 – Discharges. Please note – this is the lenders responsibility to ensure the correct ID has been requested for release and cannot be undone, once actioned.

Accessing the Guarantee Certificate Register

Viewing the Guarantee Certificate list

The *Guarantee Certificates list* page displays a list of Guarantee Certificates issued to your organisation.

Certificate ID	Status	GML	RTA	Issue Date (AEST)	Settlement Details Updated On	End Date (AEST)	Linked Application
2019-20-00043abc1-GC1	Issued	\$20,000.00	\$400,000.00	18/12/2019			2019-20-00043abc1
2019-20-00041abc1-GC1	Active	\$1,000.00	\$0.00	18/12/2019	18/12/2019		2019-20-00041abc1

- **To view all guarantee certificates issued to your organisation**, click *Guarantee Certificates* from the top navigation menu.
- **To change the number of guarantee certificates displayed per page**, change and apply the *number of items per page* option at the bottom of the list.

items per page

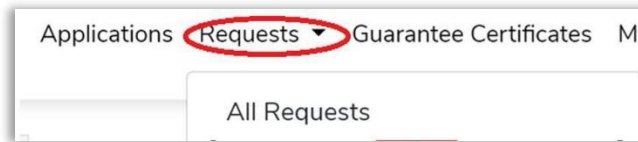
Note: When the total number of Guarantee Certificates exceeds the number of items per page, the list is separated in multiple pages.

- **To change the order of Guarantee Certificates displayed in the list**, click the header of the column you want to sort by. Clicking on the header again will reverse the sort order.

Managing the Portfolio - Requests

Requests menu

To initiate a new external refinance or review the status of any post settlement requests i.e. Scheme Place Discharge (Guarantee Release), Internal & External Refinance requests, click on the Requests button along the top menu of the portal home page after logging in.



Selecting the “All Requests” button will provide you with the current status of all requests made. The following will be displayed:

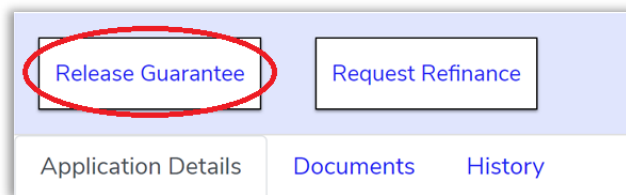
- Request Number & Type and Date of Request
- Scheme Place ID & Status of request

Details of the different types of requests available to lenders and how to make one are provided below.

Release Guarantee (Discharge)

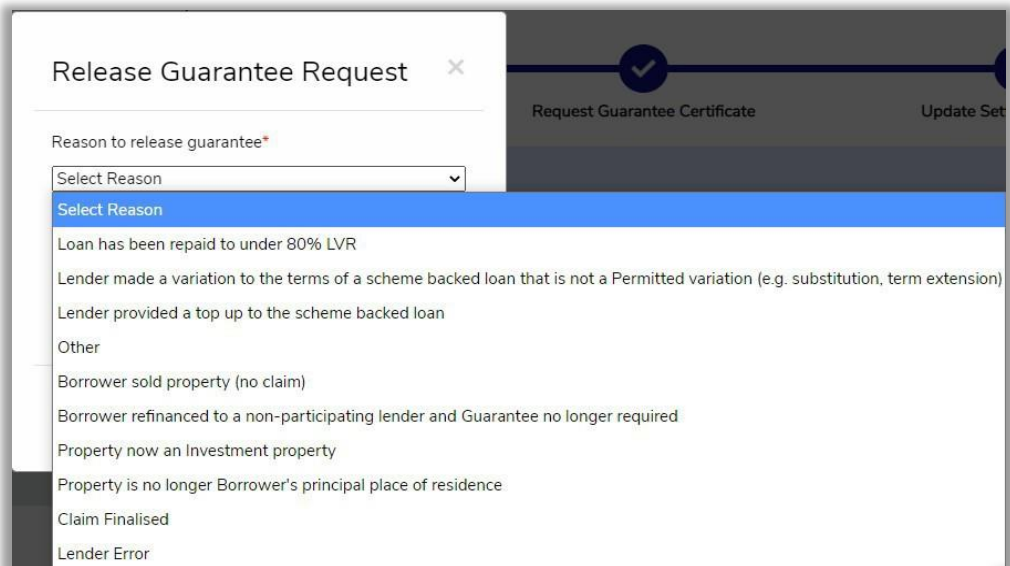
To release the Guarantee from a loan, enter the Application ID into the search bar under Applications (the home page on logging in to the portal). When found via the search function, click on the Application ID.

Click on “Release Guarantee” button.



Select a “Reason to release guarantee” from given list.

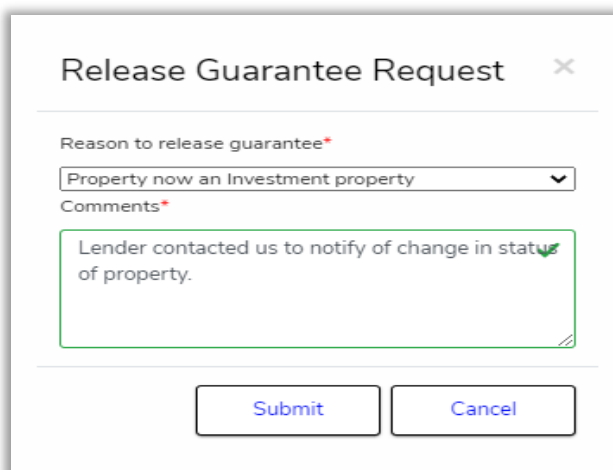
Select the most relevant reason from the list below. If the reason for the release is not in the prepopulated list, choose “other” and write a detailed explanation in the comment section.



The image shows a 'Release Guarantee Request' form. At the top, there is a progress bar with a checkmark icon and the text 'Request Guarantee Certificate' and 'Update Set'. Below this, the form has a title 'Release Guarantee Request' with a close button (X). The main section is titled 'Reason to release guarantee*' and contains a dropdown menu labeled 'Select Reason'. The dropdown menu is open, showing a list of reasons: 'Select Reason', 'Loan has been repaid to under 80% LVR', 'Lender made a variation to the terms of a scheme backed loan that is not a Permitted variation (e.g. substitution, term extension)', 'Lender provided a top up to the scheme backed loan', 'Other', 'Borrower sold property (no claim)', 'Borrower refinanced to a non-participating lender and Guarantee no longer required', 'Property now an Investment property', 'Property is no longer Borrower's principal place of residence', 'Claim Finalised', and 'Lender Error'.

Provide the “Reason(s)” to Release Guarantee.

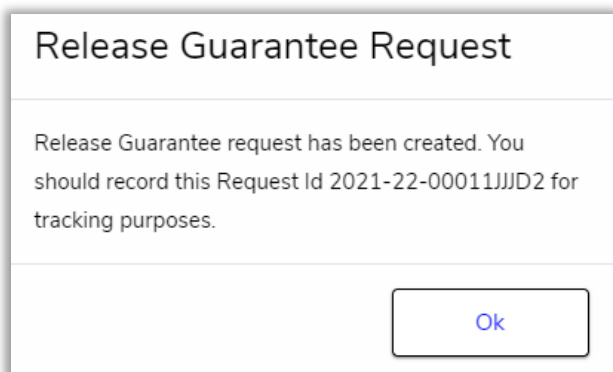
Enter some commentary (mandatory) to support the release reason selected.



