



Australian Government



Australian Government Help to Buy Scheme

General Terms

Help to Buy General Terms

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Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In these General Terms:

Absence Period has the meaning given in clause 11.10(b).

Act means the *Help to Buy Act 2024* (Cth).

Administrative Costs means:

- (a) the administrative costs associated with acquiring the Property, including:
 - (i) legal and conveyancing costs;
 - (ii) stamp duty (if applicable);
 - (iii) costs associated with arranging insurance for the Property that meets the requirements set out in these General Terms;
 - (iv) fees associated with obtaining any consents and Authorisations (including council permits or approvals) which are required to undertake a Home Improvement; and
 - (v) registration fees (including the fees for the registration of the Scheme Mortgage); and
- (b) if you have entered into the Scheme in relation to a New-Build Dwelling, the additional administrative costs associated with the Cost of the Construction Works, including:
 - (i) building inspections;
 - (ii) fees associated with obtaining any consents and Authorisations which are required to complete the Construction Works (including council permits or approvals) and any related application fees;
 - (iii) where any term of the Eligible Building Contract is intended to be varied, or the Eligible Building Contract is intended to be replaced under clause 5.4(b), legal costs associated with the preparation, negotiation and execution of any document relating to such variation or the Replacement Contract (as applicable); and
 - (iv) site costs (including costs associated with soil testing, foundation preparation and the connection of utilities).

Agreed Percentage means the ratio (expressed as a percentage) of the Commonwealth Contribution to the Total Purchase Price calculated in accordance with clause 6.2. The 'Agreed Percentage' will be as specified in your Participation Agreement.

Applicant means an individual, or two individuals jointly, who is/are applying or has applied to become a Participant(s) under the Scheme.

Approved Insurer means an insurer authorised to conduct a new or renewal insurance business in Australia listed by the Australian Prudential Regulation Authority on its website as updated from time to time.

Assets has the meaning given in clause 12 of Part B of Schedule 1.

Authorisation means any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with a Governmental Agency.

Builder means the builder under the Eligible Building Contract who must be a builder holding all licences and registrations required by Law to perform the work specified in the Eligible Building Contract in the relevant jurisdiction.

Builder Claim means a payment claim made by the Builder in accordance with the schedule of fixed milestone payments under the Eligible Building Contract.

Business Day means:

- (a) for receiving a notice under clause 21, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is received; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales, Australia.

Capacity means your financial capacity as assessed by your Participating Lender, taking into account circumstances that your Participating Lender considers to be relevant (in its sole and absolute discretion) at the time the relevant Capacity Assessment is undertaken, including:

- (a) whether you are reasonably able to increase your Loan based on your servicing ability, having regard to your Maximum Loan Amount; and
- (b) whether you have access to Assets, including but not limited to genuine savings, which may reasonably contribute towards repaying all or part of the Commonwealth Share Amount.

Capacity Assessment means an assessment by your Participating Lender to determine whether:

- (a) if the Commonwealth Share Percentage is greater than 5% of the value of your Property, you have the Capacity to repay a minimum of 5% of the Value of your Property; or
- (b) if the Commonwealth Share Percentage is equal to or less than 5% of the Value of your Property, you have the Capacity to repay the Commonwealth Share Amount in full.

Capacity Assessment Valuation means a Valuation obtained by your Participating Lender (on your behalf) in connection with a Capacity Assessment, which must be dated no earlier than 90 calendar days before the relevant Capacity Assessment is undertaken.

Commonwealth means the Commonwealth of Australia.

Commonwealth company has the meaning given by section 89 of the *Public Governance, Performance and Accountability Act 2013* (Cth).

Commonwealth Contribution means the amount provided by Housing Australia under the Participation Agreement in connection with the acquisition of the Property by the Participant and, if applicable, the Cost of the Construction Works. The 'Commonwealth Contribution' will be as specified in your Participation Agreement.

Commonwealth Contribution (Acquisition) means the amount provided by Housing Australia under the Participation Agreement in connection with the acquisition of the Property by the Participant. If you have entered the Scheme in relation to:

- (a) an Existing Dwelling or an Off-the-Plan Arrangement, it will be the same as the Commonwealth Contribution; or
- (b) a New-Build Dwelling, it will be the amount calculated by multiplying the Agreed Percentage by the total purchase price for Real Property under your Contract of Sale.

Commonwealth Contribution (Construction) means, if you have entered the Scheme in relation to a New-Build Dwelling, the amount calculated by multiplying the Agreed Percentage by the fixed price (as accepted by us in connection with the provision of your final approval to participate in the Scheme) payable for the Construction Works under the Eligible Building Contract (including GST).

Commonwealth entity has the meaning given by section 10 of the *Public Governance, Performance and Accountability Act 2013* (Cth).

Commonwealth Share Amount means, at any time, the amount payable by you to, or as directed by, Housing Australia in order to exit the Scheme at that time, as determined in accordance with these General Terms.

Commonwealth Share Percentage means the return to which Housing Australia (on behalf of the Commonwealth) is entitled under the Participation Agreement in respect of the Property, as determined in accordance with these General Terms and expressed as a percentage of the Value of the Property.

Completion of Construction Works means, in respect of a New-Build Dwelling, the date on which the Construction Works have been completed and an occupation certificate has been issued in respect of the New-Build Dwelling.

Conditional Approval Application means an application in writing submitted by the Participating Lender to Housing Australia on behalf of an Applicant to be granted a Reserved Place.

Conditional Approval Date means, in respect of a Conditional Approval Application, the date on which Housing Australia approves the Conditional Approval Application.

Conditional Approval Expiry Date means, in respect of a Conditional Approval Application that has been approved by Housing Australia, the period which commences on the Conditional Approval Date and ends on the earlier of:

- (a) the date that is three months after the applicable Conditional Approval Date (which may be extended (no more than once) by a further three months in Housing Australia's sole and absolute discretion); and
- (b) the date on which the Participating Lender's Loan pre-approval in relation to the Conditional Approval Application expires.

Confidential Information of a Participant means any information about them, regardless of its form or its source or whether the receiving party becomes aware of it before or after the date of the Participation Agreement, which is by its nature confidential to a Participant or any person who has made that information available to the Participant (other than the receiving party), or is designated by the Participant as confidential or which a receiving party knows, or ought to know, is confidential to the Participant or any person who has made that information available to the Participant (other than the receiving Party).

Construction Absence Period has the meaning given in clause 11.10(e).

Construction Works means the works to be completed under the Eligible Building Contract.

Contamination means a polluting or poisonous substance that makes a dwelling or part of a dwelling no longer suitable for habitation.

Contract of Sale means a contract of sale for Real Property:

- (a) entered into on arm's length terms; and
- (b) that relates to the purchase of the whole of the relevant Real Property.

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

Cost of the Construction Works means the amount payable under the Eligible Building Contract.

Cost Variation means any amount equal to the difference between the amount payable under the Eligible Building Contract as varied or replaced under clause 5.4, and the fixed price amount specified in the relevant Original Contract.

Cost Variation Recalculation has the meaning given in clause 6.4(d).

Crown Land means land of the Crown (i.e. State or Territory) occupied not as freehold but under a lease granted by the Crown.

Default Payment Date has the meaning given in clause 14.3(a).

Dependent Child has the meaning given in clause 9 of Part B of Schedule 1.

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

Disqualifying Property Interest has the meaning given in clause 14 of Part B of Schedule 1.

Disqualifying Property Interest Exemption has the meaning given in clause 15 of Part B of Schedule 1.

Eligibility Criteria means the criteria set out in Part A, Part B and Part C of Schedule 1.

Eligible Applicant has the meaning given in clause 2 of Part B of Schedule 1.

Eligible Building Contract has the meaning given in clause 25 of Part C of Schedule 1.

Eligible Construction Loan has the meaning given in clause 23 of Part C of Schedule 1.

Eligible Lease means, in relation to Crown Land, a lease of land on which a Dwelling is or will be affixed predominantly for residential purposes that gives the lessee reasonable security of tenure.

Eligible Loan has the meaning given in clause 22 of Part C of Schedule 1.

Eligible Person has the meaning given in clause 3 of Part B of Schedule 1.

Eligible Property has the meaning given in clause 18 of Part C of Schedule 1.

Eligible Property Transaction has the meaning given in clause 17 of Part C of Schedule 1.

Environment means components of the earth, including:

- (a) land, air and water;
- (b) any layer of the atmosphere;
- (c) any organic or inorganic matter and any living organism; and
- (d) any human made or modified structure or area,

and includes interacting natural ecosystems that include components referred to in paragraphs (a) to (d) (inclusive) above.

Environmental Law means any Law or a provision of a Law relating to:

- (a) the Environment (including any Law relating to conservation, land use, planning, environmental assessment, pollution, Contamination, chemicals, waste, the use or presence of asbestos or dangerous goods or hazardous substances, building regulation, the occupation of buildings, heritage, species, flora and fauna or noise); or
- (b) any aspect of protection of the Environment.

Event of Default has the meaning given in clause 14.1.

Existing Dwelling means a Residential Property which may be legally occupied as at the Settlement Date and, to avoid doubt, does not include any Residential Property that is a New-Build Dwelling.

Final Approval Application means your application for final approval to participate in the Scheme, submitted by your Participating Lender to Housing Australia.

Final Approval Confirmation has the meaning given in clause 2.2.

Final Approval Expiry Date means the date that is 90 calendar days after the date of your Final Approval Confirmation.

Financial Capacity Test has the meaning given in clause 11 of Part B of Schedule 1.

General Terms means these Australian Government Help to Buy Scheme General Terms.

Governing Body has the meaning given in clause 11.5(b).

Governmental Agency means a government or government department or other body or a governmental, semi-governmental, judicial, municipal, statutory or public entity or authority (including a statutory authority or a State-owned enterprise), a self-regulatory authority established under statute or a stock exchange (wherever created or located) or a person (whether autonomous or not) who is charged with the administration of a Law.

GST means the goods and services tax as imposed by the GST Law.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the meaning given by the GST Act and, if the GST Act does not exist, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act.

Home Improvement means any improvement to the Property or any building on the Property.

Home Improvement Absence Period has the meaning given in clause 11.10(d).

House and Land Package means a house and land package relating to Residential Property where, prior to the Settlement Date, you have:

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

Income Test has the meaning given in clause 4 of Part B of Schedule 1.

Income Threshold has the meaning given in clause 5 of Part B of Schedule 1, and **Income Thresholds** has a corresponding meaning.

Income Year has the meaning given to 'year of income' in the *Income Tax Assessment Act 1936* (Cth).

Indexation Factor has the meaning given in clause 7 of Part B of Schedule 1.

Indexed Income Threshold has the meaning given in clause 6 of Part B of Schedule 1.

Initial Valuation means the Valuation accepted by us under clause 2.1(j).

Interest Only Period means the period commencing on the date of the Loan Agreement and ending on the earlier of:

- (a) the end of the period during which your Participating Lender requires repayments of only interest under the Loan Agreement; and
- (b) the date on which Completion of Construction Works is achieved.

Land and Separate Contract to Build Home means an arrangement to:

- (a) acquire Real Property under a Contract of Sale or Eligible Lease; and
- (b) enter into a separate Eligible Building Contract to build a home relating to Residential Property on that land,

which are required to be entered into prior to your Participating Lender submitting your Final Approval Application to us in accordance with clauses 2.1(g)(i) and 2.1(h)(i) (as applicable).

Law means any:

- (a) statute, regulation or subordinate legislation of the Commonwealth of Australia, any State or Territory, or local or other government in force in any State or Territory, irrespective of where enacted; and
- (b) lawful requirements of any Governmental Agency.

Loan means the loan provided, or to be provided, to you by your Participating Lender in connection with:

- (a) the acquisition of the Property pursuant to the Scheme; and
- (b) if you have entered into the Scheme in relation to a New-Build Dwelling, the funding of the Construction Works,

which may be increased after the Settlement Date in accordance with these General Terms, including in circumstances where the loan is refinanced by that Participating Lender or another Participating Lender as part of the Scheme.

Loan Agreement means the agreement between you and your Participating Lender for the provision of the Loan (and all documents incorporated by reference into the agreement). It includes an agreement between you and an Other Participating Lender for the provision of a Refinancing Loan (and all documents incorporated by reference into the agreement).

Loan Default means any breach, event of default or other default (howsoever described) under a Participating Lender Document.

Loan to Value Ratio means the ratio (expressed as a percentage) of the credit limit (however described) under the Loan Agreement to the value of the Property.

Maximum Commonwealth Contribution has the meaning given in clause 3.3.

Maximum Loan Amount means the maximum amount of the Loan that your Participating Lender has approved to lend to you, irrespective of the terms, conditions, or limitations imposed by the Scheme. This amount reflects your Participating Lender's approved credit limit for your borrowing, based solely on its internal assessment and underwriting criteria, and does not vary according to the structure or scope of the Scheme.

Maximum Reasonable Participant Contribution means, in respect of an Applicant, the largest financial contribution towards the Total Purchase Price as can be reasonably required by that Applicant in light of their personal circumstances and financial capacity, which must be assessed and determined by the Participating Lender.

Most Recent Income Year means the Income Year which immediately precedes the current Income Year at the relevant time.

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

- (a) a House and Land Package; or
- (b) a Land and Separate Contract to Build Home,

where there is a requirement for you, us or your Participating Lender to provide an amount in connection with the Eligible Building Contract after the Acquisition Date. A **New-Build Dwelling** does not include an Off-the-Plan Arrangement.

New Home means a Dwelling that meets the requirements of paragraph 40.75(1)(a) of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) (**ITAA 99**), other than a dwelling that, prior to sale, has been rented or leased, or made available for rental or lease, as 'commercial residential premises' or 'residential premises' (as those terms are defined in ITAA 99).

New Home Contract Requirements has the meaning given in clause 26 of Part C of Schedule 1.

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

Original Contract has the meaning given in clause 5.4(b)(i).

Other Participating Lender means a lender that is on the panel of lenders appointed by us for the Scheme which is not your current Participating Lender.

Outstanding Moneys means all amounts that you are or may become liable to pay to your Participating Lender under the Loan Agreement at the relevant date.

Participating Lender means the relevant financial institution that is on the panel of lenders appointed by us for the Scheme that has or will provide the Loan to you.

Participating Lender Document means each of:

- (a) the Loan Agreement;
- (b) the Participating Lender Mortgage; and
- (c) any other document issued by your Participating Lender relating to the Loan, Loan Agreement or the Participating Lender Mortgage.

Participating Lender Mortgage means the residential real property mortgage granted by you to your Participating Lender in respect of the Property.

Participation Agreement means, in respect of a Participant or Participants (as applicable), the document titled '*Participation Agreement – Australian Government Help to Buy Scheme*' entered into between Housing Australia and that Participant or those Participants (as applicable), which incorporates these General Terms.

Payment Recalculation has the meaning given in clause 6.4(a).

Payment Waterfall has the meaning given in clause 9.1.

Personal Information has the meaning given in the Privacy Law, and includes any information or opinion (whether true or not, and whether recorded in a material form or not) about an identified individual, or an individual who is reasonably identifiable.

Power means any right, power, authority, discretion or remedy conferred on us or an Attorney by any Scheme Document or any applicable Law.

PPR Requirement has the meaning given in clause 11.10(a) or clause 13 of Part B of Schedule 1 (as the context requires).

PPSA means the *Personal Property Securities Act 2009* (Cth) and includes any regulations made at any time under that Act.

Prior FY has the meaning given in clause 22(c) or clause 7 of Part B of Schedule 1 (as the context requires).

Privacy Collection Notice means the notice set out in Schedule 2 of these General Terms.

Privacy Law means the *Privacy Act 1988* (Cth), including the Australian Privacy Principles under that Act.

Proceeds means the net proceeds of the sale of the Property taking into account any reasonable costs associated with the sales process including marketing and estate agent commissions and the usual conveyancing adjustments for rates and taxes.

Property means the Real Property (including any fixtures) acquired or to be acquired (as the context requires) by you in connection with the Scheme.

Property Price Cap has the meaning given in clause 19 of Part C of Schedule 1.

Proscribed Person means any person or entity who is:

- (a) proscribed under the Charter of the United Nations Act 1945 (Cth);
- (b) is in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism;
- (c) appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction;
- (d) declared or otherwise designated under any law relating to organised crime or gang activity;
- (e) acts on behalf, or for the benefit of, a person or entity listed above; or
- (f) closely connected to a person listed above (unless we have expressly agreed that you are not a Proscribed Person despite your connection with a person listed above).

Replacement Value means the value or aggregate amount of all costs to replace a damaged or lost item at the Property at market prices as at the date that such damage or loss is suffered.

Real Property means any land or real property and any estate or interest in any land or real property located in Australia and includes vacant land, houses, townhouses, units and apartments and any buildings or other structures permanently affixed to land or real property.

Reserved Place means you have been allocated a place in the Scheme on the basis of your application for participation in the Scheme submitted on your behalf by your Participating Lender, which will be subject to you being granted final approval to participate in the Scheme in accordance with clause 2.

Residential Property means land on which a Dwelling is or will be affixed predominantly for residential purposes.

Review Information has the meaning given in clause 13.3.

Scheme means the Australian Government Help to Buy Scheme established under the Act and the Scheme Directions.

Scheme Directions means the *Help to Buy Program Directions 2025* (Cth).

Scheme Documents means each of:

- (a) the Participation Agreement;
- (b) these General Terms;
- (c) the Scheme Mortgage; and
- (d) any other document that we notify you in writing is a 'Scheme Document' for the purposes of these General Terms,

Scheme Mortgage means the residential real property mortgage granted by you in favour of the Commonwealth in respect of the Property.

Shared Equity Scheme means a scheme (other than the arrangement constituted by the Scheme Documents) in relation to a residential property that is an arrangement or contract with one or more individuals under which the Commonwealth, or a State or Territory:

- (a) contributes (including by means of a loan) part of the cost of the individual or individuals acquiring the residential property; and
- (b) is entitled to a return on that contribution worked out, in whole or in part, by reference to the value of the residential property at one or more times; and
- (c) secures that entitlement by means of a mortgage or other right relating to the residential property.

Shared Scheme means each scheme or plan regulated by a Shared Scheme Law that affects the Property (for example strata title, community title or company title).

Shared Scheme Law means any legislation that provides for the:

- (a) subdivision and development of land with shared property;
- (b) subdivision of buildings;
- (c) management of land that is subdivided and has shared property; or
- (d) management of subdivided buildings.

Security Interest means any:

- (a) security interest as defined in section 12(1) or section 12(2) of the PPSA;
- (b) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement;
- (c) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off;
- (d) right that a person (other than the owner) has to remove something from land (known as a profit à prendre); or
- (e) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

Settlement Date means the date that settlement occurs and the Property is acquired by you.

Significant Home Improvement has the meaning given in clause 12.2(a).

Significant Home Improvement Recalculation has the meaning given in clause 6.4(b).

Single Parent has the meaning given in clause 8 of Part B of Schedule 1.

Single Person has the meaning given in clause 10 of Part B of Schedule 1.

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

Spouse means a person to whom an Applicant is legally married or with whom the Applicant or Participant is in a de-facto relationship. However, we may treat a person who is legally married to, or in a de facto relationship with, an Applicant or Participant as not being the Applicant or

Participant's Spouse, if we are satisfied that the Applicant or Participant is not cohabitating with the person, and has no intention of cohabitating with or resuming cohabitation with the person.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding that is levied or imposed by a Governmental Agency, and any related interest, penalty, charge, fee or other amount.

