



National Housing Finance and Investment Corporation Investment Mandate Amendment (Enhancing the Home Guarantee Scheme) Direction 2023

I, Julie Collins, Minister for Housing, Minister for Homelessness, and Minister for Small Business, make the following direction.

Dated 27 June 2023

Julie Collins
Minister for Housing
Minister for Homelessness
Minister for Small Business

Contents

1 Name.....	1
2 Commencement	1
3 Authority.....	1
4 Schedules.....	1
Schedule 1—Amendments commencing on 1 July 2023	2
<i>National Housing Finance and Investment Corporation Investment Mandate Direction 2018</i>	2
Schedule 2—Amendments commencing at the same time as Schedule 5 to the <i>Treasury Laws Amendment (2023 Measures No. 2) Act 2023</i>	8
<i>National Housing Finance and Investment Corporation Investment Mandate Direction 2018</i>	8

1 Name

This instrument is the *National Housing Finance and Investment Corporation Investment Mandate Amendment (Enhancing the Home Guarantee Scheme) Direction 2023*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The later of: (a) 1 July 2023; and (b) the day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under subsection 12(1) of the *National Housing Finance and Investment Corporation Act 2018*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments commencing on 1 July 2023

National Housing Finance and Investment Corporation Investment Mandate Direction 2018

1 Section 4

Repeal the following definitions:

- (a) definition of *Australian Defence Force*;
- (b) definition of *eligible first home buyer*;
- (c) definition of *First Home Guarantee*;
- (d) definition of *Reserves*.

2 Section 4

Insert:

eligible home buyer—see section 29D.

First Home Guarantee means a guarantee issued under section 29I.

Home Guarantee Scheme—see section 8A.

permanent resident has the same meaning as in the *Australian Citizenship Act 2007*.

3 Section 4 (definition of *unissued*)

Omit “First Home Guarantee”, substitute “Home Guarantee Scheme”.

4 Section 8A (heading)

Omit “**First Home Guarantee**”, substitute “**Home Guarantee Scheme**”.

5 Section 8A

Omit “*First Home Guarantee*”, substitute “*Home Guarantee Scheme*”.

6 Section 10

Omit “First Home Guarantee”, substitute “Home Guarantee Scheme”.

7 Part 5A (heading)

Repeal the heading, substitute:

Part 5A—Home Guarantee Scheme

8 Part 5A (text below the heading)

Before “First Home Guarantee”, insert:

Home Guarantee Scheme

This Part deals with the Home Guarantee Scheme. The Home Guarantee Scheme is made up of 4 different streams of guarantees.

9 Part 5A (text below the heading)

Omit “The New Home Guarantee is a part of the First Home Guarantee”, substitute “The New Home Guarantee is a part of the Home Guarantee Scheme”.

10 Part 5A (text below the heading)

After “following financial year.”, insert “The New Home Guarantee stream is now closed, and further New Home Guarantees cannot be issued.”

11 Part 5A (text below the heading)

Omit “The Family Home Guarantee is a part of the First Home Guarantee”, substitute “The Family Home Guarantee is a part of the Home Guarantee Scheme”.

12 Part 5A (text below the heading)

Omit:

An eligible single parent is not required to be a first home buyer, but must not own property at the time of entering into a loan under the Family Home Guarantee.

substitute:

An eligible single parent is not required to be a first home buyer at the time of entering into a loan under the Family Home Guarantee. However, at that time, they must not own property unless, stated broadly:

- they are selling that property at the same time as they are purchasing property under the Family Home Guarantee; or
- they are buying out the existing family home.

13 Paragraph 29C(2)(c)

Repeal the paragraph.

14 Paragraph 29C(2)(d)

Omit “eligible first home buyer”, substitute “eligible home buyer”.

15 Paragraph 29C(2AA)(b)

Repeal the paragraph, substitute:

- (b) it has been impracticable for the borrower to live in the regional area or an adjacent regional area for the remainder of that period because the borrower has, after having been employed by the same employer for at least 12 months, been required, by that employer, to relocate.

16 Subsection 29C(2B)

Omit “(c),”.