The image shows the 'Release Guarantee Request' form with the dropdown menu set to 'Property now an Investment property'. Below the dropdown is a text area labeled 'Comments*' with the text 'Lender contacted us to notify of change in status of property.' and a green checkmark icon. At the bottom of the form are two buttons: 'Submit' and 'Cancel'.

Click on “Submit”.

Note: once requested and actioned by NHFIC, this cannot be reversed.



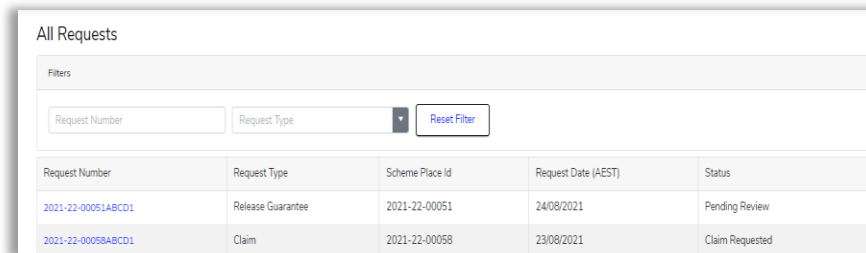
The image shows a confirmation message box titled 'Release Guarantee Request'. The text inside reads: 'Release Guarantee request has been created. You should record this Request Id 2021-22-00011JJJD2 for tracking purposes.' At the bottom right of the box is an 'Ok' button.

What happens next?

The request to release the Guarantee is forwarded to the NHFIC HGS team to review and confirm. You can track the status of your request on the “Requests” list, or by using your Request ID to search for it.

Once approved, the application will be in Guarantee Released status and no longer an active Guarantee. If NHFIC have any queries on the request, they may request further information prior to approval.

If you have any issues with completing a request, please send your question and any screenshot to lenders@nhfic.gov.au and in the email subject quote the Application ID and reference Release request.



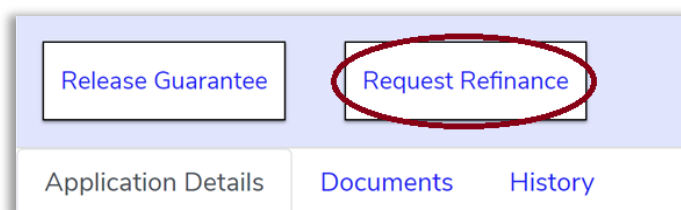
Filters				
Request Number	Request Type		Reset Filter	
Request Number	Request Type	Scheme Place Id	Request Date (AEST)	Status
2021-22-00051ABCD1	Release Guarantee	2021-22-00051	24/08/2021	Pending Review
2021-22-00058ABCD1	Claim	2021-22-00058	23/08/2021	Claim Requested

Internal Refinance

Scheme Guaranteed loans that are being refinanced and within your own financial institution and require an updated Certificate can be completed using the “Request Refinance” button when in an application. This option is only to be used once the internal refinance has settled (ensuring that the refinance meets the eligibility criteria).

Part 1: To request the internal refinance

- Click on Applications and enter the correct application ID.
- Click on the Application ID and once in the application details click on “Request Refinance” button.



- If there are any changes in the borrowers, select the borrower who is remaining on the Guarantee.

Internal Refinance Request

As part of this request, are there any changes in borrowers? *

☒ Yes
☐ No

If yes, which of the borrower is to be retained with the scheme? *

☐ Dr tree fall
☒ Dr hack saw

New loan term (in months) *

New loan amount *

Settlement Date*

Submit Cancel

- Enter in the following settled loan details “New Loan Term”, “New loan amount” and “Settlement Date”. Then click on “Submit”.
- New Loan term (in months): If there is more than one loan associated with this (e.g., split loans), enter the longest term of those loans.
- New loan amount: If there is more than one loan associated with this (i.e. loan splits), please enter the total loan amount. The new loan amount cannot exceed the outstanding amount provided by the lender (yourselves) in the most recent periodical monthly reporting.

Internal Refinance Request

As part of this request, are there any changes in borrowers? *

☐ Yes
☒ No

New loan term (in months) *

New loan amount *

Settlement Date*

Submit Cancel

- If the data enters match the allowable refinance criteria in the Scheme Rules, a pop up will appear confirming the request has been processed.

Refinance Request

Refinance Request 2021-22-00068ABCR1 has been processed. The new Guarantee certificate is attached to the application.

Ok

- A new Guarantee Certificate will be created and available on the documents tab under the new application ID.


Note the original application ID will have been updated with the number prefix at the end updating to the *next* sequential number i.e., if it is 2022-23-00001ABC1, this will become 2022-23-00001ABC2 – and the new GC will be attached to the documents tab to that.

Part 2: To enter the settlement details (and update the application for loan splits)

- Find the new application. The new application ID is the original application ID with the next sequential number prefix.

i.e., if it is 2022-23-00001ABC1, this will become 2022-23-00001ABC2 once the refinance is completed.

- Go to the application page and click 'edit' in Loan details.

Loan Details			
Deposit paid by borrower:	\$70,000	Total loan amount:	\$630,000
Loan agreement date:	03/05/2022 (AEST)	Settlement date:	31/05/2022 (AEST)
Loan term (Years):	30		
I confirm that the loan satisfies the loan eligibility criteria Yes			
Application last submission date:	27/09/2022 (AEST)		
Application last submitted by:	your210		
Lender reference number:			

- Enter the settlement details. Then click 'Create Request'

Loan Account:

Loan amount: *

Initial rate type: *

Please Select ▼

Initial interest rate %: *

Repayment basis: *

Please Select ▼

Loan account number: *

Add another loan account

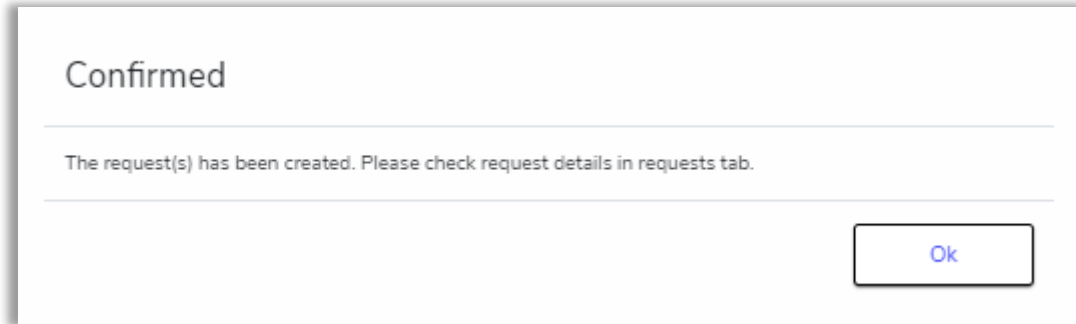
Please include a detailed file note of why you are updating the application. *

☐ I understand this may result in a new Guarantee Certificate being issued. *

Create Request

Cancel

- This will create the request to NHFIC. NHFIC will endeavour to approve this within 48 hours.



- Go to “All Requests” from the top menu tab and you will be able to monitor the status of the request.