Taxable Income has the meaning given to the term 'taxable income' in the *Income Tax Assessment Act 1997* (Cth).

Timeframe Requirements means:

- (a) the Timeframe Requirements (New-Build Dwelling); and
- (b) the Timeframe Requirements (Off-the-Plan Arrangement),

unless Housing Australia is satisfied, in relation to a particular arrangement, that it is necessary or appropriate to adjust the timeframes in response to the circumstances of the particular case, then the timeframe requirements for that arrangement are the requirements specified by Housing Australia by notice given to the applicant or applicants in writing.

Timeframe Requirements (New-Build Dwelling) means, in relation to the construction of a New-Build Dwelling:

- (a) the Construction Works must commence within 12 months of the day on which the applicant becomes the registered owner of the Property; and
- (b) the Construction Works must be completed within 36 months of the date set out in paragraph (a) above.

Timeframe Requirements (Off-the-Plan Arrangement) means, in relation to an Off-the-Plan Arrangement:

- (a) the Construction Works must commence before the applicant enters into the Contract of Sale for the relevant Dwelling; and
- (b) the Settlement Date as specified in the Contract of Sale must be no later than 90 calendar days after the date of your Final Approval Confirmation.

Total Purchase Price means:

- (a) if you have entered into the Scheme in relation to an Existing Dwelling or an Off-the-Plan Arrangement, the purchase price of the Property under the Contract of Sale (including GST); or
- (b) if you enter into the Scheme in relation to a New-Build Dwelling:
 - (i) the purchase price of the Property under the Contract of Sale (including GST); plus
 - (ii) the fixed price (as accepted by us in connection with the provision of your final approval to participate in the Scheme) payable for the Construction Works under the Eligible Building Contract (including GST); plus
 - (iii) any adjustment to take into account the amount of any Cost Variation,

in each case excluding Administrative Costs.

Total Sale Price means the amount for which the Property is sold.

Valuation means a valuation of a Property obtained from a valuer, in a form and substance satisfactory to Housing Australia. Where the Participant enters into the Scheme in relation to a New-Build Dwelling, the Valuation will (if the Construction Works are not complete) include an assessment of the value of the Property as if the Construction Works were completed.

Value means, in respect of a Property, the value that Housing Australia is satisfied most closely represents the Property's market value, based on:

- (a) a Valuation provided by a valuer;
- (b) any other valuation that Housing Australia considers it appropriate to take into account; and

(c) any other matter that Housing Australia thinks is relevant.

Wage Price Index Number has the meaning given in clause 7 of Part B of Schedule 1.

we, us and **Housing Australia** means Housing Australia ABN 22 498 714 570.

Wrongdoing has the meaning given in clause 6.4(c).

Wrongdoing Recalculation has the meaning given in clause 6.4(c).

you and **Participant** means each Participant referred to in the Participation Agreement. **Your** has a corresponding meaning.

1.2 Interpretation

In these General Terms, except where the context otherwise requires:

- (a) a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of 2 or more persons is for the benefit of them jointly and each of them individually;
- (c) an agreement, representation or warranty by 2 or more persons binds them jointly and each of them individually;
- (d) another grammatical form of a defined word or expression has a corresponding meaning;
- (e) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, these General Terms, and a reference to these General Terms includes any schedule or annexure;
- (f) anything (including an amount) is a reference to the whole and each part of it;
- (g) a reference to a **document** (including these General Terms) includes any variation, replacement of or supplement to that document;
- (h) a **law** includes common law, principles of equity, decree and any statute or other law made by any parliament (and statutes or other law made by parliament includes any regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of it);
- (i) **Australian dollars** or **\$** is a reference to the lawful currency of Australia;
- (j) a time of day is a reference to Sydney time;
- (k) the singular includes the plural and vice versa and a gender includes other genders;
- (l) a **person** includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof, in each case whether or not being a separate legal entity;
- (m) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (n) a **party** is a reference to a party to the Participation Agreement;
- (o) the words **including, for example** or **such as** when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (p) a **State or Territory** is to a state or territory of Australia;
- (q) a notice or other communication that must be given within a certain period of days, the day on which the notice or communication is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- (r) a notice, report or other communication being provided in writing includes that notice, report or communication being provided in an electronic form where permitted under these General Terms;

- (s) 'exit the Scheme' includes a Participant doing all things (including making any payment to Housing Australia) so that Housing Australia no longer has a Commonwealth Share Percentage in the relevant Property;
- (t) when there is a reference to percentage points, it means a unit of one percent, rounded to two decimal places. For example, a reduction of the Commonwealth Share Percentage by 5.12 percentage points would occur if the Commonwealth Share Percentage starts at 20% and ends at 14.88%;
- (u) if anything is expressed as being a right of Housing Australia then that right can also be exercised or enforced by the Commonwealth;
- (v) if anything is expressed as being a right of the Commonwealth then that right can also be exercised or enforced by Housing Australia;
- (w) if the Participant consists of more than one person, a reference to the Participant is a reference to each person;
- (x) from the date of your Final Approval Confirmation, all references to 'applicant' or 'applicants' in Schedule 1 are to be read as references to 'Participant' or 'Participants' (respectively); and
- (y) where a Governmental Agency, institute, association or other body referred to in these General Terms:
 - (i) is reconstituted, renamed or replaced or if its powers or functions are transferred to, or assumed by, another entity, these General Terms are deemed to refer to that other entity; or
 - (ii) ceases to exist, these General Terms are deemed to refer to the new entity (if any) which serves substantially the same purpose or object as the former entity.

1.3 Inconsistency

- (a) If there is any conflict or inconsistency between a clause of these General Terms and any part of a schedule, then the clause will prevail to the extent of the conflict or inconsistency.
- (b) If there is any inconsistency between these General Terms and the Scheme Directions, then the Scheme Directions will prevail to the extent of the inconsistency.

1.4 Headings

Headings (including any headings at the beginning of any subclause) are for convenience and guidance only and do not affect the interpretation of these General Terms.

1.5 Participants

If the Participant consists of two persons:

- (a) the Scheme Documents bind each of those persons jointly and severally;
- (b) if a Scheme Document provides that any power may be exercised by, any decision may be made by, any action may be performed by, any notice may or must be given by or to, or any consent may be given by the Participant:
 - (i) it is agreed that the power may be exercised by, the decision may be made by, the action may be performed by, the notice may be given by or to, and the consent may be given by any one of the Participants for and on behalf of all Participants; and
 - (ii) each Participant agrees that we can rely on the exercise, decision, action, notice or consent of that Participant in relation to any such matters as having been made, performed or given on behalf of all the Participants; and
- (c) each Participant agrees to be bound by all acts and omissions of the other Participant in exercising their rights and performing their obligations under the Scheme Documents.

1.6 Examples and notes

Text contained in shaded boxes (as set out immediately below, for example) is included for illustrative or explanatory purposes only and does not affect the interpretation of these General Terms.

Example: *This example is included for illustrative purposes.*

1.7 Contribution to losses

Where a party is liable to indemnify or reimburse another party under a Scheme Document for any liability, losses, costs or expenses, the amount is not payable to the extent that it is due to the other party's fraud, negligence, wilful default or breach of a Scheme Document.

1.8 Administration of Scheme by Housing Australia

- (a) The Commonwealth has appointed Housing Australia to act on the Commonwealth's behalf in connection with the Scheme and the Scheme Documents.
- (b) Housing Australia will administer the Scheme on behalf of the Commonwealth in accordance with the Act and the Scheme Directions and may perform all of the roles and responsibilities of the Commonwealth as if each reference to "Commonwealth" under the Scheme Documents was a reference to "Housing Australia" and in doing so will discharge the corresponding obligation of the Commonwealth under any relevant Scheme Document.
- (c) Without limiting the generality of clause 1.8(b):
 - (i) any notice, document or information that you are required to give to the Commonwealth under the Scheme Documents may be given to Housing Australia and that notice, document or information will be deemed to have been given to the Commonwealth at the same time it is received by Housing Australia;
 - (ii) any request for information that may be made by the Commonwealth may be made by Housing Australia; and
 - (iii) any notice, consent, waiver, approval or certificate to be given by the Commonwealth under the Scheme Documents may be given by Housing Australia.

2. Final approval to participate in the Scheme

2.1 When will we consider providing final approval to participate in the Scheme?

We will grant you final approval to participate in the Scheme only if, at the time that we make our decision:

- (a) **(Conditional approval):** you have submitted (via your Participating Lender) a properly completed Conditional Approval Application to participate in the Scheme and we have approved your Conditional Approval Application;
- (b) **(Final Approval Application):** you have submitted (via your Participating Lender) a properly completed Final Approval Application at least 14 calendar days prior to the Settlement Date;
- (c) **(Conditional Approval Expiry Date):** the Conditional Approval Expiry Date has not occurred;
- (d) **(Eligibility)** based on the information that you have provided to us (including all updated information provided to us via your Participating Lender as part of your Final Approval Application), we are satisfied that:
 - (i) you are an Eligible Applicant;
 - (ii) the transaction that you have entered into to purchase the Property is an Eligible Property Transaction;

- (iii) the dealings between you and the vendor in relation to your Eligible Property Transaction have been (and will continue to be) carried out on an arm's-length basis; and
 - (iv) each person that will be an owner of the Property is a Participant under the Participation Agreement;
- (e) **(Commonwealth Contribution)** we are satisfied that you could not otherwise afford to purchase the Property and, if applicable, to pay the Cost of the Construction Works without the Commonwealth Contribution, taking into account:
 - (i) your Maximum Reasonable Participant Contribution; and
 - (ii) your Maximum Loan Amount;
- (f) **(unconditional Loan approval)** we are satisfied that you have secured final approval from your Participating Lender for the provision of:
 - (i) an Eligible Loan if you have applied to participate in the Scheme in relation to an Existing Dwelling or an Off-the-Plan Arrangement; or
 - (ii) an Eligible Construction Loan if you have applied to participate in the Scheme in relation to a New-Build Dwelling,

that has a Loan to Value Ratio no greater than 80% and that final approval is unconditional other than for any standard conditions precedent that must be satisfied by the Settlement Date;
- (g) **(Contract of Sale):**
 - (i) prior to your Participating Lender submitting your Final Approval Application to us, you have entered into a Contract of Sale to acquire an Eligible Property; and
 - (ii) you have provided to your Participating Lender and us (via your Participating Lender as part of your Final Approval Application):
 - (A) a fully executed and dated copy of the Contract of Sale referred to in clause 2.1(g)(i) above; and
 - (B) evidence that you have:
 - (I) in the case of an Existing Dwelling or an Off-the-Plan Arrangement, paid a deposit of at least 2% of the Total Purchase Price; and
 - (II) in the case of a New-Build Dwelling, saved an amount equal to at least 2% of the Total Purchase Price.
- (h) **(Eligible Building Contract)** where you have entered into the Scheme in relation to a New-Build Dwelling:
 - (i) prior to your Participating Lender submitting your Final Approval Application to us, you have entered into an Eligible Building Contract in a form and substance satisfactory to us; and
 - (ii) you have provided to your Participating Lender and us (via your Participating Lender as part of your Final Approval Application) a fully executed and dated copy of the Eligible Building Contract referred to in clause 2.1(h)(i) above;
- (i) **(Off-the-Plan Arrangement)** where you have entered into the Scheme in relation to an Off-the-Plan Arrangement, the Timeframe Requirements (Off-the-Plan Arrangement) are satisfied;
- (j) **(Valuation)** we have received a Valuation of the Property (at no cost to Housing Australia) and the valuation is satisfactory to us;
- (k) **(Insurance)** unless we agree that insurance can be procured closer to the Settlement Date (in which case clause 4.1(b)(vii) applies), you have arranged for the Property to be insured on and from the Settlement Date with insurance that meets the requirements set out in clause 11.6 and you have provided Housing Australia or your Participating Lender with a certificate of insurance or equivalent in respect of that insurance and, where

provided to your Participating Lender, you must procure that your Participating Lender provides us with a copy of such document; and

- (l) **(Customer due diligence)** we are satisfied with the results of any customer due diligence undertaken by us or on our behalf including relating to the management of risks associated with sanctions, anti-money laundering, counter terrorism-financing, arms proliferation, fraud or other criminal activity.

2.2 Final Approval Confirmation

If we grant you final approval to participate in the Scheme, we will provide you with written confirmation via your Participating Lender (**Final Approval Confirmation**), which will include the Commonwealth Contribution.

***Note:** Receiving Final Approval Confirmation does not mean that you will receive the Commonwealth Contribution. There are several other requirements that you must satisfy before the Settlement Date for you to receive the Commonwealth Contribution. These requirements are set out in clause 4. If you have received Final Approval Confirmation in relation to a New-Build Dwelling, you will also need to satisfy the requirements in clause 5.*

3. The Commonwealth Contribution

3.1 The Commonwealth Contribution

- (a) You acknowledge and agree that the Commonwealth Contribution is provided for the sole purpose of assisting with:
 - (i) the acquisition of the Property; and
 - (ii) where you have entered into the Scheme in relation to a New-Build Dwelling, assisting with the Cost of the Construction Works.
- (b) You are responsible for paying any Administrative Costs. You must not use any part of the Commonwealth Contribution to pay for any Administrative Costs.

3.2 Minimum Commonwealth Contribution

- (a) You acknowledge and agree that the minimum Commonwealth Contribution that we will provide is 5% of the Total Purchase Price.
- (b) You acknowledge and agree that we will increase your Minimum Commonwealth Contribution if required, such that the Commonwealth Contribution, when combined with your Maximum Reasonable Participant Contribution, would result in a Loan to Value Ratio (as determined by your Participating Lender) of no more than 80%. Accordingly, this means that your Loan may be lower than the Maximum Loan Amount.

3.3 Maximum Commonwealth Contribution

You acknowledge and agree that the maximum Commonwealth Contribution that we will provide is:

- (a) if your participation in the Scheme relates to an Existing Dwelling, 30% of the Total Purchase Price; or
- (b) if your participation in the Scheme relates to a New-Build Dwelling or an Off-the-Plan Arrangement, 40% of the Total Purchase Price,

being the **Maximum Commonwealth Contribution**.

3.4 Determining the Commonwealth Contribution

- (a) You must contribute your Maximum Reasonable Participant Contribution towards the Total Purchase Price.
- (b) We will determine the Commonwealth Contribution taking into account:

- (i) the percentage of the Total Purchase Price (if any) that you requested in your application;
 - (ii) your Maximum Reasonable Participant Contribution; and
 - (iii) your Maximum Loan Amount.
- (c) If we determine that you do not require a Commonwealth Contribution to pay the Total Purchase Price, you will not be eligible for the Scheme.

4. When will we provide the Commonwealth Contribution?

4.1 Conditions to provision of the Commonwealth Contribution (Acquisition)

- (a) Subject to clauses 4.1(b) and 4.1(d), we will provide the Commonwealth Contribution (Acquisition) at the settlement of the acquisition of the Property on the Settlement Date.
- (b) We will provide the Commonwealth Contribution (Acquisition) once we are satisfied that, at the time the Commonwealth Contribution (Acquisition) is to be provided, all of the following conditions have been satisfied:
 - (i) **(final approval to participate in the Scheme):**
 - (A) we have provided our final approval for you to participate in the Scheme;
 - (B) the Settlement Date will occur before the Final Approval Expiry Date; and
 - (C) as at the Settlement Date:
 - (I) your final approval to participate in the Scheme has not been revoked by us; and
 - (II) the Property is located in a State that is a participating State under the Scheme Directions or a Territory;
 - (ii) **(Loan)** your final approval from your Participating Lender for the provision of the Loan referred to in clause 2.1(f) is still in place and has not changed materially;
 - (iii) **(Scheme Documents)** we have received the following documents signed by each Participant at least five Business Days prior to the proposed Settlement Date:
 - (A) the Participation Agreement; and
 - (B) the Scheme Mortgage, which must be:
 - (I) in a registerable form (if applicable); and
 - (II) accompanied by all other documents that are required to enable registration of the Scheme Mortgage;
 - (iv) **(identity verification)** your Participating Lender has completed its verification of identity checks in respect of each Participant on our behalf;
 - (v) **(AML/CTF and sanctions laws)** you are not a Proscribed Person and we are reasonably satisfied:
 - (A) of your compliance with all applicable laws, regulations or obligations, including sanctions laws, anti-money laundering laws, counter-terrorism laws, arms proliferation laws and laws relating to fraud or other criminal activity; and
 - (B) you will not, and you will not cause us to, breach any applicable laws, regulations or obligations nor expose us to a level of risk relating to money laundering, terrorism financing or arms proliferation that is inconsistent with our policies and procedures for the management of such risks;
 - (vi) **(settlement)** there has been no material change to the Contract of Sale provided to us and to your Participating Lender under clause 2.1(g)(ii) and settlement will occur in substantial conformity with the Contract of Sale;

- (vii) **(insurance)** unless you have already provided evidence of insurance under clause 2.1(k), you have arranged for the Property to be insured on and from the Settlement Date with insurance that meets the requirements set out in clause 11.6, and you have provided either Housing Australia or your Participating Lender with a certificate of insurance or an equivalent document in respect of that insurance, and, where provided to your Participating Lender, you must procure that your Participating Lender provides us with a copy of that document;
 - (viii) **(warranties correct)** each of your representations and warranties under the Scheme Documents are true and correct in all material respects;
 - (ix) **(no breach)** you are not in breach of any of your obligations under the Scheme Documents;
 - (x) **(no material change)** there has been:
 - (A) no change in relation to your satisfaction of the Eligibility Criteria; and
 - (B) no material adverse change in your financial situation,
 since your Final Approval Application was submitted to Housing Australia;
 - (xi) **(acceptable title)** the vendor under the Contract of Sale holds acceptable title to the Property;
 - (xii) **(conveyancer)** you have engaged a lawyer or conveyancer for settlement of the Property;
 - (xiii) **(Maximum Reasonable Participant Contribution)** you have provided, or will provide, all of your Maximum Reasonable Participant Contribution to the Total Purchase Price at the settlement of the acquisition of the Property;
 - (xiv) **(requested information received)** we have received all information or documents reasonably requested from you including in relation to financial circumstances such as ownership of assets and sources of wealth;
 - (xv) **(correctness of information provided)** we reasonably believe that any promises or representations that you make to us in the Participation Agreement, any Scheme Document or any application to participate in the Scheme are not untrue in any material respect and that any information or documents that you or a person acting on your behalf has provided to us is correct or is not misleading (including by omission) in any material respect; and
 - (xvi) **(no Event of Default)** no Event of Default will have occurred on the Settlement Date.
- (c) The conditions in clause 4.1(b) are solely for our benefit. We may, to the extent permitted by law, extend or waive any condition in our sole and absolute discretion.
 - (d) If you have been approved to enter the Scheme in relation to a New-Build Dwelling, we must also be satisfied that the conditions under clause 5.1(a) will be satisfied at the time the Commonwealth Contribution (Acquisition) is to be provided.

4.2 When must the conditions be satisfied?

If we have not received the documents referred to in clause 4.1(b)(iii) at least five Business Days prior to the proposed Settlement Date (or such shorter period agreed by Housing Australia), we may do any one or more of the following:

- (a) delay providing the Commonwealth Contribution until five Business Days after all conditions in clause 4.1(b) and (if applicable) 4.1(d) are satisfied; or
- (b) withdraw the final approval we provided to you and terminate the Participation Agreement and any other Scheme Document.

