



## Eligibility criteria

Applicants for the Scheme must:

- qualify for the First Home Owner Grant
- have assessable income that is within the eligibility limits for the scheme
- be owner-occupiers and not own other residential property
- be a permanent resident and be over 18 years of age
- not have more than 5% of assessable income servicing other debts such as car/personal loans or credit/store cards
- not have any debts owing to the Department of Housing and Works
- not be currently bankrupt or discharged from bankruptcy within 2 years of the date of the application
- comply with Keystart lending policies

## All about the loan

- Maximum property value :

Metropolitan area	\$355,000
Regional areas	\$375,000
- Low deposit, \$2,000 or 2% of the value of your equity share (whichever is greater)
- The First Home Owner Grant can be used towards the deposit and fees
- Variable interest rate
- No lenders mortgage insurance
- No account keeping fees

## How much can I borrow?

The amount you can borrow will be related to your assessable income and will take into consideration other commitments (such as credit cards and/or personal loans) you may have (*cannot exceed 5% of your assessable income*).

Your equity percentage will depend upon how much you can afford to borrow and the value of the property you buy.

Repayments are made weekly, fortnightly or monthly by direct debit.

## Determining your eligibility

To find out if you are eligible for a First Start loan or to register your interest in the scheme contact:

Keystart Home Loans  
Level 6, 218 St George's Terrace  
Perth WA 6000

Telephone: 1300 KSTART (1300 578 278)

## Disclaimer

All eligibility criteria and information contained in this brochure are subject to change.

[www.dhw.wa.gov.au](http://www.dhw.wa.gov.au)

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# First Start Shared Equity Home Loan Scheme

## An Affordable Housing Initiative



*An innovative home loan product designed to support first homebuyers to realise their dream of home ownership.*

- Shared home ownership
- Low deposit
- No monthly fees
- Variable interest rate
- No mortgage insurance costs



## About the Scheme

The First Start Shared Equity Home Loan Scheme is designed to help low to moderate-income first homebuyers into home ownership.

Under the Scheme, eligible first homebuyers may purchase or build a home in conjunction with Keystart and the Department of Housing and Works.

Depending on your income and household size, the Department will co-own up to 25 percent (*conditions apply*) of a property with you. Later when you can afford to, you are required to purchase all or part of the Department's share.

The following table illustrates the maximum income limits and equity share the Department could hold, depending on your household structure\*.

Number of Adults	Dependents	Maximum Assessable Income	Maximum Equity (Department Share)
1	Nil	\$50,000	20%*
2	Nil	\$60,000	20%*
1	1 or more	\$70,000	25%*
2	1 or more	\$70,000	25%*

\* Up to a maximum of \$75,000 (subject to change).

## How shared equity works

Shared equity home ownership works by reducing the initial cost of buying a home.

Some first homebuyers are unable to borrow enough money to purchase their own home. By sharing the ownership and cost with the Department of Housing and Works, they will be able to purchase their first home.

## Does the Department charge you rent on its share?

No, the Department does not charge rent or interest on the portion of the property it co-owns with you.

You do need to pay all outgoings such as rates and maintenance on the property. The Department does not contribute towards these costs.

## Must I increase my ownership in the property?

Yes, you will be required to increase your ownership in the property whenever you can afford to. The Department of Housing and Works will review your borrowing capacity on an annual basis to determine whether you can afford to purchase all or part of the Department's share.

As an incentive for borrowers to own as much of the property as soon as possible, stamp duty concessions apply on the share being purchased from the Department if it is bought within 10 years of the initial purchase.

The minimum equity that you can buy at any time is five per cent and statutory fees and charges will apply.

Whenever you wish to increase your ownership, the property will be independently valued and the value of the Department's share will be based on the market value of the property at that time. The market value of any capital improvements you have made to the property since the initial purchase will be credited to you and taken into consideration when calculating the value of the Department's share.

## Can the property be sold at any time?

Yes, the property can be sold at any time.

If you wish to sell the property, a valuation will be conducted to determine the market value and minimum sale price. The Department of Housing and Works has the first option to purchase the property from you. If the Department does not take up this option you can sell the property on the open market. Again, any capital improvements you have made to the property since the initial purchase will be credited to you and taken into consideration when calculating the value of the Department's share of the sale price.