External Refinance (from another participating lender)

Scheme Guarantee's that are being refinanced from another participating lender can request for an “external refinance” to transfer the existing Guarantee to the newly refinanced loan using the “New External Refinance Request” option, found under the Requests menu.

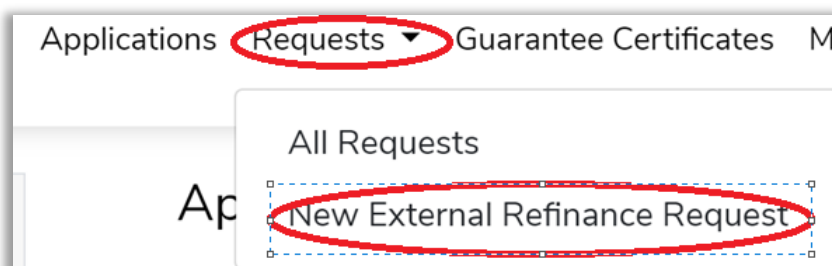
External Refinances are a two-way process.

- Initially, a lender is required to generate an external refinance quote. Once the refinance quote is submitted, the lender will be provided with a “Quote Enquiry” available via the documents tab, of the Application ID.
- The “Quote Enquiry” will provide details of the terms of the current loan from the original participating lender, that will be the conditions the new loan can be refinanced under. You will then have 30 days to settle the new loan under the terms provided. Once settled, return to the portal and update the settlement details within the 30 days. If the 30 days time period is not met, the quote will expire and a new quote will have to be generated which may have updated terms.

Note: Once both these steps are completed, the former lender will be able to see that the Guarantee has been released and the Scheme ID is now only visible to the new Lender. The former lender is not required to request to release a guarantee separately.

Part 1: To Generate a quote for an External Refinance application

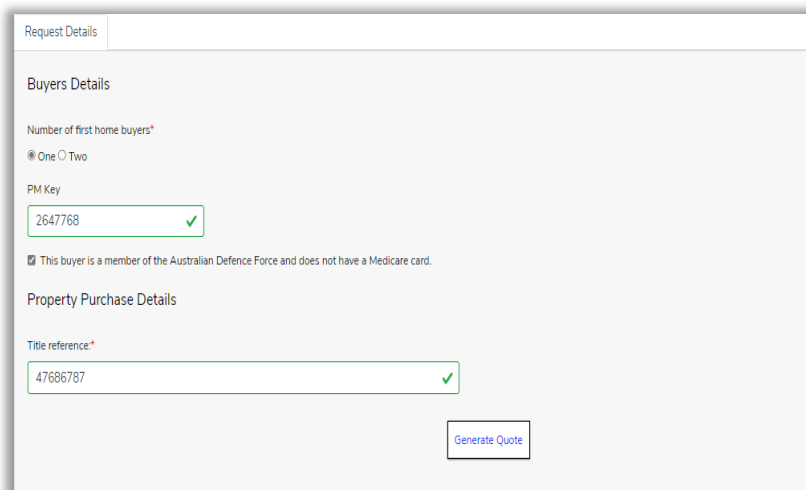
Login to the portal and from the top menus, select “Request” > “New External Refinance Request” button.



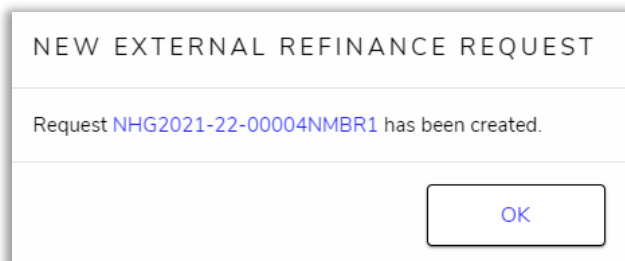
Provide the “PM KeyS” or “Medicare Number” of the borrower(s) along with “Title Reference”, as these are unique identifiers of the scheme place that will be refinanced. Note – the Title Reference field is case sensitive and there may be mismatches between lenders in terms of entry format of titles. If you receive an error, please send an email to lenders@nhfic.gov.au with the following details:

- Email Subject – Refinance Request

Screenshot of error, along with borrower(s) surname and DOB(s). NHFIC can then search for the application and provide you the exact title details to enter.



Click on “Generate Quote”. If successfully matched, the below will be received. Please note the above requirement to email NHFIC, if you are receiving an error message.



Now go to “All Requests” from the top menu tab and you will see the refinance request in “Quote Issued” status.



Applications Requests Guarantee Certificates My Reports Settings

All Requests

Filters

Request Number Request Type [Reset Filter](#)

Request Number	Request Type	Scheme Place Id	Request Date (AEST)	Status
2021-22-00013NMBR1	External Refinance	2021-22-00013	04/08/2021	Quote Issued

Click on the request number and go to the documents tab, where you are able to download the refinance enquiry document. Note – this is not the new Guarantee Certificate.

External Refinance Request (NHG2021-22-00004NMBR1) Status: Settlement Confirmed

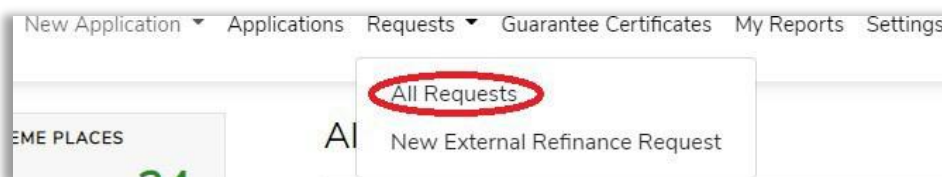
Request Details Documents

Uploaded Documents

Document	Document Type	Uploaded Date (AEST)	Uploaded By
NHG2021-22-00004NMBR1QE1.pdf	Quote Enquiry	04/08/2021	Jay

Part 2: To settle an External Refinance request (Refinancing Certificate Application) and add in any loan splits

Go to “All Requests” from the top menu tab and you will see the refinance request in “Quote Issued” status. You may also have your request number available and search for this directly.



Applications Requests Guarantee Certificates My Reports Settings

All Requests

Filters

Request Number Request Type [Reset Filter](#)

Request Number	Request Type	Scheme Place Id	Request Date (AEST)	Status
2021-22-00013NMBR1	External Refinance	2021-22-00013	04/08/2021	Quote Issued

Click on the request and click on “Request Refinance”.

Applications Requests Guarantee Certificates My Reports Settings

External Refinance Request (2021-22-00013NMBR1) Status: Quote Issued

[Request Refinance](#)

Request Details Documents

Buyers Details

Number of first home buyers*

☒ One ☐ Two

Provide the requested information in the form to update the settlement details and click on Submit. Note – if there are loan splits, please enter in the longest term for the term field and for loan amount, the total of any splits.

External Refinance Request

As part of this request, are there any changes in borrowers? *

☐ Yes
 ☒ No

New loan term (in months) *

100

New loan amount *

\$25,000

Settlement Date*

10/08/2021

Submit

Cancel

Note: If the data entered outside any of the conditions provided in the quote (which match the Scheme Rules), the request will be rejected and the Guarantee will not transfer over.

If the request is accepted as per the Scheme Rules criteria, a pop up will appear confirming the request has been processed.

Refinance Request

Refinance Request 2021-22-00013NMBR1 has been processed. The new Guarantee certificate is attached to the application.

Ok

It is now possible to view the newly refinanced Scheme Place by clicking the hyperlinked ID or from the applications tab.