4.3 Changes to settlement date or method

You must ensure that Housing Australia is notified in writing if:

- (a) the date, place or time of settlement of the Property changes; or

- (b) the method of settlement of the Property changes.

5. New-Build Dwelling

5.1 Specific requirements for New-Build Dwelling

If you have been approved to enter the Scheme in relation to a New-Build Dwelling then (unless we agree otherwise):

- (a) we are not obliged to provide any part of the Commonwealth Contribution (Construction) unless we are satisfied that, at the time the Commonwealth Contribution (Construction) is to be provided:
 - (i) you have satisfied all of the conditions in clause 4.1(b);
 - (ii) you are not in breach of any of your obligations under the Scheme Documents;
 - (iii) no Event of Default is subsisting; and
 - (iv) the total amount that remains to be paid under the Eligible Building Contract does not exceed the aggregate of:
 - (A) the amount of your Maximum Reasonable Participant Contribution that has not yet been paid;
 - (B) the amount of the Commonwealth Contribution (Construction) that we have not yet provided; and
 - (C) the amount of your Loan that your Participating Lender will permit you to use for the funding of the Construction Works that has not yet been provided;
- (b) subject to these General Terms, we will provide the Commonwealth Contribution (Construction):
 - (i) progressively, with each payment being made at the time that Housing Australia considers appropriate to assist your Participating Lender to facilitate the progress of the Construction Works; and
 - (ii) to your Participating Lender (for your Participating Lender to provide to the Builder);
- (c) the amount of the Commonwealth Contribution (Construction) we provide in relation to any Builder Claim will be determined by us (you can ask us for this information) and, unless we have advised you otherwise, the amount will be the Agreed Percentage multiplied by the amount of the Builder Claim;
- (d) subject to clause 5.1(e), we have no obligation to provide any Commonwealth Contribution (Construction) in relation to Cost Variations;
- (e) you must pay for any Cost Variation (by funding that Cost Variation from your own resources or, if you have insufficient resources to fund that Cost Variation, by increasing your Loan) promptly after the Cost Variation is identified (and no later than the date the Cost Variation is due for payment under the Eligible Building Contract) unless clause 5.4(c)(iii) applies, in which case Housing Australia may, at its sole and absolute discretion, pay for the Cost Variation;
- (f) we and your Participating Lender may enter into arrangements in relation to the payment of our Commonwealth Contribution (Construction); and
- (g) you must not, unless we have given our prior written consent or you are expressly permitted to do so under these General Terms, amend the Eligible Building Contract or vary the Construction Works.

5.2 We have no liability in relation to Construction Works

We have no liability to you in respect of any Construction Works even if we inspect, review or approve the Construction Works or any part of them.

5.3 Your obligations in relation to the Construction Works

- (a) If you have entered into the Scheme in relation to a New-Build Dwelling, you must:
 - (i) comply with the requirements of your Participating Lender in relation to the Eligible Building Contract and the Construction Works;
 - (ii) comply with the Eligible Building Contract (except to the extent that we (under the Scheme Documents) or your Participating Lender (under the Participating Lender Documents) are obliged to make a payment to the Builder under the Eligible Building Contract); and
 - (iii) ensure that:
 - (A) the Construction Works commence within 12 months after the Settlement Date;
 - (B) the Construction Works are completed materially in accordance with the Eligible Building Contract;
 - (C) the Construction Works comply in all material respects with any applicable Laws and Authorisations; and
 - (D) Completion of Construction Works is achieved within a reasonable time and, in any case, by no later than the date that is 36 months after the Settlement Date (or such shorter period required by your Participating Lender).
- (b) Housing Australia may extend the periods referred to above if it determines it is reasonable to do so in the circumstances (such as where a condition prevents the Completion of Construction Works within the time specified that is beyond your reasonable control).

5.4 Cost Variations

- (a) If you have been approved to enter the Scheme in relation to a New-Build Dwelling, then to be eligible for the Scheme, your Eligible Building Contract must specify a fixed price sum for the Construction Works.
- (b) Subject to clause 5.4(c), where you have entered into the Scheme in relation to a New-Build Dwelling, you must not:
 - (i) vary, or agree to vary, any term of the Eligible Building Contract (the **Original Contract**), including the fixed price sum for the Construction Works, without our prior written consent unless:
 - (A) there is no change to the Builder as a result of the variation;
 - (B) the varied building contract would require the construction of substantially the same Dwelling as the Original Contract;
 - (C) the varied building contract would require the Builder to construct a fully completed Dwelling on the land, up to and including the point at which the Dwelling is certified as fit for occupation;
 - (D) the varied purchase price would be a fixed price that does not exceed the Property Price Cap that applied as at the date of your Final Approval Confirmation for the area in which the Property is located;
 - (E) you provide us with at least 21 calendar days' notice before the variation to the Original Contract is executed; and
 - (F) the construction timeframes set out in the Original Contract would continue to apply under the varied building contract, subject to any reasonable variations approved by Housing Australia; or
 - (ii) enter into, or agree to enter into, a new building contract to replace the Original Contract (the **Replacement Contract**) without our prior written consent unless:
 - (A) Housing Australia is satisfied that the Original Contract was terminated due to circumstances beyond your control or that it is otherwise

appropriate for you to enter into the Replacement Contract in the circumstances;

- (B) the Replacement Contract would provide for the construction of substantially the same Dwelling as the Original Contract;
 - (C) the Replacement Contract is an Eligible Building Contract;
 - (D) the fixed price for the construction of the Dwelling under the Replacement Contract, together with the costs incurred under the Original Contract, would not exceed the Property Price Cap that applied as at the date of your Final Approval Confirmation for the area in which the Property is located;
 - (E) if you propose to terminate the Original Contract, you provide us with at least 21 calendar days' notice before the contract is terminated;
 - (F) where the builder has terminated or proposes to terminate the Original Contract, either:
 - (I) you provide us with at least 21 calendar days' notice before the contract is terminated; or
 - (II) if it is not possible to provide us with 21 calendar days' notice before the contract is terminated, you notify us as early as possible in the circumstances; and
 - (G) the construction timeframes in the Original Contract will continue to apply under the Replacement Contract, subject to any reasonable variations approved by us.
- (c) If, after the Settlement Date, a Cost Variation is identified resulting in an increase to the purchase price under the Original Contract, the order of payment for that Cost Variation will be as follows:
- (i) first, by you, unless you have insufficient resources to fund the Cost Variation;
 - (ii) second, by your Participating Lender, where you have requested an increase to your Loan to cover the Cost Variation, unless your Participating Lender has refused to increase your Loan on the basis that you have reached your Maximum Loan Amount based on your servicing ability, or that doing so would increase your Loan to Value Ratio to more than 80%, except where clause 5.4(c)(iii)(C) applies and you would reach your 40% contribution cap limit, in which case the Loan may exceed the 80% Loan to Value Ratio; and
 - (iii) third, by Housing Australia in its sole and absolute discretion, where you have submitted an application to Housing Australia (in the form approved by us) and:
 - (A) the Eligible Building Contract has been amended to give effect to the Cost Variation and we have received copies of all amending documents signed by each party in form and substance satisfactory to us;
 - (B) Housing Australia is satisfied that the Cost Variation is necessary for the Construction Works to be completed;
 - (C) the Agreed Percentage (which shall be recalculated based on the Total Purchase Price plus the amount of the Cost Variation), following the payment by Housing Australia, will be no more than 40% of the Total Purchase Price under the varied building contract or the Replacement Contract (as applicable); and
 - (D) Housing Australia considers (in its sole and absolute discretion) that you have insufficient resources to fund the Cost Variation, you cannot increase your Loan to pay for the Cost Variation and otherwise do not have any alternative means to fund the Cost Variation.
- (d) Where clause 5.4(c)(i) or 5.4(c)(ii) applies (such that a Cost Variation is funded by you or your Participating Lender), you agree that, with respect to a Cost Variation where an

amount payable under the varied Original Contract or the Replacement Contract (as applicable) exceeds the fixed price amount specified in the Original Contract by:

- (i) an amount equal to or greater than \$20,000 (including GST and as indexed in accordance with these General Terms), the Commonwealth Share Percentage will be adjusted in accordance with these General Terms; or
- (ii) an amount less than \$20,000 (including GST as indexed in accordance with these General Terms), the Commonwealth Share Percentage will not be adjusted,

taking into account the aggregate amount of all Cost Var

iations associated with Construction Works of a similar nature undertaken within 36 months after the Settlement Date.

(e) Where:

- (i) clause 5.4(c)(iii) applies, such that a Cost Variation is funded by us; or
- (ii) clause 5.4(f) applies,

the Commonwealth Share Percentage will be adjusted in accordance with these General Terms.

(f) If, after the Settlement Date, a Cost Variation is identified that results in a decrease to the purchase price under the Original Contract, the resulting cost savings will be applied sequentially, as a reduction across the following parties and in the following order:

- (i) first, Housing Australia;
- (ii) second, your Participating Lender; and
- (iii) third, you.

(g) You agree that where an amount payable under the varied Original Contract or the Replacement Contract (as applicable) is equal to the fixed price amount specified in the Original Contract, the Commonwealth Share Percentage will not be adjusted.

6. Commonwealth Contribution and Commonwealth Share Percentage

6.1 How is the Commonwealth Contribution determined initially?

The **Commonwealth Contribution** is the amount of money provided by Housing Australia, on behalf of the Commonwealth, in relation to the purchase of the Property and, if applicable, the Construction Works. It is calculated based on the actual purchase price of the Property and, if applicable, the amount payable under the Eligible Building Contract using the formula below:

$$CC = \max(0, \min(\text{MaxCC}, PP - \text{MaxMort} - \text{LargReasCont}))$$

Where:

CC means the Commonwealth Contribution;

max means the higher of the two following values to be used;

min means the lower of the two following values to be used;

MaxCC means the Maximum Commonwealth Contribution;

PP means the Total Purchase Price;

MaxMort means your Loan; and

LargReasCont means your Maximum Reasonable Participant Contribution.

If the Commonwealth Contribution is zero or negative you will not be eligible for the Scheme.

If the resulting Commonwealth Contribution calculated under the above formula is less than 5% of the Total Purchase Price, or would result in a Loan with a Loan to Value Ratio exceeding 80%, the Commonwealth Contribution will be increased in accordance with clause 3.2, subject to the Maximum Commonwealth Contribution not being exceeded.

Example 1 (Commonwealth Contribution):

You intend to purchase an Existing Dwelling for a Total Purchase Price of \$750,000. Your Participating Lender has determined it can provide you with a Maximum Loan Amount of \$550,000 and your Maximum Reasonable Participant Contribution is determined as \$50,000.

This has been assessed as an Eligible Property Transaction and you have been already confirmed as an Eligible Applicant.

The amount of money which the Scheme will contribute to your purchase, defined as the Commonwealth Contribution, is calculated as \$150,000 as shown below:

$$CC = \max(0, \min(\$225,000, \$750,000 - \$550,000 - \$50,000)) \\ = \$150,000$$

6.2 What is the Agreed Percentage?

The agreed percentage is calculated using the formula below:

$$\text{Agreed Percentage} = \frac{\text{Commonwealth Contribution}}{\text{Total Purchase Price}}$$

Where:

Agreed Percentage means the Agreed Percentage, rounded down to two decimal places;

Commonwealth Contribution means the Commonwealth Contribution. This will be the Commonwealth Contribution as calculated in clause 6.1 and specified in the Final Approval Confirmation; and

Total Purchase Price means the Total Purchase Price.

Example 2 (Agreed Percentage):

In Example 1, you purchased an established property for \$750,000. The Agreed Percentage will be 20.00% calculated as:

$$\text{Agreed Percentage} = \frac{\$150,000}{\$750,000}$$

6.3 What is the initial Commonwealth Share Percentage?

The initial Commonwealth Share Percentage is calculated using the formula below:

$$CSP = \frac{\text{Commonwealth Contribution}}{\text{Lesser of Total Purchase Price or Valuation}}$$

Where:

CSP means the Commonwealth Share Percentage, rounded down to two decimal places;

Commonwealth Contribution means the Commonwealth Contribution. This will be the Commonwealth Contribution specified in the Final Approval Confirmation and initially calculated under clause 6.1 of these General Terms; and

Lesser of Total Purchase Price or Valuation means the lesser of:

- (i) the Total Purchase Price; and
- (ii) the value of the Property as set out in the Initial Valuation.

Example 3 (initial Commonwealth Share Percentage): In Example 1 you purchased an established property for \$750,000 with a Commonwealth Contribution of \$150,000. If the Initial Valuation of the Property was also \$750,000, the Commonwealth Share Percentage will be 20.00%, calculated as:

$$\text{Commonwealth Share Percentage} = \frac{\$150,000}{\min(\$750,000, \$750,000)}$$

Example 4: If, instead, the property you purchased in Example 1 had an initial property valuation of \$725,000, the Commonwealth Share Percentage would be 20.68%, calculated as:

$$\text{Commonwealth Share Percentage} = \frac{\$150,000}{\min(\$750,000, \$725,000)}$$

6.4 When and how is the Commonwealth Share Percentage recalculated?

The Commonwealth Share Percentage will be recalculated to derive the new Commonwealth Share Percentage in the following circumstances (and, for the avoidance of doubt, without Housing Australia making any financial contributions, in addition to the Commonwealth Contribution):

- (a) when a payment is made to reduce the Commonwealth Share pursuant to these General Terms, including under clauses 8.2, 13.6 or 13.7 (**Payment Recalculation**). The recalculation takes place at the time the payment is received by us and the new Commonwealth Share Percentage is calculated in accordance with clause 6.5;
- (b) if:
 - (i) you have undertaken a Significant Home Improvement; and
 - (ii) all consents and Authorisations (including council permits or approvals) necessary for the works associated with that Significant Home Improvement have been obtained,

(**Significant Home Improvement Recalculation**). The recalculation takes place when the Significant Home Improvement has been completed and the new Commonwealth Share Percentage is calculated in accordance with clause 6.6;

- (c) where Housing Australia considers that your negligence, fraudulent behaviour, or other unreasonable deliberate or reckless act or omission (**Wrongdoing**), has reduced, or is likely to reduce, the value of the Property by an amount equal to or more than \$20,000 (including GST and as indexed in accordance with these General Terms), including, but not limited to, if:
 - (i) the Property has not been maintained, repaired or made good pursuant to your obligations contained in clause 11 of these General Terms; or
 - (ii) you fail to obtain an insurance policy required under these General Terms and, in the period during which the Property was not insured, an insurable event occurs,

which has a detrimental impact on the value of the Property (based on a Valuation obtained after the Wrongdoing is identified by Housing Australia) (**Wrongdoing Recalculation**). In such circumstances, the Commonwealth Share Percentage will be increased to a percentage that preserves what would have been the value of the Commonwealth Share Percentage but for the Wrongdoing. The recalculation takes place at the time the Wrongdoing is identified by Housing Australia and the new Commonwealth Share Percentage is calculated in accordance with clause 6.7; and

- (d) if you have entered the Scheme in relation to a New-Build Dwelling and either:
 - (i) the Original Contract is to be varied under clause 5.4(b)(i); or
 - (ii) a Replacement Contract is to be entered into under clause 5.4(b)(ii),
 which contemplates a Cost Variation where an amount payable under the varied Original Contract or the Replacement Contract (as applicable) is:
 - (iii) more than the fixed price amount specified in the Original Contract and such Cost Variation is funded by us under and in accordance with clause 5.4(c)(iii); or
 - (iv) more than the fixed price amount specified in the Original Contract by at least \$20,000 (including GST and as indexed in accordance with these General Terms)

and such Cost Variation is funded by you or your Participating Lender in accordance with clause 5.4(c)(i) or 5.4(c)(ii) (as applicable); or

- (v) less than the fixed price amount specified in the Original Contract and such cost savings are applied to us under and in accordance with clause 5.4(f),

(Cost Variation Recalculation). The recalculation takes place when the Construction Works contemplated by a Cost Variation have been completed and the new Commonwealth Share Percentage is calculated in accordance with clause 6.8.

Unless we agree otherwise, a Valuation of the Property will be required each time the Commonwealth Share Percentage is to be determined in accordance with these General Terms.

6.5 Payment Recalculation

If a Payment Recalculation is required the Commonwealth Share Percentage is recalculated using the formula below:

$$CSP_{after\ payment} = CSP_{before\ payment} - \frac{Amount\ paid}{Valuation}$$

Where:

$CSP_{after\ payment}$ means the new Commonwealth Share Percentage after the payment is made, rounded down to two decimal places;

$CSP_{before\ payment}$ means the Commonwealth Share Percentage before the payment is made, rounded down to two decimal places;

Amount paid means the amount paid by you to us; and

Valuation means the value of the Property, based on a Valuation of the Property dated no earlier than 90 calendar days before the payment is made.

Example 5 (Payment Recalculation): In Example 1, you purchased an established property for \$750,000 and assuming the property valuation is also \$750,000, then from Example 3, the Commonwealth Share Percentage was 20.00%.

Two years after you purchased your property with the assistance of the Scheme, you inherit an amount of money and choose to use \$50,000 to make a voluntary payment. This will increase your equity in the Property and reduce the Commonwealth Share Percentage.

We procure a Valuation in accordance with clause 8.3(b), and the Property is now valued at \$800,000.

The Commonwealth Share Percentage after your voluntary payment will reduce to 13.75%, calculated as:

$$\begin{aligned} CSP_{after\ payment} &= 20.00\% - \frac{\$50,000}{\$800,000} \\ &= 13.75\% \end{aligned}$$

Given the voluntary payment results in a reduction of 5% or more in the Commonwealth Share Percentage, this is an acceptable voluntary payment under clause 8.2.

6.6 Significant Home Improvement Recalculation

- (a) If a Significant Home Improvement Recalculation is required the Commonwealth Share Percentage is recalculated using the formula below:

$$CSP_{post-improvement} = CSP_{pre-improvement} \times \frac{Valuation_{pre-improvement}}{Valuation_{post-improvement}}$$

Where:

$CSP_{post-improvement}$ means the new Commonwealth Share Percentage after the recalculation, rounded down to two decimal places;

CSP_{pre-improvement} means the Commonwealth Share Percentage before the recalculation, rounded down to two decimal places;

Valuation_{pre-improvement} means the value of the Property based on the Valuation undertaken within three months before the Significant Home Improvement commences (as contemplated in clause 12.2(b)(i)); and

Valuation_{post-improvement} means the 'as if the Significant Home Improvement was completed' value specified in the Valuation undertaken before the Significant Home Improvement commenced (as contemplated in clause 12.2(b)(i)), unless Housing Australia has determined a further Valuation is required, in which case, it means the value of the Property after the Significant Home Improvement has been completed based on a Valuation undertaken promptly (and in any case within three months after completion of the Significant Home Improvement).

- (b) The Significant Home Improvement Recalculation is undertaken when the Significant Home Improvement has been completed.
- (c) You must pay for the cost of the Valuation undertaken under clause 12.2(b)(i) to determine both:
 - (i) the value of the Property before the Significant Home Improvement commences; and
 - (ii) the 'as if the Significant Home Improvement was completed' value of the Property, and, if required by Housing Australia, the cost of any further Valuation or inspection of the completed home improvements works by a Valuer.
- (d) The Valuation undertaken under clause 12.2(b)(i) and any further Valuation required by Housing Australia for this recalculation are to exclude:
 - (i) the impact of general market movements; and
 - (ii) the impact of any repairs, maintenance, alterations or making good of the Property consistent with your obligations contained in clause 11.7 that do not qualify as a Significant Home Improvement.