17 Section 29D (heading)

Omit “Eligible first home buyer”, substitute “Eligible home buyer”.

18 Subsection 29D(1)

Omit “*eligible first home buyer*”, substitute “*eligible home buyer*”.

19 Paragraph 29D(1)(a)

Repeal the paragraph, substitute:

- (a) the person has never held a freehold interest in real property in Australia, or a relevant interest in land; and

20 Paragraph 29D(1)(b)

Omit “an Australian citizen”, substitute “either an Australian citizen or a permanent resident”.

21 Paragraph 29D(3)(a)

Repeal the paragraph, substitute:

- (a) the person either:
 - (i) does not hold a freehold interest in real property in Australia; or
 - (ii) does hold such an interest, but either:
 - (A) intends not to after no more than 4 weeks from when they become the registered owner of the property that will be purchased with the loan; or
 - (B) holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan; and
- (aa) the person does not hold a relevant interest in land; and

22 Paragraph 29D(3)(b)

Omit “an Australian citizen”, substitute “either an Australian citizen or a permanent resident”.

23 Sub-subparagraph 29D(5)(b)(ii)(A)

Repeal the sub-subparagraph.

24 At the end of section 29D

Add:

- (6) For this section, a *relevant interest in land* is:
 - (a) a lease of land in Australia (including a renewal or extension of such a lease) as described in paragraph 104-115(1)(b) of the *Income Tax Assessment Act 1997*; or
 - (b) a company title interest (within the meaning of Part X of the *Income Tax Assessment Act 1936*) in land in Australia.

25 Subsection 29F(2)

Repeal the subsection.

26 At the end of section 29H

Add:

- (5) The terms of a guarantee issued by the NHFIC under this Part must provide for the guarantee to cease if:
- (a) the residential property the subject of the loan is used other than as an owner-occupied premises, unless paragraphs 29K(3)(a), (b), (c) and (d) apply in relation to the loan and the property; or
 - (b) the person:
 - (i) is an eligible single parent as a result of sub-subparagraph 29D(3)(a)(ii)(A); and
 - (ii) more than 4 weeks from when they became the registered owner of the property that was purchased with the loan, still holds a freehold interest in other real property in Australia.

27 Section 29I (heading)

Repeal the heading, substitute:

29I First home guarantees

28 Subsection 29JA(1)

Repeal the subsection, substitute:

- (1) The NHFIC must, in writing, make rules and policies (the *scheme rules*) for the operation of the Home Guarantee Scheme, including separately providing for the operation of:
- (a) the First Home Guarantee; and
 - (b) the New Home Guarantee; and
 - (c) the Family Home Guarantee; and
 - (d) the Regional First Home Buyer Guarantee.

29 Section 29K (heading)

Omit “scheme”, substitute “Home Guarantee Scheme”.

30 Subsection 29K(1)

Omit “First Home Guarantee” (first occurring), substitute “Home Guarantee Scheme”.

31 Paragraph 29K(1)(a)

Omit “First Home Guarantee”, substitute “Home Guarantee Scheme”.

32 Paragraph 29K(1)(b)

Repeal the paragraph, substitute:

- (b) subject to subsection (3), prevent residential properties from being used other than as owner-occupied residences; and

33 Paragraph 29K(1)(d)

Omit “eligible first home buyers”, substitute “eligible home buyers”.

34 Paragraph 29K(1)(e)

Omit “First Home Guarantee”, substitute “Home Guarantee Scheme”.

35 Subsection 29K(2)

Omit “First Home Guarantee”, substitute “Home Guarantee Scheme”.

36 At the end of section 29K

Add:

- (3) Despite paragraph (1)(b), the NHFIC must not seek to prevent a particular residential property from being used other than as an owner-occupied residence where:
 - (a) a loan that was guaranteed under the Home Guarantee Scheme was used to purchase the property; and
 - (b) after the time the loan agreement was entered into, the property had been used as an owner-occupied residence; and
 - (c) the owner-occupier, or one of the owner-occupiers:
 - (i) has, after having been employed by the same employer for at least 12 months, been required, by that employer, to relocate; or
 - (ii) suffers from an illness that the NHFIC considers to be serious; or
 - (iii) has carer responsibilities for a person who suffers from such an illness; and
 - (d) as a result, the NHFIC is satisfied that it is impracticable for the property to continue to be used as an owner-occupied residence.

