

Australian Military Bank selected to offer the First Home Loan Deposit Scheme

Australian Military Bank is proud to announce that it has been selected by the National Housing Finance and Investment Corporation (NHFIC) to offer home loans under the Federal Government's First Home Loan Deposit Scheme (the Scheme).

Our selection as an approved lender to the Scheme will enhance our ability to help first home buyers enter into the property market whilst saving thousands of dollars by avoiding the cost of Lenders Mortgage Insurance (LMI).

"Acceptance into the Scheme enables us to help members of the Defence Community become homeowners," Chief Executive Officer John Ford said.

"The First Home Loan Deposit Scheme is a great way of helping more members purchase a home sooner with increased upfront affordability. We have a long and proud history of helping members of the Defence Community to purchase their first home and this initiative from the Government will help us do it better."

What is Lenders Mortgage Insurance (LMI)?

LMI is a requirement for borrowers when their home loan deposit is less than 20% of their property's purchase price. This is charged at the time of settlement and can be paid up front or capitalised onto the total loan amount (conditions apply).

What is the First Home Loan Deposit Scheme?

The Scheme is a new initiative by the Australian Government to support eligible first home buyers purchase a home sooner.

Generally, customers today need to save at least 20% of the property's value to secure a home loan without needing to pay LMI. Under the scheme, the NHFIC will provide a Guarantee of up to 15% of the property's value.

The Scheme will support up to 10,000 loans each financial year and will be accessible to members through Australian Military Bank from 1 February 2020.

Ahead of this date, customers can check their potential eligibility on the NHFIC website (<https://www.nhfc.gov.au/what-we-do/fhlds/eligibility/>). The eligibility criteria complements the property price lookup tool, which is also available on the NHFIC website (<https://www.nhfc.gov.au/what-we-do/fhlds/eligibility/>). This has also been developed to assist first home buyers determine the property price threshold that applies under the Scheme in relation to properties in every suburb around the country.

In support of the Scheme and Australian Military Bank's commitment to first home buyers, the Bank will not charge eligible customers higher interest rates than equivalent customers outside of the Scheme. Further information about products available to members eligible for the Scheme will be released early in the new year.

Other Home Buying Assistance Grants and Concessions?

Defence Home Ownership Assistance Scheme (DHOAS)

DHOAS assists current and former Australian Defence Force (ADF) members and their families to achieve home ownership. DHOAS is administered by the Department of Veterans' Affairs on behalf of the Department of Defence.

The Scheme is aimed at improving ADF recruitment and retention. The longer you serve in the ADF, the more entitlement you accrue under DHOAS and the longer you can receive assistance.

To be eligible, you must have served within the last two years of applying for DHOAS, completed a qualifying period of service and accrued a service credit.

You will need to take out a DHOAS home loan and meet the Scheme conditions, including occupancy requirements, to receive the monthly subsidy payments.

For more information, visit: <https://www.dhoas.gov.au/>

First Home Owner Grant

If you're starting out, you might qualify for a First Home Owner Grant (FHOG). Rules and conditions vary for each state and territory and can change from time to time. To find out more, visit:

<http://www.firsthome.gov.au/>

Stamp duty concessions

If you're buying your first house, you may also qualify for stamp duty concessions (depending on the state/territory).

More information

We know that the home loan process can be daunting. For assistance or any further information about our Home Loans, call us on 1800 752 349, visit your local branch, make an appointment with a mobile banker or, if you're ready, feel free to apply online.