Example 6 (Significant Home Improvement Recalculation): In Example 5, you used part of your inheritance to increase your equity in the Property which resulted in a recalculated Commonwealth Share Percentage of 13.75%.

After some further time passes, you decide to undertake a Significant Home Improvement (as defined in clause 12.2(a)) that is likely to affect the value of the Property by more than the minimum indexed amount at that time. You notify Housing Australia of your proposed improvements and request that it reduces the Commonwealth Share Percentage to reflect your funding of the cost of the improvements. The improvements are expected to cost you \$50,000. You also receive all relevant approvals required under any local council rules or relevant state laws prior to commencing the improvements.

A Valuation of the Property is procured in accordance with clause 12.2(b)(i) and conducted before the improvement which results in a Property valuation pre-improvement of \$875,000 and an estimated "as if the improvement is completed" Property valuation of \$925,000. Housing Australia is satisfied with this Valuation and does not require any further Valuation to be performed.

The Commonwealth Share Percentage post-improvement reduces to 13.00% calculated as follows:

$$CSP_{post-improvement} = 13.75\% \times \frac{\$875,000}{\$925,000}$$

6.7 Wrongdoing Recalculation

- (a) If a Wrongdoing Recalculation is required the Commonwealth Share Percentage is recalculated using the formula below:

$$CSP_{adjusted} = CSP_{pre-adjustment} \times \frac{Valuation_{reasonable\ maintenance}}{Valuation_{current}}$$

Where:

CSP_{adjusted} means the new Commonwealth Share Percentage after the recalculation, rounded down to two decimal places;

CSP_{pre-adjustment} means the Commonwealth Share Percentage before the recalculation, rounded down to two decimal places;

Valuation_{reasonable maintenance} means the estimated value of the Property within three months of the date on which the Wrongdoing is identified by Housing Australia based on a Valuation of the Property assuming the Wrongdoing had not occurred (for example, the maintenance required under clause 11.7 was undertaken); and

Valuation_{current} means the value of the Property within three months of the date on which the Wrongdoing is identified by Housing Australia, based on a Valuation of the Property 'as is'.

- (b) If the **Valuation_{reasonable maintenance}** is less than or equal to the **Valuation_{current}** no adjustment is made to the Commonwealth Share Percentage.
- (c) The Wrongdoing Recalculation is undertaken when the Wrongdoing is identified by Housing Australia.
- (d) You must pay for the cost of the Valuation referred to above.

6.8 Cost Variation Recalculation

- (a) If a Cost Variation Recalculation is required the Commonwealth Share Percentage is recalculated using the formula below:

$$CSP_{adjusted} = \frac{\text{Commonwealth Contribution}_{settlement} + \text{Commonwealth Contribution}_{increase}}{\text{Lesser of } [Total Purchase Price_{settlement} + Cost Variations] \text{ or } Valuation_{post-variation}}$$

Where:

CSP_{adjusted} means the new Commonwealth Share Percentage after the Cost Variation (under clause 6.4(d)), as applicable, rounded down to two decimal places;

Commonwealth Contribution_{settlement} means the Commonwealth Contribution on the Settlement Date;

Commonwealth Contribution_{increase} means the additional Commonwealth Contribution we have agreed to contribute to the Cost Variation, if any;

Total Purchase Price_{settlement} means the Total Purchase Price based on the purchase price of the Property under the Contract of Sale (including GST), together with the fixed price payable for the Construction Works under the Original Contract, as accepted by us in connection with the provision of your final approval to participate in the Scheme;

Cost Variations means the Cost Variation, regardless as to whether that Cost Variation is funded by you, your Participating Lender or us; and

Valuation_{post-variation} means the value of the Property as if the Construction Works contemplated by the Cost Variation were complete. A Valuation will be obtained to assess the value of the Property after completion of the Construction Works contemplated by the Cost Variation, and must be undertaken within three months of completion of those Construction Works.

- (b) The Cost Variation Recalculation is undertaken after completion of the Construction Works contemplated by the Cost Variation.

Example 7 (Cost Variation Recalculation): You intend to purchase a vacant block of residential land under a Contract of Sale for \$400,000 and intend to enter into an Eligible Building Contract for \$600,000. The Total Purchase Price is therefore \$1,000,000.

Your Participating Lender has determined it can provide you a maximum Loan of \$650,000 and your Maximum Reasonable Participant Contribution is determined as \$100,000.

This has been assessed as an Eligible Property Transaction and you have been already confirmed as an Eligible Applicant. The property is classified as being in NSW Capital City.

Your participation in the Scheme relates to a New-Build Dwelling and hence the Maximum Commonwealth Contribution is 40% multiplied by the Total Purchase Price. Given the lender maximum loan and your maximum financial contribution total \$750,000, you require a Commonwealth Contribution of \$250,000 to complete the purchase. The property valuation undertaken by your lender confirms the valuation as the same as the Total Purchase Price of \$1,000,000. As such, the Agreed Percentage and initial CSP are both 25.00%.

Some time passes and during the undertaking of Construction Works on the Property, the Cost of the Construction Works are estimated to exceed the \$600,000 fixed price under the Eligible Building Contract by another \$50,000. These increased costs are not variations caused by decisions you have made and are deemed as Cost Variations. They have been estimated after half of the Cost of the Construction Works have already been paid in accordance with the original construction costs drawdown schedule.

You have no further funds available to contribute personally to this Cost Variation, and the Participating Lender is not willing to increase their Loan to you to cover this Cost Variation (as you are already at your Maximum Loan Amount based on your servicing ability). You make an application to Housing Australia for us to contribute the \$50,000 as an increased Commonwealth Contribution, and Housing Australia is satisfied that this is necessary for the Construction Works to be completed.

The additional contribution would not result in the Total Purchase Price exceeding the Property Price Cap for your location, and, if funded by the Scheme, would increase the Commonwealth Contribution to \$300,000 and this remains less than the Maximum Commonwealth Contribution of \$420,000 (determined as 40% multiplied by the varied Purchase Price of \$1,050,000). As such, Housing Australia approves the increased Commonwealth Contribution.

As this is a variation of costs, another valuation will be procured by us at the conclusion of the constructions works taking into account these additional costs. This is required to determine the revised Commonwealth Share Percentage as a result of the variation.

The valuer estimates the revised property valuation to be the same as the revised Total Purchase Price including the Cost Variation, that is, \$1,050,000. As such, the Commonwealth Share Percentage is adjusted to 28.57%, calculated as:

$$\begin{aligned}\text{Commonwealth Share Percentage} &= \frac{\$250,000 + \$50,000}{\min ([\$1,000,000 + \$50,000], \$1,050,000)} \\ &= 28.57\%\end{aligned}$$

7. Commonwealth Share Amount

7.1 Calculation of Commonwealth Share Amount

The Commonwealth Share Amount is equal to the amount calculated using the formula below:

$$\text{Commonwealth Share Amount} = \text{CSP} \times \text{Greater of Valuation or Total Sale Price}$$

Where:

Commonwealth Share Amount means the Commonwealth Share Amount, expressed as a dollar value;

CSP means the Commonwealth Share Percentage at the relevant time, rounded down to two decimal places; and

Greater of Valuation or Total Sale Price means the greater of the value of the Property using a Valuation obtained for the purpose of determining the Commonwealth Share Amount or, where applicable, the Total Sale Price.

Example 8 (Exit through Sale): In Example 3, your Property was worth \$750,000 when initially purchased and the Commonwealth Share Percentage was 20.00%.

After some time in the future, you decide to sell the Property and exit the Scheme. At the time the Commonwealth Share Amount is to be calculated, the Property is sold for \$1,000,000 which is supported by a Valuation at such time of \$1,000,000.

The Commonwealth Share Amount will be \$200,000, calculated as:

$$\begin{aligned}\text{Commonwealth Share Amount} &= 20.00\% \times \max(\$1,000,000, \$1,000,000) \\ &= \$200,000\end{aligned}$$

Example 9: If instead your property was valued at \$1,050,000 at the time it was sold, then the Commonwealth Share Amount will be based on the higher of the sale price or the assessed valuation. In this example, that means your Commonwealth Share Amount required to be repaid at time of property sale will be \$210,000, calculated as:

$$\begin{aligned}\text{Commonwealth Share Amount} &= 20.00\% \times \max(\$1,000,000, \$1,050,000) \\ &= \$210,000\end{aligned}$$

8. Repayment of Commonwealth Share Amount

8.1 Final repayment

- (a) You must repay the Commonwealth Share Amount in full on the earlier of:
 - (i) the date that the Property is sold;
 - (ii) the date that you refinance your Loan with a financier that is not an Other Participating Lender;
 - (iii) subject to clause 18:
 - (A) the date that is two years after the death of the last surviving Participant (or the date of settlement of the estate of the last surviving Participant if earlier); or
 - (B) if the Property is held by two Participants as tenants in common and one of those Participant's dies, the date on which a person who is not a Participant inherits the deceased Participant's interest in the Property;
 - (iv) the date on which the Participation Agreement is terminated or on which all the Commonwealth Share Amount becomes due and payable under the Participation Agreement (including as a result of a Capacity Assessment under clauses 13.6 or 13.7 or an Event of Default under clause 14.3).
- (b) At the same time that the Participant pays the Commonwealth Share Amount under this clause 8.1, the Participant must also pay all other amounts, if any, owed by the Participant to Housing Australia under the Scheme Documents.
- (c) Once you have paid all amounts owing under clauses 8.1(a) and 8.1(b), Housing Australia will discharge the Scheme Mortgage promptly after you ask us to do so.
- (d) Unless otherwise determined by Housing Australia by notice in writing, the Scheme Documents will automatically terminate upon the last to occur of:
 - (i) payment of all amounts owing under clauses 8.1(a) and 8.1(b); and
 - (ii) the Scheme Mortgage having been discharged.

8.2 You may make voluntary early repayments

- (a) You may pay all or part of the Commonwealth Share Amount as long as the payment by you either:
 - (i) is in an amount equal to the Commonwealth Share Amount so that we no longer have a Commonwealth Share Percentage in the Property; or

- (ii) is in an amount that, when rounded to the nearest \$1,000, reduces the Commonwealth Share Percentage by at least five percentage points of the value of the Property as at the time of the repayment.
- (b) Promptly after a payment under this clause 8.1 is received by us, we will notify you of the Commonwealth Share Percentage calculated in accordance with clause 6.5.

8.3 Valuation required for each payment

- (a) You acknowledge and agree that a payment made under clause 8.2 will require a Valuation of the Property to be obtained in order to calculate the new Commonwealth Share Percentage.
- (b) If you intend to make a payment of all or part of the Commonwealth Share, we will procure a Valuation in accordance with clause 14.6(a).
- (c) You must pay the cost of any Valuations required under these General Terms or any other Scheme Document.
- (d) You are required to pay all administrative costs, including but not limited to legal costs, conveyancing costs and stamp duty (where applicable), associated with a voluntary early repayment made under clause 8.1.
- (e) If a payment under this clause is not made within 90 calendar days after the date of the relevant Valuation, then we may require a further Valuation (which we will procure in accordance with clause 14.6(a)).
- (f) If, as a result of the Valuation referred to in clause 8.3(b), the proposed payment (or payment) by you would reduce the Commonwealth Share Percentage by less than five percentage points then:
 - (i) we may decline the payment or, if you have made a payment to us, we may return the payment to you (without interest); and
 - (ii) the Commonwealth Share Percentage will not change if we decline the payment or, if you have made a payment to us, we return the payment to you,
 except where the proposed payment (or payment) is in an amount equal to the Commonwealth Share Amount so that we no longer have a Commonwealth Share Percentage in the Property.

9. Some requirements in relation to payments you make

9.1 Payment Waterfall

- (a) The Proceeds of the sale of any Property will be applied in the following order:
 - (i) first, in payment of all costs, charges, expenses and disbursements incurred in the connection with exercising, enforcing or preserving rights (or considering doing so) in connection with the Participating Lender Mortgage and the Scheme Documents;
 - (ii) second, to the Participating Lender, to repay the Outstanding Moneys at that time up to a maximum amount of (without double counting any amount):
 - (A) the amortised current outstanding balance at that time of:
 - (I) the initial Loan provided by the Participating Lender on the Settlement Date in connection with the acquisition of the Property and (if applicable) the funding of Construction Works; and
 - (II) any additional amounts provided by the Participating Lender to the relevant Participant after the Settlement Date:
 - (1) in respect of a New-Build Dwelling, to fund Cost Variations;
 - (2) to fund any repayment of the Commonwealth Share Amount; and

- (3) in accordance your Participating Lender's policies for assisting borrowers who are experiencing hardship; and
 - (B) interest that has accrued (but has not been paid) on the amounts referred to in clause 9.1(a)(ii)(A);
 - (iii) third, to Housing Australia up to the Commonwealth Share Amount at that time together with any other amount that is owed by the Participant to Housing Australia under the Scheme Documents;
 - (iv) fourth, to the Participating Lender to repay the balance of the Outstanding Moneys at that time;
 - (v) fifth, to any person or entity with a legal or equitable interest in the Property which has priority over the Participant in accordance with their priorities; and
 - (vi) sixth, to the Participant,
- (Payment Waterfall).**

9.2 Manner of Payments

- (a) You must make payments (including by way of reimbursement) under the Scheme Documents:
 - (i) on the due date (or, if that is not a Business Day, on the next Business Day);
 - (ii) not later than 5:00pm in the place for payment;
 - (iii) to an account held with an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)) in Australian Dollars in immediately available funds;
 - (iv) in full without set-off or counterclaim, and without any deduction in respect of Taxes unless required by Law;
 - (v) to us or as otherwise directed by us; and
 - (vi) by such payment method as we direct from time to time.
- (b) If we direct you to pay a particular party or in a particular manner (including into a specified bank account), you are taken to have satisfied your obligation to us by paying in accordance with the direction from us.

9.3 Taxation

If you are obliged to make a deduction in respect of Tax from a payment under a Scheme Document, you must:

- (a) promptly pay the amount deducted to the appropriate Governmental Agency;
- (b) within 30 calendar days after the end of the month in which the deduction is made, give us the original or copies of the receipts (or other documents acceptable to us) evidencing the payment; and
- (c) pay to us (on the due date for payment) an additional amount so that we receive a net amount (after allowance for any further deduction) equal to the amount we would have received if no deduction had been made.

9.4 GST

- (a) Words or expressions used in this clause 9.4 which are defined in the GST Act have the same meaning in this clause.
- (b) In addition to the definition of GST in the GST Act, any reference to 'GST' also includes any voluntary or notional GST equivalent payments the Commonwealth, a State or a Territory is required to make (including a government, government body, authority, agency or instrumentality of the Commonwealth, a State or a Territory).
- (c) If we make a supply under or in connection with the Scheme Documents on which GST is imposed, in whole or in part (not being a supply the consideration for which is specifically described in the Scheme Documents as inclusive of GST) then:

- (i) the consideration payable or to be provided for that supply under the Scheme Documents but for the application of this clause (**GST exclusive consideration**) is increased by, and you must also pay to us, an amount equal to the GST payable on the supply (**GST Amount**); and
 - (ii) the GST Amount must be paid to us by you without set off, deduction or requirement for demand, at the same time as the GST exclusive consideration is payable or to be provided, subject to us giving you a tax invoice in respect of that taxable supply.
- (d) If a payment to a party under the Scheme Documents is a reimbursement or indemnification, calculated by reference to a loss, cost or expense incurred by that party, then the payment will be reduced by the amount of any input tax credit to which that party is entitled for that loss, cost or expense.
- (e) If a payment is calculated by reference to, or as a specified percentage of, another amount or revenue stream, that payment shall be calculated by reference to, or as a specified percentage of, the amount or revenue stream exclusive of GST.
- (f) If an adjustment event arises in respect of a supply made under or in connection with the Scheme Documents, then:
- (i) we must issue an adjustment note to you within seven calendar days of the adjustment event occurring or otherwise as soon as we become aware of the adjustment event, outlining the revised amount of GST payable in respect of that supply (**Corrected GST Amount**);
 - (ii) if the Corrected GST Amount is less than the previously attributed GST Amount, we shall refund the difference to you within 15 calendar days of the adjustment note being issued by us; and
 - (iii) if the Corrected GST Amount is greater than the previously attributed GST Amount, you shall pay the difference to us within 15 calendar days of the adjustment note being issued by the us.

10. Representations and warranties you make to us

10.1 Representations and warranties

- (a) You represent and warrant to us that:
- (i) (**sole ownership**) on and from the Settlement Date, except for our interest and the mortgage to your Participating Lender, you are the only registered owner of the Property;
 - (ii) (**no other interests**) no person other than us and your Participating Lender hold or has the benefit of any Security Interest in the Property;
 - (iii) (**Scheme Documents binding**) each Scheme Document is binding and enforceable against you in accordance with its terms;
 - (iv) (**Proscribed Person**) you are not a Proscribed Person;
 - (v) (**Security**) the Scheme Mortgage creates, on registration, a mortgage over the Property which ranks ahead of all other Security Interests in the Property other than the mortgage to your Participating Lender;
 - (vi) (**bankrupt**) you are not currently bankrupt and are not currently subject to a deed of assignment, deed of arrangement, debt agreement or personal insolvency agreement under the *Bankruptcy Act 1966* (Cth);
 - (vii) (**disclosure**) all information provided by you to us (including information provided via your Participating Lender) is true in all material respects as at the date of the Participation Agreement or, if provided after the date of the Participation Agreement, when provided;
 - (viii) (**Loan**) as at the Settlement Date, you will have obtained the Loan which:

- (A) subject to clause 10.1(a)(viii)(B), requires principal and interest repayments; or
 - (B) if your participation in the Scheme relates to a New-Build Dwelling, either:
 - (I) requires principal and interest repayments; or
 - (II) permits payments of interest only for the Interest Only Period and thereafter requires amortising principal and interest repayments over the remaining scheduled term;
- (ix) **(execution)** each applicable Scheme Document has been validly executed by you;
- (x) **(Eligibility Criteria)**: on the Settlement Date, you will satisfy the Eligibility Criteria; and
- (xi) **(Participation Requirements)**: after the Settlement Date, you will:
 - (A) satisfy:
 - (I) the Income Test as required under clause 13.1 on each date that we undertake a review under clause 13.1; and
 - (II) all other Eligibility Criteria at all times; and
 - (B) continue to perform and observe your obligations under the Scheme Documents at all times.
- (b) The representations and warranties in clause 10.1(a):
 - (i) survive the execution of each Scheme Document; and
 - (ii) are repeated on the Settlement Date and each day until you exit the Scheme.

10.2 Reliance

You acknowledge that we have entered into the Scheme Documents in reliance on the representations and warranties in clause 10.1.

11. Your undertakings

11.1 General undertakings

You must:

- (a) **(Scheme Documents)** fully and punctually perform your obligations under each Scheme Document and ensure no Event of Default occurs;
- (b) **(information)** each time we ask, provide us (within 20 Business Days after receiving a request) with information, records or documents we reasonably require to assess whether you are complying with your obligations under the Scheme Documents;
- (c) **(participation)** ensure that all registered owners of the Property are a party to the Participation Agreement as a Participant;
- (d) **(no more than two Participants)** where applicable, ensure that there is no more than one other Participant (being a maximum of two Participants including you); and
- (e) **(non-Participant Spouse)** if at any time you are the only Participant and you have a Spouse that is not a Participant you must provide (or ensure your Spouse provides) us, within 20 Business Days after receiving a request, with all information, records or documents we reasonably require in relation to your Spouse.