Note the application ID will be in the same format at the request ID. So, in the above where 2022-23-00013NMBR1 is the request ID, the new Application ID is simply 2022-23-00013NMB1

Applications Requests Guarantee Certificates My Reports Settings

Application Details (2021-22-00013NMB1) Status: Settlement Confirmed

Reserve Scheme Place

Obtain Pre-Approval

Request Guarantee Certificate

Update Settlement Details

Release Guarantee

Request Refinance

Application Details

Documents

History


Uploaded Documents

Document	Document Type	Status	Uploaded By	
test.pdf blank.pdf	Signed borrower declaration form	Pending virus scan	Jay	
2021-22-00013NMB1-GC2.pdf	Guarantee certificate	Clear	System	
2021-22-00013NMB1-QE1.pdf	Quote Enquiry	Clear	Jay	
2021-22-00013NMB1-GL1-1.pdf	PM's letter	Clear	System	

Part 3: To enter the settlement details

- Find the new application. The new application ID will be in the same format at the request ID.
i.e., If 2022-23-00013NMBR1 is the request ID, the new Application ID is simply 2022- 23-00013NMB1

- Select the application and navigate to its details page, then click 'edit' in Loan details.

Loan Details			
Deposit paid by borrower:	\$70,000	Total loan amount:	\$630,000
Loan agreement date:	03/05/2022 (AEST)	Settlement date:	31/05/2022 (AEST)
Loan term (Years):	30		
I confirm that the loan satisfies the loan eligibility criteria Yes			
Application last submission date:	27/09/2022 (AEST)		
Application last submitted by:	your210		
Lender reference number:			

- Enter the settlement details related to the new loan. Then click 'Create Request'

Loan Account:

Loan amount: *

Initial rate type: *

Please Select ▼

Initial interest rate %: *

Repayment basis: *

Please Select ▼

Loan account number: *

Add another loan account

Please include a detailed file note of why you are updating the application. *

☐ I understand this may result in a new Guarantee Certificate being issued. *

Create Request

Cancel

- This will create the request to NHFIC. NHFIC will endeavour to review and approve it within 48 hours.

Confirmed

The request(s) has been created. Please check request details in requests tab.

Ok

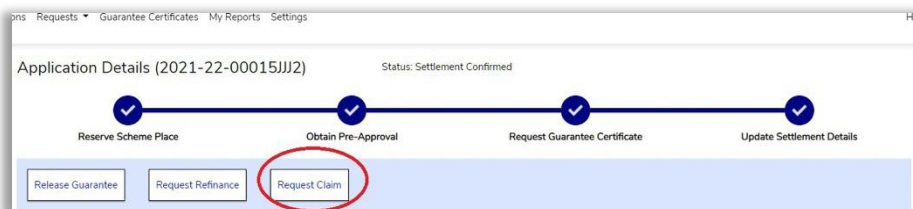
- Go to "All Requests" from the top menu tab and you will be able to monitor the status of the request.

Submitting a claim request

To submit a claim on a Guarantee, search for the Application (using the ID in the search bar) and select the Application. Click on the “Request Claim” button and enter the requested details. Documents to support the claim are required to be sent via encrypted email to lenders@nhfic.gov.au noting the application ID and claim submission in the subject line.

- To make a claim:

Click on the “*Request Claim*” button



Provide the information and click on “Submit” button.

A screenshot of a 'Claim Request' form. The form has a title bar with a close button. It contains three input fields: 'Total loan balance prior to settlement*' with the value '\$500,000', 'Net Sale Proceeds*' with the value '\$200,000', and 'Claim Amount*' with the value '\$50,000'. At the bottom, there are two buttons: 'Submit' and 'Cancel'.A screenshot of a 'Claim Request' confirmation message. The title is 'Claim Request'. The text reads: 'Your request has been lodged 2021-22-00015JJJD3, before NHFIC can process your request you will need to provide all supporting documentation outlined in the NHFIC Claims guideline via encrypted email to [REDACTED]'. At the bottom right, there is an 'Ok' button.

In addition, also provide all of the supporting documentation outlined in the Scheme Rules and Lender Guide via encrypted email to lenders@nhfic.gov.au

In the subject line, include the application ID and claim submission.

Requesting an Edit to Application Details (Scheme Reservations and Pre-Approvals)

To edit the application details of a scheme place that is at reservation or pre- approval status, search for the Application (using the ID in the search bar – see previous sections 4.2 & 4.3) and select the Application ID that is hyperlinked. Once on the details page, click on the Edit button.

Application Details (2021-22-00082ABC1) Status: Scheme Place Reserved

Reserve Scheme Place Obtain Pre-Approval Request Guarantee Certificate Update Settlement Details

Obtain Pre-Approval Withdraw Application **Edit**

Application Details History

Scheme Place - 2021-22-00082

Start date: 16/11/2021 (AEST)
Expiry date: 30/11/2021 (AEST)

First Home Buyer 1 Details

Name: Dr Leesha Looby
PMKeys: 0000767
Date of birth: 16/04/1994

Application last submission date: 16/11/2021 (AEST)
Application last submitted by: Leesha
Lender reference number:

The following screen will appear (note the below is for a reservation, however the layout for pre-approval fields is similar in layout but with those relevant fields).

The existing data will prepopulate. Enter in any 'new' data required or amendments to the existing data set (note – for fields you want unchanged, leave them as is. Similarly, delete if you want something completely removed).

Home Buyer 1 Details

Title: Dr
First Name: onee
Middle Name:
Family Name: onee
Date of Birth: 10/10/2001

Home Buyer 2 Details

Title: Dr
First Name: two
Middle Name:
Family Name: one
Date of Birth: 9/10/2000

To correct application details of all linked applications. Update information above, provide comments below and click the submit button. A request will be created and submitted to NHFIC. *

Please Note: Medicare numbers/PM KeyS cannot be amended using this functionality. To request an edit to this field, please send an email to lenders@nhfic.gov.au detailing the nature of the change and why the amendment is being requested. In some instances, an amendment may not be able to be made and a new reservation may be required to correct data entry errors at origination.

Once you have made the required amendments, please provide comments in the text box outlining the reason for the changes and then click "Confirm". The comments section is important, as this will be what the NHFIC admin reviews to approve or reject the request. If you don't want the edit request to progress, click the cancel button.

The screenshot shows a form titled 'Home Buyer Details' with two main sections: 'Home Buyer 1 Details' and 'Home Buyer 2 Details'. Each section contains fields for Title (a dropdown menu), First Name, Middle Name, Family Name, and Date of Birth. Below these sections is a large text box for comments. A note at the bottom states: 'To correct application details of all linked applications. Update information above, provide comments below and click the submit button. A request will be created and submitted to NHFIC.'

Once the data has been submitted, a pop up will appear confirming the request has been created and the request ID.

The screenshot shows a modal window titled 'REQUEST CREATED'. It contains the text: 'Application update request has been created. Request # 2021-22-00085ABCA12'. There is an 'Ok' button at the bottom right.

After clicking Ok, an 'Application Amendment Request' screen will display, showing the nature of the request in a 'From' and 'To' format, only for those details that have been changed as below.

To return to the application, click on the Application ID that is highlighted.