37 Subsection 29L(1)

Omit “First Home Guarantee” (wherever occurring), substitute “Home Guarantee Scheme”.

38 Subsection 29L(2)

After “in relation to”, insert “First Home Guarantees,”.

39 Subsection 29L(3)

Repeal the subsection, substitute:

- (3) The NHFIC must collect data and information that would be of assistance in an evaluation of whether the Home Guarantee Scheme is effective in facilitating home buyers who are able to benefit from the scheme entering into the housing market sooner, including data and information about:
 - (a) changes in the behaviour of such home buyers induced by the scheme; and
 - (b) the effectiveness of the scheme in relation to different types of buyers.

40 In the appropriate position in Part 7

Insert:

Division 5—Amendments made by the National Housing Finance and Investment Corporation Investment Mandate Amendment (Enhancing the Home Guarantee Scheme) Direction 2023

40 Application of amendments

The amendments made by Schedule 1 to the *National Housing Finance and Investment Corporation Investment Mandate Amendment (Enhancing the Home Guarantee Scheme) Direction 2023* apply to guarantees issued on or after the day that Schedule commences.

Schedule 2—Amendments commencing at the same time as Schedule 5 to the *Treasury Laws Amendment (2023 Measures No. 2) Act 2023*

National Housing Finance and Investment Corporation Investment Mandate Direction 2018

1 Section 4

Insert:

eligible single legal guardian—see section 29D.

2 Part 5A (text below the heading)

Omit “first home buyers” (first occurring), substitute “first home buyers, and buyers who have not held an ownership interest in Australian land in the last 10 years,”.

3 Part 5A (text below the heading)

Omit “first home buyers” (second occurring), substitute “such home buyers”.

4 Part 5A (text below the heading)

After “single parents” (wherever occurring), insert “, or single legal guardians,”.

5 Part 5A (text below the heading)

After “single parent” (wherever occurring), insert “, or single legal guardian,”.

6 Paragraph 29C(2B)(b)

After “eligible single parent”, insert “or an eligible single legal guardian”.

7 Section 29D (heading)

Repeal the heading, substitute:

29D Eligible home buyer, eligible single parent and eligible single legal guardian

8 Paragraph 29D(1)(a)

Omit “never”, substitute “not, in the last 10 years,”.

9 After subsection 29D(3)

Insert:

(3A) A person is an *eligible single legal guardian* in relation to a loan if, at the time the loan agreement is entered into:

(a) the person either:

(i) does not hold a freehold interest in real property in Australia; or

(ii) does hold such an interest, but either:

(A) intends not to after no more than 4 weeks from when they become the registered owner of the property that will be purchased with the loan; or

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- (B) holds it as joint tenant or tenant in common in the property to which the loan relates, and intends to become the sole registered owner of the property as a result of the loan; and
 - (b) the person does not hold a relevant interest in land; and
 - (c) the person is at least 18 years of age and either an Australian citizen or a permanent resident; and
 - (d) the person satisfies the income test; and
 - (e) the person is single; and
 - (f) the person is the legal guardian of at least one dependent child.

10 Subparagraph 29H(5)(b)(i)

After “sub-subparagraph 29D(3)(a)(ii)(A)”, insert “or an eligible single legal guardian as a result of sub-subparagraph 29D(3A)(a)(ii)(A)”.

11 Paragraph 29K(1)(d)

Omit “and eligible single parents”, substitute “, eligible single parents and eligible single legal guardians”.

12 Section 40

Before “The”, insert “(1)”.

13 At the end of section 40

Add:

- (2) The amendments made by Schedule 2 to the *National Housing Finance and Investment Corporation Investment Mandate Amendment (Enhancing the Home Guarantee Scheme) Direction 2023* apply to guarantees issued on or after the day that Schedule commences.