11.2 Undertakings in relation to the Property

You must:

- (a) **(other rights)** not do or omit to do, or allow or permit to be done or not done, anything which would allow another person to obtain rights or interests of any kind in the Property other than:

- (i) to your Participating Lender in respect of the Loan;
 - (ii) as expressly permitted under these General Terms; or
 - (iii) with our prior written consent;
- (b) (**caveat**) not lodge a caveat in respect of the Property which does not relate to an estate or interest permitted by a Scheme Document;
- (c) (**remove caveat**) remove any caveat in respect of the Property that is lodged without our prior written consent (other than a caveat in relation to an interest expressly permitted under any Scheme Document);
- (d) (**security**) not, without our prior written consent, create or allow to exist a Security Interest, or grant any other mortgage, in or over the Property other than:
 - (i) the Participating Lender Mortgage, acknowledging that you may only hold one mortgage with your Participating Lender at a time and you may only take out a new mortgage with your Participating Lender, or any Other Participating Lender, in order to discharge the Participating Lender Mortgage; or
 - (ii) the Scheme Mortgage in favour of the Commonwealth,

unless, at the time when you take out a mortgage, the Commonwealth Share Amount will be repaid in full;
- (e) (**borrowing additional funds**): not, unless expressly permitted under clause 11.8(c) or otherwise under these General Terms:
 - (i) borrow additional funds from your Participating Lender; or
 - (ii) take out a new and larger loan with any Other Participating Lender to discharge the Participating Lender Mortgage,

without first notifying Housing Australia of your intention to do so, other than where the borrowing is not secured by a mortgage over the Property;
- (f) (**disposal**) other than as required by Law, not dispose of, deal with, encumber or part with possession of:
 - (i) any estate or interest in the Property;
 - (ii) rights or benefits in connection with the Property (including rights to air space, plot ratio, floor space ratio or other similar ratio); or
 - (iii) any estate or interest in connection with any lease or licence to use or occupy the Property,

including for a business or commercial purpose, other than as expressly permitted under these General Terms or with our prior written consent;
- (g) (**subdivide**) not subdivide, consolidate or amalgamate the Property;
- (h) (**let**) not consent to the letting of, give a licence to use or occupy or part with possession of the Property for commercial purposes other than as expressly permitted under these General Terms;
- (i) (**easement and covenant**) not release, grant or vary an easement or covenant which affects or benefits the Property;
- (j) (**occupation**) only use, and ensure that every person from time to time in occupation of the Property only uses, the Property for purposes permitted under any Law or Authorisation in connection with the Property;
- (k) (**compliance with obligations**) comply on time with all of your obligations in connection with any Security Interest over the Property (including the Participating Lender Mortgage);
- (l) (**compliance with law**) comply with all applicable Laws (including Environmental Laws) and Authorisations in connection with the Property and your occupation or use of the Property and keep all Authorisations in connection with the Property current;
- (m) (**Contamination**) take reasonable steps to remove or remediate any Contamination on the Property;

- (n) **(environmental risk)** take reasonable steps to minimise the risk of breaching an Environmental Law;
- (o) **(interference)** not, in connection with the Property, unlawfully interfere or encroach on a third person's proprietary or other rights;
- (p) **(outgoings)** pay on time all amounts, payable by you, now or in the future in connection with the Property or because you own the Property including:
 - (i) insurance;
 - (ii) council rates;
 - (iii) utilities costs and expenses;
 - (iv) body corporate fees and other charges (if applicable); and
 - (v) stamp duty and other Taxes (if applicable);

Note: Even though we have a Commonwealth Share Percentage in the Property, you are responsible for all Property outgoings.

- (q) **(title documents)** give us custody or control of any title documents to the Property except if those title documents are being held by your Participating Lender;
- (r) **(protect title)** remedy every defect in your title to the Property;
- (s) **(fixtures)** not remove from the Property or sell, assign or otherwise dispose of any material fixture without our prior written consent;
- (t) **(Assistance from other schemes)** not receive assistance from one or more of the following:
 - (i) a home buyer guarantee provided by a Commonwealth entity or Commonwealth company;
 - (ii) a Shared Equity Scheme; or
 - (iii) a loan or guarantee provided by or on behalf of a State or Territory to support home ownership,

but, for the avoidance of doubt, does not include home buyer assistance in other forms, such as home-owner grants or tax concessions, or the First Home Super Saver scheme.
- (u) **(Disqualifying Property Interest)** not hold a Disqualifying Property Interest unless:
 - (i) you are expressly permitted to do so under these General Terms (including if a Disqualifying Property Interest Exemption applies); or
 - (ii) you acquire the Disqualifying Property Interest as a beneficiary in a deceased estate, provided that you cease to hold that Disqualifying Property Interest within two years after the deceased's death; and
- (v) **(business or commercial purposes)** not use your Property for a business or commercial purpose, unless you work from your residential premises either on a full time or part time basis in the ordinary course of your employment or in the conduct of your business, including but not limited to where you are a sole practitioner or other individual / sole trader registered for an Australian Business Number.

11.3 Sale of the Property

- (a) You may sell the Property at any time, subject to the following conditions:
 - (i) you must notify us of your intention to sell at least three months prior to your intended settlement date;
 - (ii) you must notify your conveyancer or solicitor of your participation in the Scheme and the Commonwealth Share Percentage we have in the Property;
 - (iii) a Valuation of the Property has been obtained by us including an assessment of any decrease in value as a result of any failure to comply with your obligations

under clause 11.7(a) and you have reimbursed us for our costs of procuring the Valuation;

- (iv) you must immediately notify Housing Australia upon the exchange of contract of sale so Housing Australia can assess the Commonwealth Share Amount (being the amount required to be paid to us to extinguish our interest in the Property);
 - (v) you must instruct your conveyancer or solicitor on the distribution of funds at settlement of the Property based on Housing Australia's assessment of the Commonwealth Share Amount and the Outstanding Moneys under the Loan; and
 - (vi) Housing Australia must be satisfied that the contract of sale has been entered into on an arm's length basis.
- (b) If you sell the Property, you are responsible for all costs in relation to the sale of the Property (other than any legal fees incurred by us in relation to the sale). This includes all:
- (i) legal and conveyancing costs incurred by you in relation to the sale;
 - (ii) real estate agent fees and commissions; and
 - (iii) costs to discharge the Scheme Mortgage.

11.4 Notices to Housing Australia

- (a) You must notify us, in the form approved by us, within 90 calendar days of the day on which you became aware, or should have become aware, of the occurrence of any of the following events:
- (i) **(Participation Requirements)** you fail to perform or observe any one or more of your obligations under these General Terms or any other Scheme Document;
 - (ii) **(cessation of citizenship)** you cease to be an Australian citizen (as defined in the *Australian Citizenship Act 2007* (Cth));
 - (iii) **(refinance or discharge of Participating Lender Mortgage)** not, unless expressly permitted under clause 11.8(c) or otherwise under these General Terms:
 - (A) borrow additional funds from your Participating Lender; or
 - (B) take out a new and larger loan with any Other Participating Lender to discharge the Participating Lender Mortgage,without first notifying Housing Australia of your intention to do so, other than where the borrowing is not secured by a mortgage over the Property;
 - (iv) **(damage to Property)** the Property sustains damage that would cost in excess of \$20,000 (including GST and as indexed in accordance with these General Terms) to repair;
 - (v) **(Loan Default)** the occurrence of any Loan Default;
 - (vi) **(Event of Default)** the occurrence of any Event of Default or anything which, with the giving of notice or passage of time or both, would become an Event of Default;
 - (vii) **(breach of Scheme Document)** any breach, or failure to perform any obligation or undertaking under a Scheme Document or any event or circumstance which, with the giving of notice, passage of time or both, would lead to any breach of a Scheme Document;
 - (viii) **(reduction in value of Property)** any material reduction or potential for a material reduction in the value of the Property arising from circumstances specific to the Property or its immediate vicinity (but excluding general market factors);
 - (ix) **(change to your circumstances)** any change in circumstances which is reasonably likely to have an impact on your ability to comply with any of your obligations under the Participating Lender Documents or the Scheme Documents, including your obligation to comply with the Eligibility Criteria;

- (x) **(compensation in respect of the Property)** any right to claim or receive purchase money or compensation in respect of the Property or in respect of any resumption or the grant of any easement, licence, profit or other right over the Property;
 - (xi) **(claim under insurance policy)** any event that may give rise to a material claim under an insurance policy or any claim made by you under an insurance policy required under these General Terms;
 - (xii) **(prejudice to insurance policy)** any event that may materially prejudice an insurance policy required under these General Terms;
 - (xiii) **(material litigation etc)** any material litigation, arbitration, dispute or administrative proceeding in relation to, or affecting, the Property;
 - (xiv) **(compulsory acquisition)** any proposal of a Governmental Agency to compulsorily acquire the Property;
 - (xv) **(notice from Governmental Agency)** any notice or order from any Governmental Agency affecting the Property or relating to the use or condition of the Property (other than a notice requiring the payment of outgoings in respect of the Property);
 - (xvi) **(native title claim)** any native title claim to, or affecting, the Property;
 - (xvii) **(progress payment)** where you have entered into the Scheme in relation to a New-Build Dwelling, a progress payment in respect of that New-Build Dwelling has become due and payable under an Eligible Building Contract; and
 - (xviii) **(other circumstances)** any other event or circumstance that we give prior written notice to you is an event or circumstance reasonably requiring notification to us.
- (b) For the purposes of clauses 11.4(a)(viii), 11.4(a)(xi), 11.4(a)(xii) and 11.4(a)(xiii), a matter will be **material** if it is reasonably likely to:
- (i) in relation to clause 11.4(a)(viii) or 11.4(a)(xiii), impact the value of the Property or its immediate vicinity, as applicable, by more than \$20,000 (including GST and as indexed in accordance with these General Terms);
 - (ii) in relation to clause 11.4(a)(xi), result in a claim under an insurance policy required under these General Terms of \$20,000 or more (including GST and as indexed in accordance with these General Terms); and
 - (iii) in relation to clause 11.4(a)(xii), result in a reduction of coverage under an insurance policy required under these General Terms by \$50,000 or more (including GST and as indexed in accordance with these General Terms).
- (c) You must promptly (and in any case within 20 Business Days) notify us of any changes to your notice details set out in the Participation Agreement.
- (d) You acknowledge that we rely on the information you provide to assess your eligibility to participate in the Scheme, and to determine your continued participation.

11.5 What if the Property is part of a Shared Scheme

Note: You must follow the by-laws of your owners corporation or body corporate, including making the required contributions or other payments to the owners corporation or body corporate, including all strata levies. Unless you have our permission, you cannot consent to your owners corporation or body corporate changing the boundaries of any lot that is all or part of your Property. Unless you have our permission, you also cannot bring an action against your owners corporation or body corporate in a court or tribunal.

- (a) This clause 11.5 applies at any time while there is a Scheme Mortgage and any of the Property is part of a Shared Scheme.
- (b) If an Owners Corporation, Association, or another equivalent entity (**Governing Body**) has taken out insurances in respect of the Property, you must, where possible, ensure that the interests of Housing Australia are noted on all such insurances and must, if requested

by Housing Australia and to the extent permitted by Law, take out additional insurances in respect of the Property noting the interests of Housing Australia.

- (c) You must promptly pay all contributions levied on you by the Owners Corporation, Association or another equivalent entity, and all other money payable by you to the Owners Corporation, Association or equivalent entity in respect of the Property, and promptly on request provide to Housing Australia original or copies of all receipts for each of these payments.
- (d) You must:
 - (i) comply with the by-laws, rules and regulations of the Shared Scheme;
 - (ii) at our request, give us at least five days' notice of any proposed meeting of the Governing Body and the business to be transacted at the meeting;
 - (iii) vote at any Governing Body meeting following any directions we give you;
 - (iv) ensure that the Governing Body complies with its obligations in connection with the Property;
 - (v) tell us if the Governing Body does not comply with its obligations (including insurance obligations) in connection with the Property or any shared land;
 - (vi) ensure that your rights under the Shared Scheme are not reduced;
 - (vii) tell us of any proposal to vary, substitute or terminate the Shared Scheme or its by-laws, rules or regulations; and
 - (viii) not to anything that would terminate or vary the Shared Scheme or subdivide, consolidate or alter any lot forming all or part of the Property.
- (e) You irrevocably authorise us at any time to obtain from the Governing Body by inspection or otherwise all information which we may require with respect to the Property and you must procure that the Governing Body provides that information to us within a reasonable time after it is requested by us.

11.6 Insurance

- (a) You must, on and from the Settlement Date:
 - (i) insure and keep insured the Property against damage, destruction (including by fire (including bushfire), lightning, flood, storm, tempest, earthquake, water damage, explosion, malicious damage and any other risk reasonably required by us) to its full Replacement Value or on a reinstatement basis; and
 - (ii) unless we otherwise agree in writing, obtain public liability insurance in relation to injuries to third parties that occur on the Property.

However, if you enter into the Scheme in relation to a New-Build Dwelling, then you do not have to obtain this insurance until the earlier of:

- (iii) the date that Completion of Construction Works has been achieved; and
 - (iv) the date that the Builder under the Eligible Building Contract has given you possession of the Property.
- (b) Each insurance policy required under these General Terms must (as a minimum) be for an amount and on terms for which a prudent person owning a property similar to the Property would insure their property.
- (c) Subject to clause 11.5(b), you must ensure that every insurance policy required under these General Terms:
 - (i) is taken out in your name with an Approved Insurer; and
 - (ii) subject to any notice given to the Participant by us, notes our interest and the interest of your Participating Lender as mortgagees of the Property.
- (d) You must not do or omit to do, or allow or permit to be done or not done, anything which may materially prejudice any insurance policy required under these General Terms.

- (e) You must provide to us certificates of currency in respect of each insurance policy, and any information in relation to an insurance policy required under these General Terms (including a certificate of currency, policy details or claims history) reasonably requested by us, to the extent that you are not prohibited from disclosing such information under the terms of the relevant insurance policy:
 - (i) at least once annually (commencing on the year following the date of the Participation Agreement); and
 - (ii) promptly (and in any case within 20 Business Days) after we make a request.
- (f) If the proceeds of any claim by you under an insurance policy required under clause 11.6 exceeds \$20,000 (including GST and as indexed in accordance with these General Terms), you must not apply those proceeds without our prior written consent. Promptly after receiving any such proceeds, you must, subject to the requirements of your Participating Lender Documents, provide to us:
 - (i) a plan in relation to the use of those proceeds to reinstate or repair the Property, or in exceptional circumstances to repay some or all of the Loan; and
 - (ii) any other information reasonably required by us to assist us to assess whether to consent to the proposed use of those proceeds.
- (g) We will respond to a request for consent from you under clause 11.6(f) within 20 Business Days after receipt of the plans under clause 11.6(f)(i), such response will include any amendments to the plans as we reasonably consider fit.
- (h) If you do not apply the proceeds of an insurance policy in accordance with clause 11.6(f), then you must immediately pay those insurance proceeds to (or as directed by) us.
- (i) If you fail to obtain an insurance policy required under these General Terms, we may take out and maintain that insurance policy in your name and on your behalf. You must pay the reasonable costs and expenses of doing so within 20 Business Days after receiving notice of such costs and expenses and you are liable for any premium or other payments in relation to such insurance policy.
- (j) You must notify us of any change to an insurance policy required under clause 11.6 within 60 calendar days of the change taking effect.

11.7 Maintenance

Note: You must keep your Property in a good condition. This part of the General Terms explains your obligations to maintain your Property and our rights if you do not maintain your Property. You do not require our consent to maintain the Property.

- (a) You must at your own cost:
 - (i) maintain and protect the Property to a standard that is adequate to preserve its value;
 - (ii) keep the Property in a good state of repair and in good working order allowing for fair wear and tear; and
 - (iii) repair any damage or defects to the Property, including those arising from reasonable wear and tear, malicious damage and damage by fire, flood or storm.
- (b) If we believe that you have failed to comply with your obligations under clause 11.7(a), we may by written notice require you to take steps to rectify any damage to the Property (**Rectification Notice**). You must undertake the maintenance required in the Rectification Notice by the date specified in the Rectification Notice (or such longer period as notified by us).
- (c) If you do not comply with the terms of the Rectification Notice to our satisfaction within the required timeframe, we may procure a third party to rectify the damage to the Property.
- (d) You must permit any third party procured by us under clause 11.7(c) to enter the Property to carry out such works and you must pay our reasonable costs incurred (with payment

being made within 20 Business Days after receiving a notice from us as to the amount payable under this clause 11.7(d)).

- (e) If Housing Australia determines you have failed to comply with your obligations under clause 11.7(a), then when you exit the Scheme, the relevant Valuation will identify the decrease in value (based on the Valuation under clause 6.7(c)) and this will lead to an adjustment to the Commonwealth Share Percentage and the Commonwealth Share Amount (as set out in the formula in clause 6.7).
- (f) Without limiting the generality of your obligations under clause 11.7(a), you agree and acknowledge that, if:
 - (i) you fail to obtain an insurance policy required under these General Terms; and
 - (ii) during the period in which the Property was not insured, an insurable event occurs that has a detrimental impact on the value of the Property by an amount equal to or greater than \$20,000 (including GST and as indexed in accordance with these General Terms) based on a Valuation obtained after the Wrongdoing is identified by Housing Australia,

we may adjust the Commonwealth Share Percentage in accordance with clauses 6.4(c) and 6.7.

11.8 Refinancing with your Participating Lender

- (a) You must comply with the terms of the Loan including making all payments as required under the Loan Agreement.
- (b) You may, upon providing Housing Australia with prior written notice, refinance the Loan with your Participating Lender.
- (c) You may, upon providing Housing Australia with prior written notice, refinance the Loan to increase the amount of the Loan:
 - (i) for the purpose of making a payment to reduce the Commonwealth Share pursuant to these General Terms, including under clauses 8.2, 13.6 or 13.7;
 - (ii) for the purpose of funding a Cost Variation in accordance with these General Terms;
 - (iii) for the purpose of maintenance or capital expenditure in respect of the Property (including Home Improvements); or
 - (iv) in accordance with your Participating Lender's policies for assisting borrowers who are experiencing hardship,

acknowledging that this clause 11.8 does not limit your capacity to make a redraw on your Loan with your Participating Lender up to an amount not exceeding the amortised scheduled balance under your Eligible Loan or your Eligible Construction Loan (as applicable) at that time.