The screenshot shows the 'Application Amendment Request' screen. At the top, it displays the request ID: 'Application Amendment Request: 2021-22-00085ABCA12'. Below this, it shows 'Requested On: 16/11/2021' and 'Request Status: PendingReview'. The 'Application:' is '2021-22-00085ABC1' and the 'Lender:' is 'ABC'. A section titled 'Change Details' contains a table with 'From' and 'To' columns. The table shows a change for 'Buyer1 Family Name' from 'onee' to 'oneeee'. There is also a 'Comments' field with the text 'fvdfgdf'. At the bottom, there is a 'Withdraw' button.

What happens next?

The NHFIC HGS team is alerted to the request and the team will review and approve/reject the request. You can track the status of your request on the “Requests” list, or by using your Request ID to search for it. It will be in Pending Review stage.

If NHFIC have any queries on the request, they may reject or request further information prior to approval. A rejection will result in an email back to the contact listed in the portal for each lender as the contact for applications, and not the user whom submitted the request (i.e. generally an admin or the person at your business who receives the weekly expiry email reminders).

If you have any issues with completing a request, please send your issue and any screenshot with your issue to lenders@nhfic.gov.au and in the email subject line, quote the Application ID.

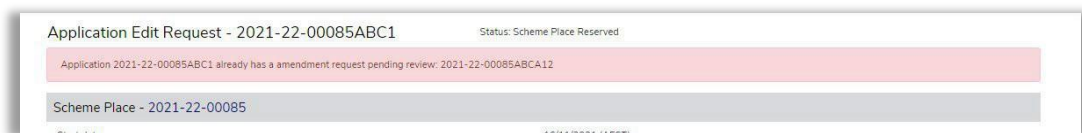
Note – for a scheme place with multiple applications linked, any changes requested by one lender will impact the whole scheme place (that is, if Lender A makes an amendment, Lender B will also be able to see those changes occur once the amendment is approved)

An approved amendment request

Upon approval from NHFIC, the changes are made within the portal immediately. At this stage, the contact for applications for each lender will receive the email confirming of the approved changes being applied. A user can also check in real time that the application changes have been made. Similarly, the status of the amendment will change from pending review to Application Amended.

An approved amendment request can be viewed in the requests menu if a user wishes to view what changes were made. Similarly, the changes will now be live on the application, and a note will be on the details tab detailing that a request was made by a user and reference to the relevant request ID.

Note: You will not be able to make any additional changes to the application while the request is being reviewed by NHFIC, as per the below screenshot.

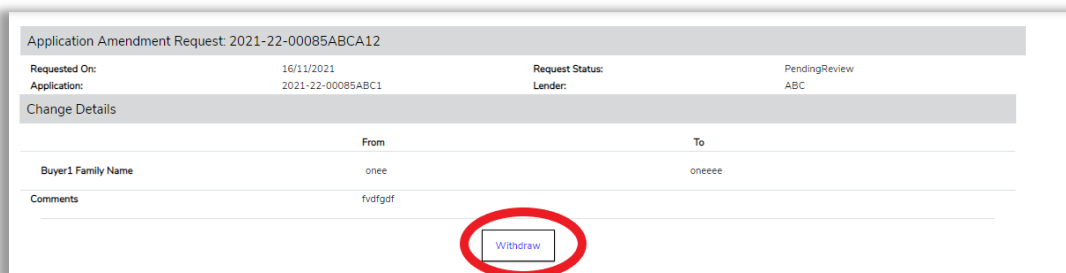


The screenshot shows a web interface for editing an application. At the top, it says 'Application Edit Request - 2021-22-00085ABC1' and 'Status: Scheme Place Reserved'. Below this, a red warning box contains the text: 'Application 2021-22-00085ABC1 already has a amendment request pending review: 2021-22-00085ABCA12'. Underneath the warning, there is a grey bar with the text 'Scheme Place - 2021-22-00085'. At the bottom left, it says 'Start date:' and at the bottom right, it says '16/11/2021 (AEST)'.

Withdrawing a request

If you want to withdraw the request prior to it being approved/rejected, open the application through the “requests” list and clicking on the relevant Request ID and click “withdraw”. Once withdrawn (i.e. if the original edit request had an error), you can redo and submit another request for review.

If your request has already been approved – you will need to submit a new request to revert the changes already made.



The screenshot shows a web interface for an amendment request. At the top, it says 'Application Amendment Request: 2021-22-00085ABCA12'. Below this, there is a table with the following information:

Requested On:	16/11/2021	Request Status:	PendingReview
Application:	2021-22-00085ABC1	Lender:	ABC

Below the table, there is a section titled 'Change Details' with a table:

	From	To
Buyer1 Family Name	onee	oneeee
Comments	fvdfgdf	

At the bottom of the form, there is a button labeled 'Withdraw' which is circled in red.

You will be prompted to confirm that you are sure you want to withdraw the application amendment request.

Requesting an Edit to Application Details (Guarantee Certificate Issued and Settlement Confirmed statuses)

To edit the application details of a scheme place that is at guarantee certificate issued or settlement confirmed status, search for the Application (using the ID in the search bar – see previous sections 4.2 & 4.3) and select the Application ID that is hyperlinked.

Once you are on the details page, you will see the edit button next to the following scheme detail headings:

- Home Buyer Details
- Finance Pre-Approval Details
- Property Purchase Details
- Loan Details

The screenshot shows a web form titled 'First Home Buyer 1 Details'. The form contains several sections for personal and financial information. At the top right of the form, there is a button labeled 'Edit' which is circled in red. Below the form fields, there is another button labeled 'Edit' at the bottom right, also circled in red. The form fields include:

- Name: Other Q Q Jiang
- PMKeys: 9999978
- Date of birth: 01/02/2001
- Taxable income for preceding financial year: \$6
- I confirm I have verified each borrower(s) taxable income against their FY2021 NOA: Yes
- Occupation: R
- State / Territory the borrower has lived in: ☐ ACT ☒ NSW ☐ NT ☐ QLD ☐ SA ☐ TAS ☐ VIC ☐ WA
- Current Residential Address:
 - Address Line 1: 4
 - Address Line 2:
 - Suburb/Town/City, State/Territory, Post Code: EAST SYDNEY - NSW, 2010
- Current Postal Address:
 - Address Line 1: 4
 - Address Line 2:
 - Suburb/Town/City, State/Territory, Post Code: EAST SYDNEY - NSW, 2010
- I have undertaken enquiries to confirm that the borrower is an Eligible First Home Buyer under the Scheme: Yes

Below the 'First Home Buyer 1 Details' section, there is a section titled 'Finance Pre-Approval Details' with the following information:

- Intended purchase location: Northern Territory
- Date finance pre-approval was granted: 01/02/2022 (AEST)

Property Purchase Details

Edit

Address of Purchased Property:

Address Line 1:
8
Address Line 2:
Suburb/Town/City, State/Territory, Post Code:
NORTH RYDE - NSW, 2111

Purchase type:Established dwelling
Dwelling type:House
Purchase price:\$500,000
Date of contract of sale:01/02/2022 (AEST)

Title reference:8679698
Lender's assessed value:\$500,000
Scheduled settlement date:28/02/2022 (AEST)

confirm that the property satisfies the property eligibility criteria: Yes

Loan Details

Edit

Deposit paid by borrower:\$50,000
Loan agreement date:01/02/2022 (AEST)
Loan term (Years):29

Total loan amount:\$450,100
Settlement date:10/02/2022 (AEST)

Loan Account:

Loan amount:\$450,100
Initial interest rate %:2.10%
Loan account number:7658678

Initial rate type:Variable
Repayment basis:Principal & Interest

When 'edit' is selected', The following box will pop up (note the below is for an edit request to finance pre-approval details, however the layout for other headings is similar but with those relevant fields).