11.9 Refinancing with an Other Participating Lender

- (a) Unless you are exiting the Scheme and paying us the whole Commonwealth Share Amount, you may only refinance your Loan with a financier that is an Other Participating Lender (**Refinancing Loan**) and in accordance with this clause 11.9.
- (b) You may only refinance your Loan with a financier that is an Other Participating Lender if the following criteria are satisfied:
 - (i) you have given us prior notice of your intention to refinance your Loan;
 - (ii) you (and any other Participant) are the only counterparties to the Loan Agreement;
 - (iii) unless otherwise agreed by us, the Refinancing Loan is solely for the purpose of:
 - (A) refinancing your Eligible Loan, Eligible Construction Loan (as applicable), or your outstanding Refinancing Loan (if you have already refinanced your Eligible Loan or Eligible Construction Loan (as applicable)); and

- (B) if applicable, any increase in the amount of the Loan is for one of the purposes set out clauses 11.8(c)(i) to 11.8(c)(iii) (inclusive);
- (iv) the Refinancing Loan require scheduled principal and interest payments for the full period of the Loan Agreement, except:
 - (A) in accordance with the Other Participating Lender's policies for assisting borrowers who are experiencing hardship; or
 - (B) if you are participating in the Scheme in relation to a New-Build Dwelling, in which case the Refinancing Loan may remain interest only during the Interest Only Period; or
- (v) the Refinancing Loan has a term not exceeding 30 years;
- (vi) the Loan to Value Ratio is no greater than 80%, except to the extent that the Refinancing Loan is used for the purpose of making a voluntary payment by you to reduce the Commonwealth Share pursuant to these General Terms, including under clause 8.2.
- (c) You are responsible for paying all costs associated with refinancing the Loan (whether to an Other Participating Lender or otherwise) including all costs associated with discharging the Participating Lender Mortgage and obtaining any Valuation in connection with the refinance.

11.10 Principal place of residence

- (a) Subject to clauses 11.10(b) to 11.10(d) (inclusive) or any other exception notified to you by Housing Australia (including via its website) from time to time, you must occupy the Property as your principal place of residence at all times from the Settlement Date until the Commonwealth Share Percentage has been extinguished (**PPR Requirement**). The Property is the Participant's principal place of residence if the Property has been continuously used and occupied by the Participant for residential purposes and for no other purpose (including, subject to clause 11.2(v), that no part of the Property is used for business purposes or occupied in exchange for a fee (for example leased or licensed) to another person).
- (b) If we are satisfied, based on evidence that you provide which is satisfactory to us, that it is impracticable for you to comply with the PPR Requirement for any of the following reasons:
 - (i) because of a posting required in the course of you performing your duties as a member of the Australian Defence Force, other than as a member of the Naval Reserve, the Army Reserve or the Air Force Reserve (as those terms are defined in the *Defence Act 1903* (Cth), where applicable); or
 - (ii) because your employer has required you to relocate, in circumstances where you have been employed by that employer for:
 - (A) at least 12 months; or
 - (B) a lesser period, where we are satisfied that a lesser period is appropriate having regard to the nature of the ongoing employment relationship between you and your employer; or
 - (iii) because you, or an individual for whom you exercise carer responsibilities, is suffering from a serious illness; or
 - (iv) on other compassionate grounds,
 then we may (in our sole and absolute discretion) allow you not to comply with the PPR Requirement for such period as we consider appropriate (**Absence Period**) and that Absence Period may be extended by us as we consider appropriate, provided that:
 - (v) in circumstances where clause 11.10(b)(ii) applies, we may only extend the Absence Period by up to two further 12-month periods;
 - (vi) in circumstances where clauses 11.10(b)(iii) and 11.10(b)(iv) apply, we may extend the Absence Period by one or more 12-month periods; and

- (vii) if, at any time during the Absence Period (as extended under this clause), we are satisfied that the circumstances described in clauses 11.10(b)(i), 11.10(b)(ii), 11.10(b)(iii) and 11.10(b)(iv) no longer exist, then we must promptly notify you that you are immediately required to comply with the PPR Requirement upon receipt of such notice.
- (c) You may enter into a lease arrangement in respect of your Property during the Absence Period if you have notified us of the lease arrangement before you enter into the lease arrangement.
- (d) We will permit the Property to not be occupied by you as your principal place of residence if you are undertaking a Significant Home Improvement. In that case, for a period of up to six months (**Home Improvement Absence Period**) from the date on which the improvement works associated with the Significant Home Improvement commence, the following conditions must be met:
 - (i) during the Home Improvement Absence Period:
 - (A) the Property will be unoccupied to allow the Significant Home Improvement to be carried out;
 - (B) no income will be derived from the Property; and
 - (C) you must not own any other land that is used and occupied as your principal place of residence; and
 - (ii) within 20 Business Days after you have been notified that the improvement works associated with the Significant Home Improvement are complete you will have lawfully commenced occupying the Property as your principal place of residence.
- (e) If you are participating in the Scheme in relation to a New-Build Dwelling, we will permit the Property to not be occupied by you as your principal place of residence for a period of up to three months (**Construction Absence Period**) from the date on which you receive an occupancy certificate to occupy the Property if we are satisfied that:
 - (i) during the Construction Absence Period:
 - (A) the Property is unoccupied to allow the Construction Works to be carried out to enable the Property to be used as your principal place of residence;
 - (B) no income will be derived from the Property; and
 - (C) you do not own any other land that is, or will be, used and occupied as your principal place of residence; and
 - (ii) within three months after Completion of Construction Works you will have lawfully commenced occupying the Property as your principal place of residence.

If the above conditions are not met, you will fail to comply with the PPR Requirement during the Construction Absence Period (and Housing Australia's approval will be revoked) and you will be in breach of these General Terms. Housing Australia may extend the Construction Absence Period (and other time periods in this clause) if Housing Australia is satisfied it is reasonable to do so in the circumstances.

12. Home Improvements

12.1 No adjustment to the Commonwealth Share Percentage unless a Significant Home Improvement

A Home Improvement will not result in an adjustment to the Commonwealth Share Percentage unless it is a Significant Home Improvement, such that we will share in any increase in the value of the Property only where a Home Improvement does not constitute a Significant Home Improvement.

12.2 Significant Home Improvements

- (a) You must notify us (in the form approved by us) of a Home Improvement if the proposed improvement works associated with that Home Improvement will cost \$20,000 or more

(including GST and as indexed in accordance with these General Terms) within a 12 month period from when the improvement works commence (**Significant Home Improvement**).

- (b) Where you are required to provide notice to us of any Significant Home Improvement:
 - (i) we will procure a Valuation of the Property which includes the value of the Property before the Significant Home Improvement commences and the estimated value of the Property once the Significant Home Improvement has been completed, disregarding the impact of general market movements and the impact of any repairs, maintenance, alterations or making good of the Property consistent with your obligations contained in clause 11.7 that do not qualify as Significant Home Improvements (we will procure this Valuation once you have notified us under clause 12.2(a) and you must pay for this Valuation); and
 - (ii) you must ensure that all consents and Authorisations (including council permits or approvals) necessary for the proposed improvement works associated with that Significant Home Improvement have been obtained and must provide us with copies of those documents prior to commencing the Significant Home Improvement.

Note: If you have undertaken a Significant Home Improvement, the Commonwealth Share Percentage will be adjusted. This is because it is not intended that Housing Australia will benefit from material capital improvements that you have paid for.

12.3 Adjustments to our interest in the Property as result of Significant Home Improvements

- (a) A Significant Home Improvement may, once completed, lead to an adjustment of the Commonwealth Share Percentage.
- (b) You must notify us in writing once a Significant Home Improvement has completed. Upon receipt of such notice, we will arrange for our valuer to inspect the Property to confirm that the Significant Home Improvement has been completed. Prior to the scheduled inspection date, you must provide us (and to our valuer if directed to do so by us) with:
 - (i) copies of all quotes and third party contracts evidencing the carrying out of the improvement works and the incurrence of costs associated with the Significant Home Improvement;
 - (ii) evidence that all consents and Authorisations (including council permits or approvals) necessary for the improvement works associated with the Significant Home Improvement were obtained; and
 - (iii) any other document or evidence reasonably required by our valuer in connection with the Significant Home Improvement.
- (c) Housing Australia may, in its sole and absolute discretion, procure a further Valuation (in addition to the Valuation required under clause 12.2(b)(i)) after the Significant Home Improvement has been completed.
- (d) If you have complied with this clause 12 and the Significant Home Improvement:
 - (i) increases the value of the Property based on the Valuation under clause 12.2(b)(i) or 12.3(c) (as applicable), then:
 - (A) the Commonwealth Share Percentage will decrease; and
 - (B) we will make any amendments reasonably required to the Scheme Documents;
 - (ii) does not change the value of the Property based on the Valuation under clause 12.2(b)(i) or 12.3(c) (as applicable), then the Commonwealth Share Percentage will not change; and
 - (iii) decreases the value of the Property based on the Valuation under clause 12.2(b)(i) or 12.3(c) (as applicable), then the Commonwealth Share Percentage will increase,

and any adjustment to the Commonwealth Share Percentage will be determined in accordance with clause 6.6.

12.4 You must ensure that Home Improvements are completed

If you have commenced any Home Improvement, you must ensure that:

- (a) the Home Improvement is carried out in a proper and workmanlike manner; and
- (b) the Home Improvement is completed promptly and complies in all material respects with any applicable Laws and Authorisations.

13. Reviews

13.1 Periodic review

- (a) Housing Australia is required to conduct, and you must comply with, periodic reviews of your continuing eligibility and ongoing obligations under the Scheme.
- (b) Without limiting the generality of clause 13.1(a), a review of your eligibility will be conducted at least once every five years from the Settlement Date until the Commonwealth Share Percentage has been extinguished as follows:
 - (i) the initial review will be conducted on a date which is up to five years after the Settlement Date, as determined by Housing Australia; and
 - (ii) each subsequent review will be conducted on a date which is up to five years after the date of the previous review under clause 13.1(b)(i) or 13.1(c), as determined by Housing Australia.
- (c) We will undertake periodic reviews to determine:
 - (i) whether you have complied with the Income Test:
 - (A) for the Most Recent Income Year; and
 - (B) for the Income Year which immediately precedes the Most Recent Income Year; and
 - (ii) whether you are continuing to comply with your obligations under these General Terms or any other Scheme Document.

13.2 Reviews at other times

- (a) We will conduct a review within a reasonable time after you repay your Eligible Loan or Eligible Construction Loan (as applicable) in full or if the Participating Lender Mortgage is discharged, to determine whether you have complied with your obligations under these General Terms and any other Scheme Document and whether you should be required to undergo the processes set out in clauses 13.4 to 13.8 (inclusive). However, we will not undertake a review under this clause 13.2(a) if:
 - (i) you repaid the Commonwealth Share Percentage in full at the time of discharging the Participating Lender Mortgage; or
 - (ii) the Participating Lender Mortgage was discharged as a result of you refinancing your Eligible Loan or Eligible Construction Loan (as applicable) in full with an Other Participating Lender.
- (b) We may, at any time, conduct a review in circumstances where Housing Australia reasonably believes that you are in breach of a Scheme Document or that an Event of Default has occurred.

13.3 Requirement to provide information for review

- (a) Housing Australia may request information from time to time for the purposes of undertaking a review in accordance with clause 13.1 or 13.2. The information required may include, but is not limited to, information in relation to you, your Loan, the Property, your Capacity to pay all or part of the Commonwealth Contribution, your participation in the Scheme and compliance with the Scheme Documents (**Review Information**).

- (b) We will send you a request for Review Information and any supporting material we require from you before we undertake a review.
- (c) You must provide the Review Information (together with any supporting material) within 20 Business Days of receiving a request.
- (d) Clause 13.3 operates in addition to your undertaking in clause 11.4 to notify Housing Australia of the matters listed at clauses 11.4(a)(i) to 11.4(a)(xviii) (inclusive).

13.4 Outcome of review

- (a) We will advise you of the outcome of each review.
- (b) We may require you to obtain a Capacity Assessment from your Participating Lender if:
 - (i) we determine that you are required to obtain a Capacity Assessment following a review under clause 13.2(a);
 - (ii) we determine that you no longer comply with your obligations under these General Terms or any other Scheme Document following a review under clause 13.2(b); or
 - (iii) we determine that you no longer comply with the Income Tests referred to in clause 13.1(c)(i).

13.5 Capacity Assessment

- (a) If we require you to obtain a Capacity Assessment:
 - (i) we will notify you in writing of the period within which you must obtain that Capacity Assessment; and
 - (ii) you must submit a request to your Participating Lender to consider whether you are able to increase the Loan and, if so, the amount by which the Loan could be reasonably increased, as well as to assess your Maximum Reasonable Participant Contribution available at that time. If the Loan has been repaid, we may require you to submit a request to your Participating Lender to consider the maximum amount that you could reasonably obtain under a new Loan at the relevant time. You must submit this request promptly, and in any case within five Business Days after being notified of our decision requiring you to obtain a Capacity Assessment.
- (b) You are responsible for the costs of obtaining each Capacity Assessment.
- (c) In determining the period under clause 13.5(a)(i), we will:
 - (i) consider your personal circumstances and financial capacity; and
 - (ii) consider the reason, or reasons, why you were required to obtain the Capacity Assessment (including, if the Capacity Assessment is a further assessment, the reason, or reasons, for the previous Capacity Assessment).
- (d) You must notify us of your Participating Lender's response to the request made under clause 13.5(a)(ii) within five Business Days of being notified of that response.

13.6 Capacity Assessment – where the Commonwealth Share Percentage is greater than 5% of the value of your Eligible Property

- (a) If:
 - (i) the Commonwealth Share Percentage in respect of the Property is greater than 5% at the time of the Capacity Assessment;
 - (ii) your Participating Lender has assessed you to have the Capacity to repay a minimum amount of 5% of the value of the Property; and
 - (iii) we are satisfied that the Capacity Assessment was properly conducted;
 then, subject to clause 13.8:
 - (iv) you must repay that minimum amount (rounded to the nearest \$1,000) within 90 calendar days of the date of the Capacity Assessment, either through genuine savings or by arranging for your Participating Lender to increase your Loan (or

provide a new Loan) in response to the request you made under clause 13.5(a)(ii); and

- (v) you may repay more than the minimum amount.
- (b) If, following a repayment by you under clause 13.6(a)(iv) or 13.6(a)(v) (as applicable), the Commonwealth Share Percentage is greater than 0%, you must obtain a further Capacity Assessment from your Participating Lender.
- (c) If:
 - (i) the Commonwealth Share Percentage in respect of the Property is greater than 5% (as at the time of the Capacity Assessment);
 - (ii) your Participating Lender assessed that you do not have the Capacity to repay a minimum amount of 5% of the value of the Property; and
 - (iii) we are satisfied that the Capacity Assessment was properly made,you must obtain a further Capacity Assessment from your Participating Lender.

13.7 Capacity Assessment – where the Commonwealth Share Percentage is equal to or less than 5% of the value of your Eligible Property

- (a) If:
 - (i) the Commonwealth Share Percentage in respect of the Property is equal to or less than 5% (as at the time of the Capacity Assessment); and
 - (ii) your Participating Lender has assessed you to have the Capacity to repay the Commonwealth Share in full; and
 - (iii) we are satisfied that the Capacity Assessment was properly made,then, subject to clause 13.8, you must repay the Commonwealth Share Amount in full within 90 calendar days of the date of the Capacity Assessment.
- (b) If:
 - (i) the Commonwealth Share Percentage in respect of the Property is equal to or less than 5% (as at the time of the Capacity Assessment);
 - (ii) your Participating Lender has assessed that you do not have the Capacity to repay the Commonwealth Share of the value of the Property in full; and
 - (iii) Housing Australia is satisfied that the Capacity Assessment was properly made,you must obtain a further Capacity Assessment from your Participating Lender.

13.8 Capacity Assessment – general provisions

- (a) In exercising our rights under clauses 13.5 to 13.8 (inclusive), we may rely on information supplied by your Participating Lender in connection with your Capacity Assessment, which we consider (acting reasonably) to be accurate, including but not limited to information relating to your personal circumstances and financial capacity.
- (b) We will not require you to repay an amount under clauses 13.6 or 13.7 if repayment of that amount would cause you to be liable to bear the cost of lenders' mortgage insurance (but you may elect to do so).
- (c) We may elect not to require you to repay an amount which would otherwise be due and payable under clauses 13.6 or 13.7 (as applicable), if we consider that such election would be reasonable in the circumstances, having regard to:
 - (i) your personal circumstances and financial capacity; and
 - (ii) the reason, or reasons, why you were required to obtain a Capacity Assessment.
- (d) If we determine that you are not required to make a repayment in accordance with clause 13.8(c), you must obtain a further Capacity Assessment from your Participating Lender.

- (e) If you are required to obtain a further Capacity Assessment under clauses 13.6(b), 13.6(c), 13.7(b) or 13.8(d):
 - (i) we will notify you in writing of the period within which you must obtain that Capacity Assessment;
 - (ii) the period within which you must obtain that Capacity Assessment will not be earlier than the date that is 12 months after the date of your previous Capacity Assessment; and
 - (iii) clause 13.6 or 13.7 (as applicable), will apply to that further Capacity Assessment (and will apply to any subsequent Capacity Assessment that you are required to obtain).

14. Our rights

14.1 Events of Default

Unless we agree otherwise, it is an event of default if any of the following occurs (whether or not it is within your control) (each an **Event of Default**):

- (a) **(failure to pay)** you do not pay any amount payable by you under the Scheme Documents at or before the time for payment on the due date and in the manner specified in these General Terms and the failure to pay is not remedied by you within 10 Business Days (or such longer period as we agree) after you receive a notice to remedy from us;
- (b) **(failure to provide information)** you do not provide any document or other information (including Review Information) that we have requested by the date specified by us in the request (subject to any extension of time that we have granted you);
- (c) **(Loan Default)** a Loan Default occurs and your Participating Lender has determined to sell the Property by enforcing the Participating Lender Mortgage;
- (d) **(misleading information)** any information provided by you in connection with your application to participate in the Scheme, your application for the Loan, or information provided to us in accordance with these General Terms or the Scheme (including in connection with a review under clause 13) is incomplete, inaccurate, incorrect or misleading in any material respect;
- (e) **(misrepresentation)** a representation or warranty given by you in a Scheme Document is incorrect or misleading in a material way when made or repeated;
- (f) **(failure to provide information)** you fail to provide comply with a request from us, or a request from your Participating Lender, to provide additional information in accordance with clause 11.1(b);
- (g) **(fraud)** you fraudulently, dishonestly, deliberately or recklessly make or omit to make a disclosure to Housing Australia in such a way as to render a representation or warranty given by you in a Scheme Document untrue, misleading, false or deceptive;
- (h) **(bankruptcy)** you are or become bankrupt, commit an act of bankruptcy or execute a deed of assignment or deed of arrangement under the *Bankruptcy Act 1966* (Cth);
- (i) **(enforcement or execution)** a Security Interest is enforced over, or a distress, attachment or other execution is levied or enforced or applied for over, the Property;
- (j) **(Scheme Document)** a Scheme Document is or becomes wholly or partly void, voidable or unenforceable, or is claimed to be so by you or anyone on your behalf;
- (k) **(Timeframe Requirements)** the Timeframe Requirements are not met we cease to be satisfied that the Timeframe Requirements will be met;
- (l) **(Authorisation)** any Authorisation necessary for your use or occupation of the Property or to enable you to comply with your obligations under the Scheme Documents ceases to be in full force and effect;
- (m) **(principal place of residence)** you breach the undertaking in clause 11.10;

- (n) **(disposal)** you breach the undertaking in clause 11.2(f) not to dispose of an estate or interest in the Property;
- (o) **(death)** if:
 - (i) the Participant is a sole person, the Participant dies; or
 - (ii) the Participant is two persons, both persons die;
- (p) **(acquisition and ownership of property)** you:
 - (i) own an interest in any land in Australia or overseas (excluding land which is held by a person solely as trustee of a trust or as executor of a will) other than the Property; or
 - (ii) are a shareholder in any corporation (other than a public company) or beneficiary of a trust (other than a widely held unit trust) that owns land in Australia or overseas;
- (q) **(cessation of citizenship)** you cease to be an Australian citizen (as defined in the *Australian Citizenship Act 2007* (Cth)); or
- (r) **(non-remediated failure)** you fail to perform or observe any other undertaking, obligation or agreement under a Scheme Document and that failure is not, in our reasonable opinion, remediable or if remediable, you do not remedy such failure within 20 Business Days after (or such longer period agreed by us) receiving a notice from us requesting you to do so.