The existing data will prepopulate. Enter in any 'new' data (or edit) required to the existing data set (note – for fields you want unchanged, leave them as is. Similarly, delete if you want something completely removed.)

Update Finance Pre-Approval Details

×

Intended purchase location*

Northern Territory

Please note: To qualify for the scheme, the value of the property for this purchase location must be no more than \$ 500,000

Date finance pre-approval was granted*

01/02/2022

Maximum pre-approval loan amount*

\$9

Origination channel*

Online

Comments*

Create Request

Cancel

Once you have made the required amendments, please provide comments in the text box outlining the reason for the changes and then click "Create Request".

The comments section is important, as this will be what the NHFIC admin reviews to approve or reject the request. If you don't want the edit request to progress, click the cancel button.

If the field(s) being changed impact the information on the Guarantee Certificate, you will be asked to tick a box confirming that you understand this may result in a new Guarantee Certificate being issued. The updated Guarantee Certificate will be available in the documents section of the application if the request is approved by NHFIC.

After clicking Ok, you will be brought back to the application details page. If you need to make edits to multiple sections of an application, you can progress in the same way as above. These will appear as separate application edit requests and will be reviewed by NHFIC as separate requests.

To view or review the details and status of your application amendment request, Click 'All Requests' under the Requests tab at the top of the page.



Here you will be able to view the nature of the request in a 'From' and 'To' format, only for those details that have been changed. You can also withdraw the amendment request if no longer required.

Application Amendment Request: 2021-22-00125ABCA79			
Requested On:	15/02/2022	Request Status:	Pending Review
Application:	2021-22-00125ABC2	Lender:	ABC
Change Details			
	From	To	
Maximum pre-approval loan amount:	\$9	\$9,000	
Comments	Maximum loan amount increased		
Withdraw			

To return to the application, click on the Application ID that is highlighted.

Please Note:

For NHG applications at Guarantee Certificate Issued or Settlement Confirmed where an Off the Plan extension was applied, you will not be able to make any edits.

Any application that was refinanced (both internally or externally) cannot be edited.

To request an edit for these types of applications, please send email to lenders@nhfic.gov.au detailing the nature of the change (from and to) and why the amendment is being requested.

What happens next?

The NHFIC HGS team is alerted to the request(s) and the team will review and approve/reject the request. You can track the status of your request on the "Requests" list, or by using your Request ID to search for it. It will be in Pending Review stage.

If NHFIC have any queries on the request, they may reject or request further information prior to approval. A rejection will result in an email back to the contact listed in the portal for each lender as the contact for applications, and not the user whom submitted the request (i.e. generally an admin or the person at your business who receives the weekly expiry email reminders).

If you have any issues with completing a request, please send your issue and any screenshot with your issue to lenders@nhfic.gov.au and in the email subject line, quote the Application ID.

An approved amendment request

Upon approval from NHFIC, the changes are made within the portal immediately. At this stage, the contact for applications for each lender will receive the email confirming of the approved changes being applied. A user can also check in real time that the application changes have been made. Similarly, the status of the amendment will change from pending review to Application Amended.

An approved amendment request can be viewed in the requests menu if a user wishes to view what changes were made. Similarly, the changes will now be live on the application, and a note will be on the details tab detailing that a request was made by a user and reference to the relevant request ID.

Please remember that multiple edit requests on the same application are reviewed and approved by NHFIC individually. When reviewing the status of your edit request(s), please ensure you check all changes that were requested for that application

Withdrawing a request

If you want to withdraw the request prior to it being approved/rejected, open the application through the “requests” list and clicking on the relevant Request ID and click “withdraw”. Once withdrawn (i.e. if the original edit request had an error), you can redo and submit another request for review.

If your request has already been approved – you will need to submit a new request to revert the changes already made.

SLA on requests to NHFIC

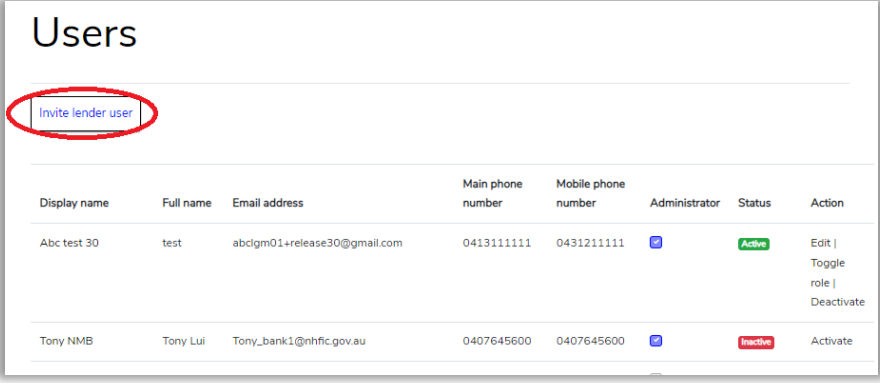
Please note the team will aim to action a request, within 48 hours (please allow for this time). The team will action quicker than this timeframe where possible. If your request is extremely urgent or delayed past 48 hours, feel free to contact your Lender Support Officer or the lenders@nhfic.gov.au inbox.

For Lender Administrators Only

Managing users

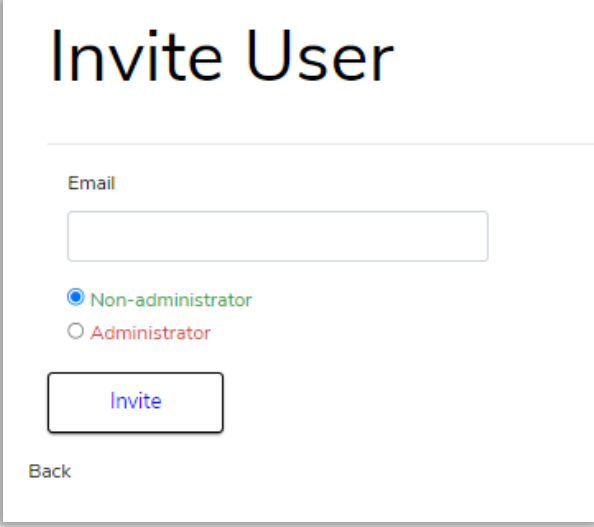
15.15.1 Inviting a user

- To invite a new user for a lenderorganisation:
 - Click Settings from the top navigation menu.
 - Click Manage users from the side navigation menu to see the list of all users from your organisation.



Users							
Display name	Full name	Email address	Main phone number	Mobile phone number	Administrator	Status	Action
Abc test 30	test	abclgm01+release30@gmail.com	0413111111	0431211111	<input checked="" type="checkbox"/>	Active	Edit Toggle role Deactivate
Tony NMB	Tony Lui	Tony_bank1@nhffc.gov.au	0407645600	0407645600	<input checked="" type="checkbox"/>	Inactive	Activate

- Click Invite Lender User to go to the *Invite User* form.
- Fill in the details of the new user and click Invite to send the invitation to the new user.



Invite User

Email

☒ Non-administrator
☐ Administrator

Invite

Back

5. The Portal will send an invitation email to the new user, with the subject line 'DO NOT REPLY – Invitation to register for FHLDS Portal' and from sender email address 'FHLDS Portal <fhlDs_Portal@nhfic.gov.au>'.

This link will be valid for 24 hours only.

Viewing the user list

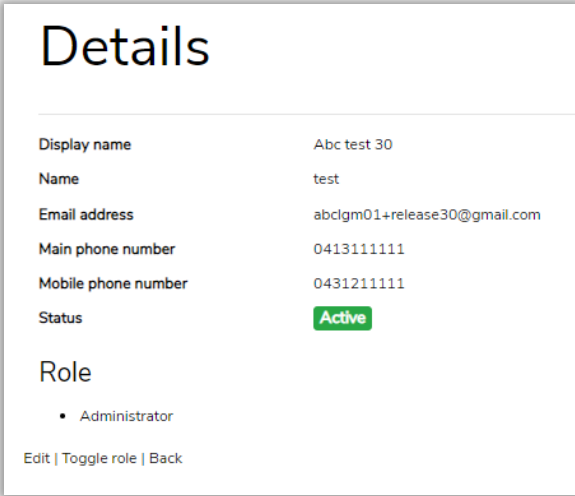
- **To view a list of all Portal users within your organisation:**

Click [Settings](#) from the top navigation menu and select [Manage Users](#) from the side navigation menu. This will bring up a list of all portal users from your organisation

Viewing user details

- **To view details of a user within your organisation:**

1. Go to the user list (see chapter 7.2: Viewing the userlist).



The screenshot shows a 'Details' page for a user. The page has a white background with a light gray border. At the top, the word 'Details' is written in a large, bold, black font. Below this, there is a table with two columns. The first column contains labels for user information, and the second column contains the corresponding values. The labels are: 'Display name', 'Name', 'Email address', 'Main phone number', 'Mobile phone number', and 'Status'. The values are: 'Abc test 30', 'test', 'abclgm01+release30@gmail.com', '0413111111', '0431211111', and 'Active'. The 'Active' status is highlighted with a green background. Below the table, there is a section titled 'Role' with a bullet point indicating the user is an 'Administrator'. At the bottom of the page, there are three links: 'Edit', 'Toggle role', and 'Back'.

Display name	Abc test 30
Name	test
Email address	abclgm01+release30@gmail.com
Main phone number	0413111111
Mobile phone number	0431211111
Status	Active
Role	
• Administrator	
Edit Toggle role Back	

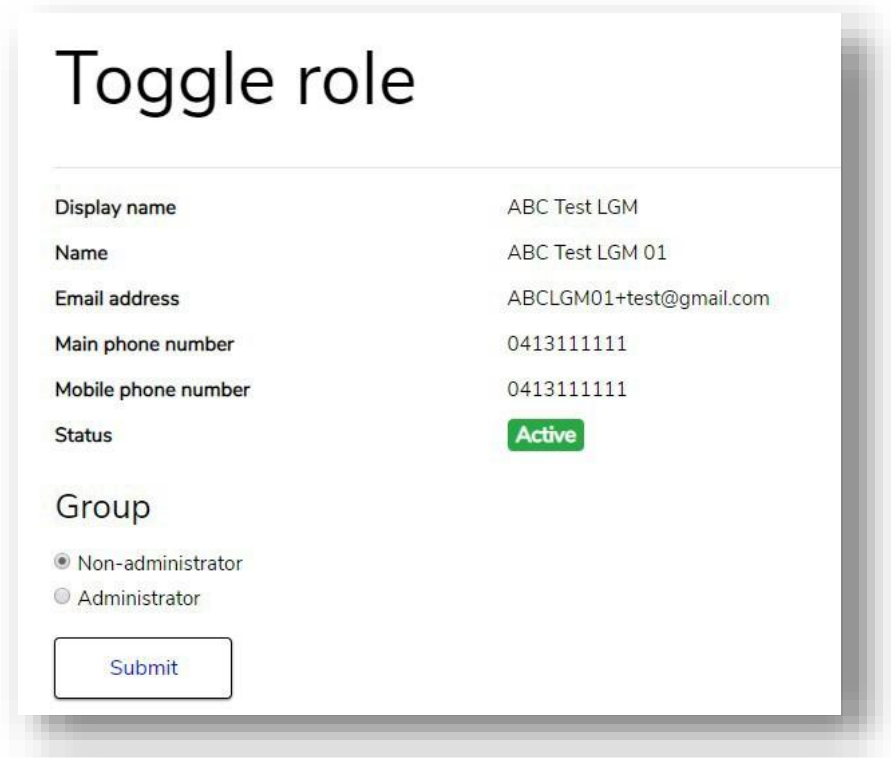
Find and select the relevant user.

Setting an administrator

- **To set a user of your organisation as an administrator:**

1. Find the user that you want to assign administrator role to in the user list (see chapter 7.2: Viewing the user list).

2. Click Toggle role.



The screenshot shows a web form titled "Toggle role". It contains a table of user details, a group selection section, and a submit button.

Display name	ABC Test LGM
Name	ABC Test LGM 01
Email address	ABCLGM01+test@gmail.com
Main phone number	0413111111
Mobile phone number	0413111111
Status	Active

Group

☒ Non-administrator
☐ Administrator

3. Set the user group to *Lender Administrator* and click Submit.

- **To set an administrator of your organisation as a non-administrator user:**
 1. View the details of the user that you want to remove his/her administrator role (see chapter 7.2: Viewing the userlist).
 2. Click Toggle role.
 3. Change the user's group from *Lender Administrator* to *Lender Non-Administrator User* and click Submit.

Re-activating and deactivating a user

If a user should no longer have access to the Portal (for example, if they have left your organisation), the user must be deactivated immediately.

- **To deactivate a user within your organisation:**
 1. Go to the users list (see chapter 7.2: Viewing the user list).
 2. Find the user you want to deactivate and click Deactivate.

- **To re-activate a user within your organisation:**

3. Go to the users list (see chapter 7.2: Viewing the user list).
4. Find the user you want to re-activate and click Activate.

Number	Administrator	Status	Action
1	<input checked="" type="checkbox"/>	Active	
2	<input type="checkbox"/>	Active	Toggle role
3	<input checked="" type="checkbox"/>	Inactive	Activate
4	<input checked="" type="checkbox"/>	Active	Toggle role

Accessing scheme portal reports

An organisation admin user will also have the ability to access daily excel reports of your scheme applications.

- **To access reporting:**

1. Click on 'My Reports' via the menu list under the live scheme counters.

Manage my organisation	>
Manage users	>
My reports	>

2. Access the report (these are generated daily) from the list, or search via a specific date. Click on the report to open this in excel.