14.2 Consequences of Event of Default occurrence

- (a) If an Event of Default occurs, without limiting clause 14.4, we may do any one or more of the following:
 - (i) prior to the Settlement Date, withdraw our final approval for your participation in the Scheme;
 - (ii) determine that you are no longer eligible to participate in the Scheme; or
 - (iii) after the Settlement Date:
 - (A) require you to acquire some or all of the Commonwealth Share Percentage by paying some or all of the Commonwealth Share Amount in accordance with clause 14.3; and
 - (B) terminate the Scheme Documents.
- (b) We will notify you of our decision under this clause 14.2 by giving you written notice (**Event of Default Notice**).
- (c) In determining whether to exercise our rights under this clause 14.2, we will take into account circumstances relating to you that we consider to be relevant (acting reasonably), including but not limited to whether you are experiencing hardship (which may include financial hardship).

14.3 Early Payment

- (a) If an Event of Default Notice:
 - (i) relating to an Event of Default in clauses 14.1(a) to 14.1(n) (inclusive) or 14.1(p) to 14.1(r) (inclusive) requires you to pay the Commonwealth Share Amount, you must pay the Commonwealth Share Amount to us (or as we direct) on or by the date specified in the Event of Default Notice which must be no earlier than one month after the date that the relevant Event of Default occurred; or
 - (ii) relating to the Event of Default in clause 14.1(o), requires you to pay the Commonwealth Share Amount, you must pay the Commonwealth Share Amount to us (or as we direct) on or by the date specified in the Event of Default Notice which must be no later than two years after the date of the deceased Participant's death or such longer period specified in the Event of Default Notice,
- (each a **Default Payment Date**).

- (b) You are not obliged to pay the Commonwealth Share Amount until you have received the Event of Default Notice signed by us which states, among other things, the amount of the Commonwealth Share Amount calculated under clause 7.
- (c) You acknowledge that we have the right to enforce a sale of the Property if the Commonwealth Share Amount is not paid by the Default Payment Date.

14.4 Scheme Mortgage

- (a) You acknowledge that:
 - (i) the Scheme Mortgage may be enforced if an Event of Default occurs; and
 - (ii) the Scheme Mortgage will not be discharged until the full Commonwealth Share Amount and all other amounts owing to us under the Scheme Documents have been paid in full.
- (b) Once you have paid the full Commonwealth Share Amount and all other amounts, if any, owing to us under the Scheme Documents, we will discharge the Scheme Mortgage promptly after you ask us to do so.

14.5 Inspections

- (a) Subject to clause 14.5(b), our representative may visit and inspect the Property by providing five Business Days' prior written notice to you:
 - (i) at reasonable times requested by us; and
 - (ii) as often as reasonably requested by us,
 for the purpose of checking whether you are complying with your obligations under the Scheme Documents.
- (b) Our representative may only visit and inspect the Property in accordance with clause 14.5(a) a maximum of once in any 12 month period. For the avoidance of doubt, this clause 14.5(b) does not limit our representative's right of inspection under clause 12.3(b) or 14.5(e).
- (c) You must permit our representative to inspect the Property and must provide reasonable assistance to our representative during that inspection.
- (d) We and our representatives assume no responsibility for the safety or maintenance of the Property.
- (e) If an Event of Default has occurred, our representative may inspect the Property by providing reasonable prior written notice to you.

14.6 Valuations

- (a) Unless stated otherwise in these General Terms, any Valuation which is required under these General Terms (including the Initial Valuation) will be procured by us and must be paid for by you (where required).
- (b) Unless these General Terms specify otherwise or Housing Australia agrees otherwise:
 - (i) a Valuation of the Property will be required each time the Commonwealth Share Percentage or Commonwealth Share Amount is to be calculated or determined; and
 - (ii) a Valuation is only valid for use under these General Terms for a period of 90 calendar days after the date of the Valuation (after that time a new Valuation will be required).
- (c) You acknowledge that any Valuation obtained under clause 14.6(a) is for the sole benefit of Housing Australia and that you are not entitled to rely on any such Valuation.
- (d) You must allow the valuer appointed by us to conduct a Valuation of the Property and you must:
 - (i) if requested by us, provide evidence (that Housing Australia considers appropriate) of the value of the Property; and

- (ii) provide reasonable assistance to our valuer including allowing an inspection of the Property.
- (e) For the purposes of these General Terms, the value of the Property is the value that Housing Australia is satisfied most closely represents the Property's market value, based on:
 - (i) a Valuation of the Property obtained under these General Terms;
 - (ii) any other valuation that Housing Australia considers appropriate to take into account; and
 - (iii) any other matter that Housing Australia considers to be relevant.

14.7 Referrals for advice

If we become aware of any event or circumstance which is reasonably likely to have a material adverse effect on your ability to comply with any of your obligations under the Participating Lender Documents or the Scheme Documents, we may:

- (a) by notice to you require you to meet with us or a person we nominate; and
- (b) provide a referral to an independent financial adviser.

14.8 Power of attorney

- (a) You irrevocably appoint us and Housing Australia as your attorney for the purpose of performing any act set out in clause 14.8(b).
- (b) If an Event of Default occurs, or we reasonably believe that an Event of Default has occurred, an Attorney may:
 - (i) do anything which you can lawfully authorise an attorney to do in connection with any Scheme Document, or which the Attorney believes is expedient to give effect to our rights (these things may be done in your name or the Attorney's name);
 - (ii) do anything that you are required to do under any Scheme Document but have not done;
 - (iii) delegate their powers under this clause 14.8 and revoke a delegation; and
 - (iv) exercise their powers even if this involves a conflict of duty.

14.9 Consultation

You acknowledge that we may consult with your Participating Lender regarding the exercise of our rights under this clause 14.

14.10 Proscribed Person

- (a) If we reasonably believe that you are Proscribed Person, we may at any time ask you for additional information or documents in accordance with clause 11.1(b) to help us to determine whether or not you are a Proscribed Person.
- (b) If you are connected to a Proscribed Person, we may do this even if we have previously advised that we do not consider you to be a Proscribed Person.
- (c) If you do not respond to our questions, or acting reasonably we are not satisfied with your responses we may be entitled to take action under clause 14.1(f).
- (d) If you are or become a Proscribed Person then without limiting any other provision of the Participation Agreement we may:
 - (i) refuse to provide the Commonwealth Contribution (Acquisition), including the cancellation of your Place in the Scheme, if we have not done so already;
 - (ii) exercise any discretion under the Participation Agreement in such manner as may be reasonably necessary to manage our risks having regard to you being a Proscribed Person;

- (iii) refuse to accept a payment from you under the Participation Agreement (including a voluntary early repayment); and
- (iv) subject to any requirements of law terminate the Participation Agreement and require you pay the Commonwealth Share Amount to us within a period of 30 calendar days and if you fail to do so we may take action under clause 14.1(a).

15. Costs and indemnities

- (a) You must indemnify or reimburse us for all our reasonable costs and expenses incurred by us or an Attorney (or any officer, employee, agent or contractor or employee of us or an Attorney) as a consequence of:
 - (i) a variation, release or discharge of any Scheme Document and the production of any title document;
 - (ii) you breaching, or failing to perform, any obligation or undertaking under any Scheme Document (including the occurrence of any Event of Default);
 - (iii) any of your representations and warranties being incorrect or misleading; and
 - (iv) any statement or information provided by you in your application to participate in the Scheme being incorrect, false or misleading,
 including legal costs on a full indemnity basis and costs of any professional adviser or consultant of Housing Australia or an Attorney.
- (b) Unless agreed otherwise, an amount payable by the Participant under clause 15(a) is payable within 20 Business Days after notice has been given to the Participant requesting payment.

16. No liability

You release us and any person claiming through us to the full extent permitted by Law from any liability or obligation in respect of any claim, loss or damage arising or in connection with the exercise or non-exercise of our Powers except in the case of fraud, wilful default, negligence or a breach of a Scheme Document by us. For the avoidance of doubt, this clause 16 does not prevent us from being liable for breach of the Scheme Documents.

17. Collection, use and disclosure of information

17.1 Authorisation to share Personal Information

Note: This part of these General Terms seeks your authorisation for certain sharing of your Personal Information and places obligations on you if you provide us the Personal Information of any third party, such as your spouse.

- (a) You authorise your Participating Lender, Housing Australia, Housing Australia's conveyancer, and Housing Australia's third party service providers engaged in relation to the Scheme (including its survey administrators), to share your Personal Information with each other, and for Housing Australia to share your Personal Information with the Commonwealth Treasury, for the purpose of the Scheme, including administering the Scheme, verifying your continuing eligibility for the Scheme and ongoing compliance with the Scheme, settlement of the Property purchase and registration of the Scheme mortgage.
- (b) Before you provide Personal Information about another person (for example, a dependent or your Spouse if they are not a Participant), you must:
 - (i) provide the other person with a copy of the Privacy Collection Notice (set out in Schedule 2 to these General Terms); and

- (ii) obtain the other person's consent for Housing Australia to collect their Personal Information, including sensitive information, from you or the Participating Lender.

17.2 Confidentiality and privacy

Note: This part of the Agreement explains our confidentiality obligations and when we can share your confidential and Personal Information with other people.

- (a) We will handle your personal information in accordance with the Privacy Collection Notice (set out in Schedule 2 of these General Terms).
- (b) You acknowledge that you have read the Privacy Collection Notice.
- (c) We will handle your Personal Information that we collect in connection with the Scheme in compliance with applicable Privacy Law.

18. Options for deceased estates

- (a) Without limiting our right under clause 14, this clause will apply if an Event of Default occurs under clause 14.1(o) as a result of the following:
 - (i) the Participant is a sole person, the Participant dies; or;
 - (ii) the Participant is two persons, both persons die.
- (b) If:
 - (i) an Event of Default occurs under clause 14.1(o); and
 - (ii) where a sole Participant dies or, if the Participant is two persons, those two joint Participants own the Property as joint tenants and both persons die,we may determine not to exercise our rights under clause 14 in circumstances where:
 - (A) the Property is inherited by a single beneficiary (or two beneficiaries jointly) of the estate of one or both of the deceased Participants;
 - (B) each beneficiary applies, in the manner and form approved by Housing Australia, to be accepted to participate in the Scheme; and
 - (C) each beneficiary qualifies as an Eligible Applicant at the time of the application to be accepted to participate in the Scheme.
- (c) If:
 - (i) an Event of Default occurs under clause 14.1(o); and
 - (ii) where the Participant is two persons, those two joint Participants own the Property as tenants in common, one person dies and an individual (other than the surviving Participant) inherits the deceased Participant's interest in the Property,we may determine not to exercise our rights under clause 14 in circumstances where:
 - (A) the deceased Participant's interest in the Property is inherited by a beneficiary of the estate of the deceased or by a surviving participant (the **Successor**);
 - (B) the Successor applies, in the manner and form approved by Housing Australia, to be accepted to participate in the Scheme; and
 - (C) the Successor qualifies as an Eligible Applicant at the time of the application to be accepted to participate in the Scheme.
- (d) Housing Australia agrees to do all things reasonably necessary (including by entering into necessary documentation) to substitute each beneficiary or the Successor (as applicable) as a party to, and participant in, the arrangements contemplated by these General Terms and each other Scheme Document in respect of the Property.
- (e) The beneficiary, beneficiaries or the Successor (as the case may be) must bear any administrative costs, including but not limited to legal costs, conveyancing costs and

stamp duty (where applicable), associated with any actions reasonably required under this clause 18.

19. Right to complain or seek a review

You have the right to complain or request a review of certain decisions that we make in relation to your participation in the Scheme. If you disagree with any action taken or decision made by us in connection with the Scheme, please contact Housing Australia for the complaints process (accessible at the Housing Australia Website). You also have a right to seek a review from the Administrative Review Tribunal of certain decisions we make.

20. Assignment

20.1 By Participant

- (a) You must not assign, transfer, encumber, charge or otherwise deal with any of your rights, interests, benefits, duties or obligations under the Scheme Documents without our prior written consent.
- (b) If you request us to consent under clause 20.1(a), we may, in our absolute discretion, withhold consent or provide consent (and such consent may be subject to such terms as we see fit).

20.2 By Housing Australia

- (a) We may assign or transfer all or any of our rights, or novate all or any of our rights and obligations under any Scheme Document at any time and you consent to that assignment, transfer or novation.
- (b) You must sign such documents and take such steps as we reasonably require to facilitate that assignment, transfer or novation.

21. Notices and other communications

21.1 Notices - general

- (a) All approvals, consents, directions, requirements, determinations, requests, claims, notices, agreements, demands or other communications by you or us in connection with any Scheme Document (**Notice**) must be:
 - (i) in writing;
 - (ii) in the case of a Notice from you to us:
 - (A) signed by you; and
 - (B) addressed to Housing Australia as follows (or such other notice details as otherwise notified to you by us):
Attention: Australian Government Help to Buy Scheme
Address: Level 24, 420 George Street, Sydney NSW 2000
 - (iii) in the case of a Notice from us to you:
 - (A) signed by or on behalf of Housing Australia; and
 - (B) addressed to you in accordance with your notice details set out in the Participating Agreement (or such other notice details as otherwise notified to us in writing by you); and
 - (iv) delivered by hand, prepaid mail, email or provided via the Online Notification System if you have consented to the use of that system.
- (b) A Notice will be deemed to be duly served:
 - (i) if delivered by hand, at the time of delivery;

- (ii) if sent by prepaid mail, five Business Days after the date on which it was posted;
 - (iii) if sent by email, if the message is correctly addressed and successfully transmitted to that party's email address, at the time that the sender's computer records that transmission was successful; and
 - (iv) if provided via the Online Notification System, at the time that the Online Notification System records that the Notice was uploaded.
- (c) In this clause 21, **Online Notification System** means an online system approved by Housing Australia for the purposes of enabling a person to securely access, by means of a website, mobile telephone or mobile device or by other electronic means, a Notice that is issued to, or made in respect of, that person.
- (d) We will notify you of the Online Notification System and you consent to the use of the Online Notification System for the purposes of giving and receiving Notices under or in connection with any Scheme Document.

22. Indexation of amounts

- (a) For the purposes of this clause 22, the **CPI Index Number** for a quarter is the All Groups Consumer Price Index number (being the weighted average of the 8 capital cities) published by the Australian Statistician in respect of that quarter.
- (b) Each amount specified in clauses 5.4(d)(i), 5.4(d)(ii), 6.4(c), 6.4(d), 11.4(a)(iv), 11.4(a)(viii), 11.4(a)(xi), 11.4(a)(xii), 11.4(a)(xiii), 11.6(f), 11.7(f), and 12.2 is to be indexed on the first day of each financial year starting on or after 1 July 2026 by multiplying it by its indexation factor for 1 June in the preceding financial year, in accordance with this clause 22, rounded to the nearest \$1,000.
- (c) The indexation factor for 1 June in the immediately preceding financial year (**Prior FY**) is to be calculated based on the following formula:

$$A = \frac{B}{C}, \text{ where:}$$

- (i) A = the indexation factor for 1 June in the Prior FY (which must be rounded up to three decimal places if the fourth decimal place is 5 or more);
 - (ii) B = the aggregate amount of:
 - (A) the CPI Index Number for the quarter ending on 31 March in the Prior FY; and
 - (B) the CPI Index Numbers for the three quarters that immediately preceded that quarter; and
 - (iii) C = the aggregate amount of:
 - (A) the CPI Index Number for the quarter ending on 31 March in the financial year immediately preceding the Prior FY; and
 - (B) the CPI Index Numbers for the three quarters that immediately preceded that quarter.
- (d) Notwithstanding any other provision of this clause 22, but subject to clause 22(e), if, at any time before or after the date of the Participation Agreement:
- (i) the Australian Statistician has published or publishes an index number in respect of a quarter; and
 - (ii) that index number is in substitution for an index number previously published by the Australian Statistician in respect of that quarter,

then the parties must disregard the publication of the later index number for the purposes of this clause 22.

- (e) If, at any time before or after the date of the Participation Agreement, the Australian Statistician has changed or changes the index reference period for the Consumer Price Index, then, for the purposes of applying this clause 22 after the change took place or

takes place, the parties must have regard only to index numbers published in terms of the new index reference period.

23. Miscellaneous

23.1 Governing law

- (a) Each Scheme Document is governed by and is to be construed in accordance with the Laws in force in the jurisdiction where the Property is located.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts in the jurisdiction in which the Property is located and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

23.2 Waivers, remedies cumulative

- (a) No failure to exercise or delay in exercising any Power by us under a Scheme Document operates as a waiver. A single or partial exercise of any Power does not preclude any other or further exercise of that or any other Power. A waiver is not valid or binding on us unless made in writing.
- (b) Our rights, powers and remedies under the Scheme Documents are in addition to, and do not exclude or limit, any right, power or remedy provided by Law or equity or by any agreement.

23.3 No reliance

You confirm that:

- (a) you have not entered into any Scheme Document in reliance on, or as a result of, any statement or conduct of any kind of or on behalf of us (including any advice, warranty, representation or undertaking), excluding any statement or conduct that constitutes misleading or deceptive conduct by us under Law; and
 - (b) we are not obliged to do anything (including disclose anything or give advice),
- except as expressly set out in a Scheme Document or in writing duly signed by or on our behalf.

23.4 Consents and opinion

Except where provided otherwise in any Scheme Document, we must:

- (a) give or withhold, or give conditionally, approvals and consents;
 - (b) be satisfied or unsatisfied; and
 - (c) form opinions,
- acting reasonably.

23.5 Determination, statement and certificate

Except where provided otherwise in these General Terms, any determination, statement or certificate by us or Housing Australia as to an amount payable by you to us under any Scheme Document is conclusive and binds the parties in the absence of manifest error.

23.6 Amendment

Notwithstanding any other provision of these General Terms, Housing Australia may unilaterally amend or vary these General Terms by providing the Participant with reasonable prior written notice (to the extent practicable). The Participant acknowledges that such notice will be deemed to be duly served if provided via:

- (a) the Housing Australia Website; or
- (b) the Scheme Portal.

The amendment will take effect on and from the date the notice is uploaded to the website or portal (as applicable) or, if the notice specifies a retrospective effective date, from that date.

23.7 Severability

Any provision of any Scheme Document which is invalid or unenforceable will be read down, if possible, to be valid and enforceable. Where that provision cannot be read down it will, to the extent that it is capable, be severed without affecting the remaining provisions of the relevant Scheme Document.

23.8 Relationship of the parties

Nothing in any Scheme Document:

- (a) creates a partnership, joint venture, fiduciary, employment or agency arrangement between the parties; or
- (b) imposes a duty of good faith on us.