Daily report	
Filters	
Date of Report	Reset Filter
Name	Date of Report
DailyReport-ABC-28-06-2021-0300.xlsx	28/06/2021
DailyReport-ABC-27-06-2021-0300.xlsx	27/06/2021

Note: For further scheme support, please contact NHFIC on 1800 568 900, refer to the Lender Guide or contact lenders@nhfic.gov.au

Annexure D Claim Checklist

HGS Claim Checklist

Item	Claim summary information	Participating Lender input
a)	HGS Scheme ID	Click or tap here to enter text.
b)	Method of sale	Click or tap here to enter text.
c)	Settlement date	Click or tap to enter a date.
d)	Sale date	Click or tap to enter a date.
e)	Loan balance prior to settlement date	\$Click or tap here to enter text.
f)	Net sale proceeds	\$Click or tap here to enter text.
g)	Total loss (Item e - Item f)	\$Click or tap here to enter text.
h)	Guarantee Maximum Liability	\$Click or tap here to enter text.
i)	Claim amount (lesser of item g and h)	\$Click or tap here to enter text.
	Mandatory Documents – Scheme Origination (not required if loan was refinanced from another participating lender)	
j)	Evidence that borrower/s were 18 years old or older at loan origination date	<input type="checkbox"/> Document(s) attached to Claim submission
k)	Evidence of Australian Citizenship/Permanent Residency	<input type="checkbox"/> Document(s) attached to Claim submission
l)	For FHG, evidence that borrower was single with an eligible dependent;	<input type="checkbox"/> Document(s) attached to Claim submission
m)	For RFHBG, evidence that borrower(s) have lived in an eligible regional address for the past 12 months	<input type="checkbox"/> Document(s) attached to Claim submission
n)	Participating Lender's Loan Contract	<input type="checkbox"/> Document(s) attached to Claim submission
o)	Borrowers' Notice of Assessment(s)	<input type="checkbox"/> Document(s) attached to Claim submission
p)	Evidence of genuine savings	<input type="checkbox"/> Document(s) attached to Claim submission
q)	Original valuation	<input type="checkbox"/> Document(s) attached to Claim submission
r)	Original Contract of Sale (and building contract if applicable)	<input type="checkbox"/> Document(s) attached to Claim submission
s)	Evidence of owner-occupancy within 6 months of settlement date	<input type="checkbox"/> Document(s) attached to Claim submission
t)	For construction loans, evidence construction was complete within required time frame	<input type="checkbox"/> Document(s) attached to Claim submission
u)	Copy of title	<input type="checkbox"/> Document(s) attached to Claim submission
	Mandatory Documents – Lifecycle eligibility	
v)	Evidence that loan was on P&I repayments throughout the term of the loan	<input type="checkbox"/> Document(s) attached to Claim submission
w)	Evidence that the security remained owner-occupied throughout the term of the loan	<input type="checkbox"/> Document(s) attached to Claim submission
	Mandatory Documents – Loan Shortfall	
x)	Contract of Sale (MIP/borrower's sale)	<input type="checkbox"/> Document(s) attached to Claim submission
y)	Settlement statement	<input type="checkbox"/> Document(s) attached to Claim submission
z)	Property Presenter's report	<input type="checkbox"/> Document(s) attached to Claim submission
aa)	Copy of sale valuation	<input type="checkbox"/> Document(s) attached to Claim submission
	Declarations	
D1	Lender declaration 1	<input type="checkbox"/> We, the lender, have reviewed the borrower's Home Buyer Declaration attached to the Portal and confirm it has been executed correctly with all Scheme eligibility evidenced accurately.
D2	Lender declaration 2	<input type="checkbox"/> We, the lender, confirm we provided/offered customer care solutions (eg. Hardship) to the borrower

HGS Claim Checklist Guide

Claim Summary Information:

- (a) Scheme unique reference number – as per identifier on Guarantee Certificate;
- (b) Method of sale – whether the security property was sold via MIP or Distressed Sale or in some other manner in which case the Participating Lender must provide an explanation;
- (c) Settlement date – Date the sale of the mortgaged property was settled;
- (d) Sale date – The Contract of Sale date of the sale of the mortgaged property
- (e) Loan balance prior to settlement - Loan Balance prior to settlement funds from the sale of the mortgaged property being deposited to the borrower's loan account. Balance should include all borrower costs accrued that are not accounted for in the settlement statement;
- (f) Net sale proceeds – The final proceeds of sale of the mortgaged property after all settlement costs have been deducted;
- (g) Total Loss – final Loan Shortfall after net sale proceeds are credited to the loan account;
- (h) Guarantee amount – The Guaranteed Maximum Liability as at the date of origination of the loan; and
- (i) Claim Amount – Total amount to be claimed from NHFIC - where the total loss is less than Guaranteed Maximum Liability, the whole of the Loan Shortfall may be claimed; where the Loan Shortfall is in excess of the Guaranteed Maximum Liability, an amount equal to the Guaranteed Maximum Liability may be claimed.

Mandatory Documents – Scheme Origination:

- (j) Evidence that borrower/s were 18 years old or older at loan origination date - Passport, Birth Certificate, or other Government issued identification documentation;
- (k) Evidence of Australian Citizenship/Permanent Residency – copy of one of the following for each borrower - Passport, Birth Certificate, extract of Citizenship Certificate or VEVO printout;
- (l) For FHG, evidence that borrower is single and has an eligible dependent as of origination date. For previously married partners, evidence includes divorce certificate or other Government documentation. If not applicable, the Home Buyer Declaration may be relied upon;
- (m) For RFHBG, evidence that borrower(s) have lived in an eligible regional address for the past 12 months
- (n) Participating Lender's Loan Contract;
- (o) Income documentation – Copy of Notice of Assessment used to verify borrower(s) income is within Scheme income caps at time of loan origination;
- (p) Evidence of genuine savings – Evidence that borrowers met minimum 5% genuine savings threshold (2% for FHG claims) – documents/evidence used to verify 5%/2% held at time of loan application assessment;
- (q) Original valuation – copy of valuation or evidence of how original valuation was calculated or accepted within the lender system;
- (r) Original Contract of Sale (and building contract if applicable) – copy of Contract of Sale and copy of building contract for construction loans;

- (s) Borrower(s) moved into secured property within 6 months of settlement date of Scheme-Backed Loan – evidence that loan account is owner occupied at origination, or lease agreement evidencing the end of the lease within 6 months; and,
- (t) If Scheme-Backed Loan was a construction loan (all types), the build was complete within the prescribed timeframe under the Scheme Rules and an explanation as to why the timeframe was exceeded, if applicable. Eg. Final valuation to confirm 100% completion date or Occupancy Certificate.
- (u) Copy of title – Evidence that Participating Lender was 1st Mortgagee;

Mandatory Documents – Lifecycle eligibility criteria:

- (v) The loan required payment of both principal and interest throughout its lifecycle (except during the construction phase or due to Hardship/Covid-19 assistance). Eg. repayment type tracking history / monthly NHFIC submission data history (for just the applicable account(s)); and,
- (w) The secured property remained owner occupied throughout its lifecycle (except where a Relevant Exemption applies). Eg. residential address tracking history within the lender system or core logic extraction.

Mandatory Documents – Evidence of Loan Shortfall:

- (x) Contract of sale – Full copy of the Contract of sale for the mortgaged property pursuant to MIP/Distressed sale (not the Contract of Sale used at origination);
- (y) Settlement statement – Full copy of the final settlement statement for the sale of the mortgage property, outlining all expenses related to the sale of the mortgage property;
- (z) Property Presenter's report; where applicable – Full copy of report provided by property presenter, detailing findings on MIP property; and,
- (aa) Copy of sale valuation – Full copy of sale valuation for the mortgaged property. In cases where a desktop valuation is used to assess the security value for a Distressed Sale, provide a copy of the desktop valuation.