Schedule 1 – Eligibility Criteria (applicable to your application and for the duration of your participation in the Scheme)

Part A – Scheme Eligibility

- 1 To be eligible for participation in the Scheme:
- (a) each applicant who is to be a Participant must be an Eligible Applicant; and
 - (b) the transaction for the purchase of the Property must be an Eligible Property Transaction.

Part B – Eligibility criteria for the Participant

- 2 An applicant is an **Eligible Applicant** at a particular time, if at that time:
- (a) they are an Eligible Person (defined below);
 - (b) they satisfy the Income Test (defined below);
 - (c) they satisfy the Financial Capacity Test (defined below);
 - (d) Housing Australia is satisfied that they will comply with the PPR Requirement (defined below);
 - (e) do not hold a Disqualifying Property Interest (defined below), except where a Disqualifying Property Interest Exemption (defined below) applies; and
 - (f) Housing Australia is satisfied that they will, either individually or jointly with another applicant:
 - (i) have sufficient funds to pay for a Maximum Reasonable Participant Contribution of at least 2% of the Total Purchase Price; and
 - (ii) have sufficient funds to pay all Administrative Costs.
 - (g) Housing Australia is satisfied that they will, either individually or jointly with another applicant, upon settlement, be the only registered proprietor of the Property.

Eligible Person

- 3 An applicant is an **Eligible Person** at a particular time, if at that time:
- (a) they are a natural person (that is, not an organisation, partnership, company, trust or other body or entity);
 - (b) they are at least 18 years of age;
 - (c) they are an Australian citizen (as defined in the *Australian Citizenship Act 2007* (Cth)); and
 - (d) they are not receiving assistance from one or more of the following:
 - (i) a home buyer guarantee provided by a Commonwealth entity or Commonwealth company;
 - (ii) a Shared Equity Scheme; or
 - (iii) a loan or guarantee provided by or on behalf of a State or Territory to support home ownership,but, for the avoidance of doubt, does not include home buyer assistance in other forms, such as home-owner grants or tax concessions, or the First Home Super Saver scheme.

Income Test

4 A person satisfies the **Income Test** if their Taxable Income for the most recent Income Year is no more than the applicable **Income Threshold** (defined below). The Income Test for joint applicants will be assessed based on the participants' combined Taxable Income.

5 Where an application to participate in the Scheme has been made in the 2025-26 financial year, the **Income Thresholds** are as follows:

- (a) \$100,000, where there is one applicant and that applicant is not a Single Parent (defined below);
- (b) \$160,000, where there is one applicant and that applicant is a Single Parent (defined below); or
- (c) \$160,000 (in aggregate), where there are two applicants under a joint application.

For applications made on or after 1 July 2026, each Income Threshold specified above will be indexed on 1 July of each financial year in which the application is made (commencing on 1 July 2026) in accordance with the **Indexed Income Threshold** (defined below), rounded up to the nearest \$1,000.

6 The **Indexed Income Threshold** is:

- (a) for an application made in the 2026-27 financial year, the applicable Income Threshold above multiplied by the Indexation Factor (defined below); and
- (b) for an application made in subsequent financial years, the previous financial year's applicable Indexed Income Threshold multiplied by the Indexation Factor.

7 The **Indexation Factor** for the 2026-27 financial year and each subsequent financial year is the indexation factor for 1 June in the immediately preceding financial year (**Prior FY**), which is to be calculated based on the following formula:

$A = \frac{B}{C}$, where:

- (i) A = the Indexation Factor for 1 June in the Prior FY (which must be rounded up to three decimal places if the fourth decimal place is 5 or more);
- (ii) B = the aggregate amount of:
 - (A) the Wage Price Index Number for the quarter ending on 31 March in the Prior FY; and
 - (B) the Wage Price Index Numbers for the three quarters that immediately preceded that quarter; and
- (iii) C = the aggregate amount of:
 - (A) the Wage Price Index Number for the quarter ending on 31 March in the financial year immediately preceding the Prior FY; and
 - (B) the Wage Price Index Numbers for the three quarters that immediately preceded that quarter.

For the purposes of this paragraph 7 of Part B of Schedule 1, **Wage Price Index Number** means, for a quarter, the Wage Price Index (total hourly rates of pay excluding bonuses/all sectors/all Australia/original) number published by the Australian Statistician in respect of that quarter.

8 A person is a **Single Parent** if:

- (a) they are a Single Person; and
- (b) they are the natural or adoptive parent or legal guardian, or otherwise have custody or joint custody, of at least one Dependent Child (legally responsible).

- 9 A person (**child**) is a **Dependent Child** of a second person (**adult**) at a particular time, if at that time:
- (a) the adult is a natural or adoptive parent or a legal guardian of the child; and
 - (b) either:
 - (i) the child is a 'dependent child' of the adult within the meaning of subsections 5(2) to 5(7) of the *Social Security Act 1991* (Cth); or
 - (ii) the child lives with the adult and in receipt of a disability support pension under the *Social Security Act 1991* (Cth).
- 10 A person is a **Single Person** if they do not have a Spouse.

Financial Capacity Test

- 11 The **Financial Capacity Test** is satisfied in relation to an applicant or applicants if Housing Australia reasonably believes that it is unlikely that the applicant, or both applicants together, could acquire the Property at that time without the assistance of the arrangement, having regard to the value of their Assets (defined below) (including assets that either applicant owns jointly with another person), their liabilities, their income and any other financial assistance, of a material nature, likely to be provided by the Commonwealth, a State or a Territory.
- 12 A person's **Assets** include, whether located in Australia or overseas:
- (a) any currency and deposits (such as cash, savings, gold, monetary non-refundable gifts and lump sum payments other than workers compensation payments);
 - (b) all securities and related assets (such as shares, bonds and investments);
 - (c) any loans and placements that are receivable by the person;
 - (d) funds accessible from superannuation funds;
 - (e) an attributable share of net fixed assets of a business (excluding trading stock and intangible assets);
 - (f) household assets that Housing Australia considers to be luxury items;
 - (g) any other financial assets that Housing Australia considers to be relevant for determining eligibility; and
 - (h) if the person has a Spouse, the assets of the Applicant's Spouse (including all assets described in clause 12(a) - 12(g) above).

Ordinary non-luxury household assets are not Assets, and Assets are to be treated as net of any liabilities in respect to those assets.

PPR Requirement

- 13 The **PPR Requirement** is satisfied in relation to an applicant if Housing Australia is satisfied that they intend to occupy the Property as their principal place of residence (subject to completion of the Dwelling if the applicant is seeking to participate in the Scheme in connection with a New-Build Dwelling), unless Housing Australia is satisfied, based on evidence provided by the applicant which is satisfactory to Housing Australia, that it is impracticable for the applicant to meet the PPR Requirement for any of the following reasons:
- (a) because of a posting required in the course of the applicant performing their duties as a member of the Australian Defence Force, other than as a member of the Naval Reserve, the Army Reserve or the Air Force Reserve (as those terms are defined in the *Defence Act 1903* (Cth), where applicable); or

- (b) because the applicant's employer has required them to relocate, in circumstances where the applicant has been employed by that employer for:
 - (i) at least 12 months; or
 - (ii) a lesser period, where Housing Australia is satisfied that a lesser period is appropriate having regard to the nature of the ongoing employment relationship between you and your employer; or
- (c) because the applicant, or an individual for whom the applicant exercises carer responsibilities, is suffering from a serious illness; or
- (d) on other compassionate grounds,

in which case, Housing Australia may (in its sole and absolute discretion) allow the applicant not to comply with the PPR Requirement for such period as Housing Australia considers appropriate (**Absence Period**) and that Absence Period may be extended by Housing Australia as it considers appropriate, provided that:

- (e) in circumstances where clause 13(b) of Part B of this Schedule 1 applies, Housing Australia may only extend the Absence Period by up to two further 12-month periods;
- (f) in circumstances where clause 13(c) or 13(d) of Part B of this Schedule 1 applies, Housing Australia may extend the Absence Period by one or more 12-month periods; and
- (g) if, at any time during the Absence Period (as extended under this clause), Housing Australia is satisfied that the circumstances described in clause 13(a), 13(b), 13(c) or 13(d) of Part B of this Schedule 1 no longer exist, then Housing Australia must promptly notify the applicant that the applicant is immediately required to comply with the PPR Requirement upon receipt of such notice.

Disqualifying Property Interest

- 14 An applicant or joint applicants will be taken to hold a **Disqualifying Property Interest** if that applicant or either applicant (as applicable) holds:

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

including a beneficial interest in any of the above.

- 15 A **Disqualifying Property Interest Exemption** will apply if:

- (a) the following circumstances apply:
 - (i) the applicant is a Single Parent;
 - (ii) holds a Disqualifying Property Interest as a joint tenant or tenant in common in the relevant property; and
 - (iii) intends to become the sole registered owner of that property with the assistance of the arrangement under the Scheme Documents; or
- (b) the following circumstances apply:
 - (i) the applicant is a Single Parent;
 - (ii) holds a Disqualifying Property Interest; and
 - (iii) subject to clause 16 of Part B of this Schedule 1, intends to cease to hold that Disqualifying Property Interest within 4 weeks of the applicant becoming the

registered owner of the Property to be purchased with the assistance of the arrangement under the Scheme Documents.

- 16 If we are satisfied that, based on satisfactory evidence that you have provided to us, that it is impracticable for you to satisfy the requirements under clause 15(b)(iii) of Part B of this Schedule 1:

- (a) because you are experiencing hardship (which may include financial hardship); or
- (b) on other compassionate grounds,

then we may allow you to hold your Disqualifying Property Interest for a longer period of time that we consider appropriate (in our sole and absolute discretion).

Part C – Eligibility criteria for the transaction

- 17 A transaction for the purchase of the Property is an **Eligible Property Transaction** if:

- (a) the Property is an Eligible Property (defined below);
- (b) it is for the acquisition of the Whole of the Property, unless clause 14(a) of Part B of this Schedule 1 applies;
- (c) Housing Australia is satisfied that, by the Settlement Date, you will have entered into a single Eligible Loan (defined below) to finance your acquisition of the Eligible Property;
- (d) where the transaction relates to a New-Build Dwelling, Housing Australia is satisfied that:
 - (i) the single Eligible Loan to finance your acquisition of the Eligible Property is also an Eligible Construction Loan (defined below); and
 - (ii) by the Settlement Date, you will have entered into an Eligible Building Contract (defined below); and
- (e) Housing Australia is satisfied that the Timeframe Requirements will be met;
- (f) Housing Australia is satisfied that the Property, once purchased, will be insured in accordance with the insurance requirements set out in clause 11.6; and
- (g) Housing Australia is satisfied that approval of the application by Housing Australia would not be contrary to Division 2 of Part 5 of the Scheme Directions ('Allocating Help to Buy places').

- 18 A Property is an **Eligible Property** if:

- (a) it is:
 - (i) an Existing Dwelling;
 - (ii) a New-Build Dwelling; or
 - (iii) an Off-the-Plan Arrangement; or
 - (iv) an Eligible Lease; and
- (b) it does not exceed the Property Price Cap (defined below) for the area in which the Property is located.

- 19 A transaction will satisfy the **Property Price Cap** if the Total Purchase Price is no more than:

- (a) **(New South Wales):**
 - (i) \$1,300,000 in Sydney and major regional centres (comprising Newcastle & Lake Macquarie, Illawarra, Central Coast, Mid-North Coast, Coffs Harbour-Grafton and Richmond-Tweed); or
 - (ii) no more than \$800,000 in other regional areas of New South Wales;

- (b) **(Victoria):**
 - (i) \$950,000 in Melbourne and major regional centre of Geelong; or
 - (ii) no more than \$650,000 in other regional areas of Victoria;
 - (c) **(Queensland):**
 - (i) \$1,000,000 in Brisbane and major regional centres (comprising Gold Coast and Sunshine Coast); or
 - (ii) no more than \$700,000 in other regional areas of Queensland;
 - (d) **(Western Australia):**
 - (i) \$850,000 in Perth; or
 - (ii) no more than \$600,000 in regional areas of Western Australia;
 - (e) **(South Australia):**
 - (i) \$900,000 in Adelaide; or
 - (ii) no more than \$500,000 in regional areas of South Australia;
 - (f) **(Tasmania):**
 - (i) \$700,000 in Hobart; or
 - (ii) no more than \$550,000 in regional areas of Tasmania;
 - (g) **(Australian Capital Territory):** \$1,000,000;
 - (h) **(Northern Territory):** \$600,000;
 - (i) **(Jervis Bay Territory and Norfolk Island):** \$550,000; and
 - (j) **(Christmas Island and Cocos (Keeling) Islands):** \$400,000.
- 20 To determine the relevant Property Price Cap, the Australian Bureau of Statistics' (**ABS**) Greater Capital City Statistical Area (within the meaning of the Australian Statistical Geography Standard Edition 3, as published by the Australian Statistician on 20 July 2021) is used to define each capital city of a State or the Northern Territory. Regional centres of a State align with the ABS' statistical area level 4 (**SA4**) definitions.
- 21 A Contract of Sale in relation to land on which there are two or more dwellings is for the acquisition of the **whole of the Property** where the purchaser or transferee:
- (a) will be entitled to occupy one dwelling on the land as an exclusive occupancy without there being a time limit on the period of exclusive occupancy;
 - (b) will be the only person with a right of occupancy of that dwelling; and
 - (c) will have an unconditional right to sell the exclusive occupancy without regard to the interest of other owners of other dwellings on the land.

Eligible Loan

- 22 A Loan is an **Eligible Loan** if:
- (a) the Loan is provided by a financial institution that is on the panel of lenders appointed by us for the Scheme;
 - (b) the applicant or applicants are the only counterparties to the Loan Agreement;
 - (c) the Loan is a variable or fixed rate loan or a combination of both (and not a line of credit);
 - (d) the Loan Agreement requires scheduled payments of both principal and interest for the full period of the Loan Agreement, which must be a period of not more than 30 years,

except that the Loan Agreement may be varied in relation to an applicant who is experiencing hardship (which may include financial hardship); and

- (e) where the transaction relates to a New-Build Dwelling:
 - (i) the mortgage agreement may provide for interest-only payments to be made while the home is being constructed; and
 - (ii) the period of the mortgage may exceed 30 years, but only if the period of the mortgage agreement after completion of construction of the home is not more than 30 years; and

Eligible Construction Loan

23 A Loan is an **Eligible Construction Loan** if:

- (a) it is an Eligible Loan (defined above); and
- (b) requires:
 - (i) with respect to an Off-the-Plan Arrangement:
 - (A) the Construction Works to commence before the applicant enters into a Contract of Sale for the relevant Dwelling; and
 - (B) the Settlement Date to be no later than 90 days after the date of the Final Approval Confirmation provided to the applicant; or
 - (ii) with respect to a New-Build Dwelling:
 - (A) the applicant to enter into an Eligible Building Contract prior to the Settlement Date of the Eligible Loan to acquire the land upon which a Dwelling will be fixed;
 - (B) the Construction Works to commence within 12 months after the Settlement Date; and
 - (C) Completion of Construction Works is achieved by no later than the date that is 36 months after the Settlement Date,

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

24 An Eligible Construction Loan:

- (a) may provide for interest-only payments to be made while the home is being constructed; and
- (b) notwithstanding clause 22(d) of Part C of this Schedule 1, may be for a term which exceeds 30 years, but only if the period of the Loan Agreement after Completion of Construction is not more than 30 years.

Eligible Building Contract

25 A building contract will be an **Eligible Building Contract** if:

- (a) it has been entered into between the applicant and a builder; and
 - (b) it satisfies the New Home Contract Requirements (defined below),
- and includes any variation or replacement of that contract made in accordance with clause 5.4.

26 A building contract will satisfy the **New Home Contract Requirements** if:

- (a) the contract is a fixed-price contract under which the purchase price for the Property does not exceed the Property Price Cap for the area in which the Property is located;

- (b) the contract is with a builder who holds all the licences and registrations required by Law in order to perform the work required by the contract in the relevant jurisdiction;
- (c) insurance policies are in place in relation to the construction of the New Home, as required by Law;
- (d) the contract is entered into on an arm's-length basis; and
- (e) the contract requires the builder to construct a fully completed Dwelling on the land, up to and including the point at which the new Dwelling is certified as fit for occupation.

Schedule 2 – Privacy Collection Notice

The Help to Buy Scheme (**Scheme**) is delivered by Housing Australia (**Housing Australia, we, our**).

Housing Australia will collect personal information about you at all stages of the Scheme, including during the eligibility assessment, application, approval and settlement processes. Once you are accepted into the Scheme, we will continue to collect personal information throughout your participation. This includes information required to monitor and assess your ongoing eligibility and to manage any requests you make in relation to your participation.

We may collect this information directly from you, as well as from your Participating Lender, Housing Australia's conveyancer, and other service providers engaged to support the administration of the Scheme (such as valuers).

We collect, hold, use and disclose your personal information to:

- assess your eligibility to participate in the Scheme, including your eligibility for any exemptions;
- manage and track your application;
- provide our loan, including obtaining funds from the Commonwealth Treasury and reporting to the Commonwealth Treasury for this purpose;
- manage settlement, in conjunction with our conveyancer;
- register our mortgage;
- manage your participation in the Scheme, including monitoring and assessing your continuing eligibility for the Scheme and managing any requests made in respect of your participation (such as a request for valuation of your property);
- manage our functions, powers and obligations in respect of the Scheme, including those under the *Help to Buy Act 2024* (Cth) and the *Help to Buy Program Directions 2025* (Cth);
- conduct surveys in relation to the Scheme; and
- advise you of, and invite you to attend, events and information sessions, and share Housing Australia updates including new publications and media releases.

If you do not provide all of the personal information requested, Housing Australia may not be able to assess your eligibility for the Scheme, and your application may be declined, or your continued participation in the Scheme may be affected.

Your Participating Lender, Housing Australia, its conveyancer, third party service providers engaged for the Scheme, and the Australian Government (including the Commonwealth Treasury) may share your personal information with each other and with any party involved in the assessment, administration, or ongoing management of the Scheme (such as IT service providers and valuers). Housing Australia may also disclose your personal information to third party service providers who undertake surveys on our behalf.

Housing Australia may be authorised to collect some of your personal information under the *Help to Buy Act 2024* (Cth) or the *Help to Buy Program Directions 2025* (Cth).

To learn more about how Housing Australia handles your personal information, how to request access to, or correct, your personal information, how to make a privacy complaint, and how we deal with complaints, please view Housing Australia's privacy policy (available at <https://www.housingaustralia.gov.au/privacy-policy>). Housing Australia's contact details are in its privacy policy.

Consent. By providing your personal information to the Participating Lender, agreeing to its upload to the Lender Portal (for access by Housing Australia), and authorising the Participating Lender to apply to the Scheme on your behalf, **you consent** to Housing Australia collecting and using your personal information – including health and other sensitive information (such as, where applicable, your indigenous status) – from your Lender and from third party service providers engaged by Housing Australia. This information will be used to assist with the assessment, administration and ongoing management of the Scheme in accordance with the Privacy Collection Notice above, and Housing Australia's Privacy Policy (available at <https://www.housingaustralia.gov.au/privacy-policy>).

Personal information of others. At times you may need to provide the personal information of another person to support your application, or continuing eligibility, for the Scheme. Before you provide the

personal information of another person to your Participating Lender or Housing Australia, you must first provide the other person with a copy of this Privacy Collection Notice and obtain their consent for Housing Australia to collect their personal information, including sensitive information, from you or the Lender.