

AN INITIATIVE BY KIMBERLEY JIYIGAS

WEALTH FOR PURPOSE[©]





Session 5: Home Ownership



INDIGENOUS BUSINESS AUSTRALIA

IBA Housing Solutions – Home Ownership Program

The information contained in this workshop is general in nature and not tailored to your particular circumstances, objectives or needs. If you are eligible and decide to apply for products or services from IBA you should obtain independent financial and legal advice before signing any documentation or making any significant financial decisions and you should rely upon your own independent advice and inquiries.

The design of our brand was inspired by artwork from Indigenous artist Penny Evans.



ACKNOWLEDGEMENT

IBA respectfully acknowledges the Custodians of the land we are meeting on today and pays respect to the Elders both past, present and emerging. This respect is extended to other Aboriginal and Torres Strait Islander peoples here today.

In this session you will see/hear:











- Information regarding IBA's home loan process
- IBA's home loan eligibility requirements
- IBA's home loan interest rates and deposit requirements
- Discuss barriers to home ownership and what you can do to address barriers.

This is a brief overview of some of the information we cover in our online workshops, if you would like to attend our workshops, we encourage you to register via our website

We would like you to feel confident and supported to ask questions, please contact IBA to speak with a Home Lending Officer



10 STEPS TO OWNING YOUR OWN HOME WITH IBA

-  **1 GOAL** I'd like to own my own home!
-  **2 GET READY** Visit our website, check out the loan calculator and call us on 1800 107 107 to talk to a home lender.
-  **3 EXPRESSION OF INTEREST** Lodge your EOI online. We will assess your eligibility, advise the outcome and discuss any barriers.
-  **4 WAITING PERIOD** There are periods of time where you will need to wait. This may be due to significant demand or waiting for information to be provided. Use this time to attend a budgeting workshop or increase your savings. Contact your local office for expected time frames.
-  **5 INVITATION TO APPLY** You've been invited! Submit your loan application and we will do a formal loan assessment. If you're not ready right now, we'll discuss what you need to do to be ready.
-  **6 PRE APPROVAL** When notified by IBA, it is at this point that you can go and look for a property and make an offer!
-  **7 APPROVAL** Once you've found a home, place it under contract and give a copy to us. We will finalise our assessment and advise you of the decision.
-  **8 PRE-SETTLEMENT** The legal work happens here and it's important you find a good solicitor or conveyancer to help you.
-  **9 MOVE IN DAY** Once the property settles, you can move in to your new home!
-  **10 REPAYMENTS** You make regular repayments to IBA. These repayments support even more Aboriginal and Torres Strait Islander people to achieve their home ownership dreams.

2 Application Phases:

1. Expression of Interest
2. Formal Application





Interest rates can start low, and increment over time



Low Deposit requirements

Low deposit

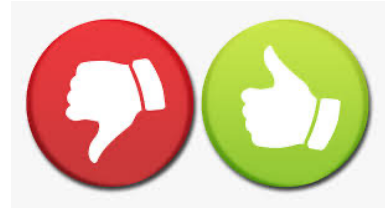


NO FEES

NO CHARGES



The property must be suitable security



IBA ELIGIBILITY



All applicants must be Australian Citizens or have an acceptable Permanent Residency VISA



IBA ELIGIBILITY



IBA COA From -At least 1 applicant must be of Aboriginal or Torres Strait Islander descent, Identify and be accepted by community



Must be over 18 and have capacity to enter a loan agreement



Must not be currently bankrupt – discharged for 2+ years



Not able to get a home loan from a bank

Maximum income of \$234,990
Please refer to our website for any changes to our income thresholds



Stable income and employment



Contribute the minimum deposit required by IBA

OWNER OCCUPIED

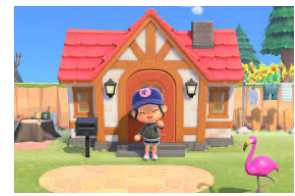


Have a satisfactory rental history

Ability to meet loan repayments over the loan term



Have a credit report and score satisfactory to IBA



Live in the property being purchased. Not own other property/land.



LOAN DEPOSITS

Minimum deposit required for first home buyers

Total gross income *	Minimum deposit amount *
Up to \$79,896	\$1,500
\$79,897 - \$131,594	\$3,000
\$131,595 - \$155,093	3% of the purchase price
\$155,094 - \$234,990 Split Loan IBA 15%/Bank 80%	5% of the purchase price

* Current at time of session – Please refer to our website for any changes to our minimum deposit requirements as they are subject to change



INTEREST RATES

Standard introductory interest rates			
Total gross income	Commencing 0.25% interest rate [^]	Incremental rate [^]	Minimum introductory period [^]
Up to \$79,896	1.64%	0.25%	24 months
\$79,897 – \$131,594	2.64%	0.25%	12 months (RIHL 24 months)
\$131,594 - \$155,093	3.64%	0.25%	12 months
\$155,094 - \$234,990	2.64%	0.25%	36 months
Split loan	6.14% (HLR)	N/A	Immediate variable rate
Full loan			

* Current at time of session – Please refer to our website for current commencing interest rates as they are subject to change



Check our website for up to date information and watch the interest rate explainer video.

Minimum Home Loan Deposit



<https://iba.gov.au/home-ownership/iba-housing-loan-features/loan-deposits/>

IBA Home Loan Interest Rates



<https://iba.gov.au/home-ownership/iba-housing-loan-features/loan-interest-rates/>



COMMON BARRIERS

How much you'll be able to borrow will ultimately depend on your income, commitments and expenses. Below are the main ways you can increase your borrowing capacity.

- Increase your income
- Reduce debt
- Reduce your expenses
- Lower your credit card/credit account limits

Make a savings plan and maintain regular savings for at least 6 months

- Try to save the equivalent of your proposed loan repayments, rates, insurance (less any rent or board you currently pay)

Check your credit file/credit score regularly and address any defaults

Be accurate in your EOI details - review your finances and report your income, commitments and expenses accurately.

SOME TIPS

- Use a home loan calculator to get an idea of what your repayments may be.
- Work on your resilience – you may need to apply several times.
- Keep your records i.e. bank statements, rental ledgers, NOA etc.
- Make sure your identification documents are current and match.
- Check out the Money Smart website:
<https://moneysmart.gov.au/home-loans>
- Seek independent Financial and Legal advice

ONLINE WORKSHOPS

IBA now have 5 **online** workshops:

- IBA Home Ownership
- Budgeting
- Understanding Credit and Credit Reporting
- Preparing for Home Ownership, and
- Now you're a Home Owner.

Check out our website for session details and to pre-register.

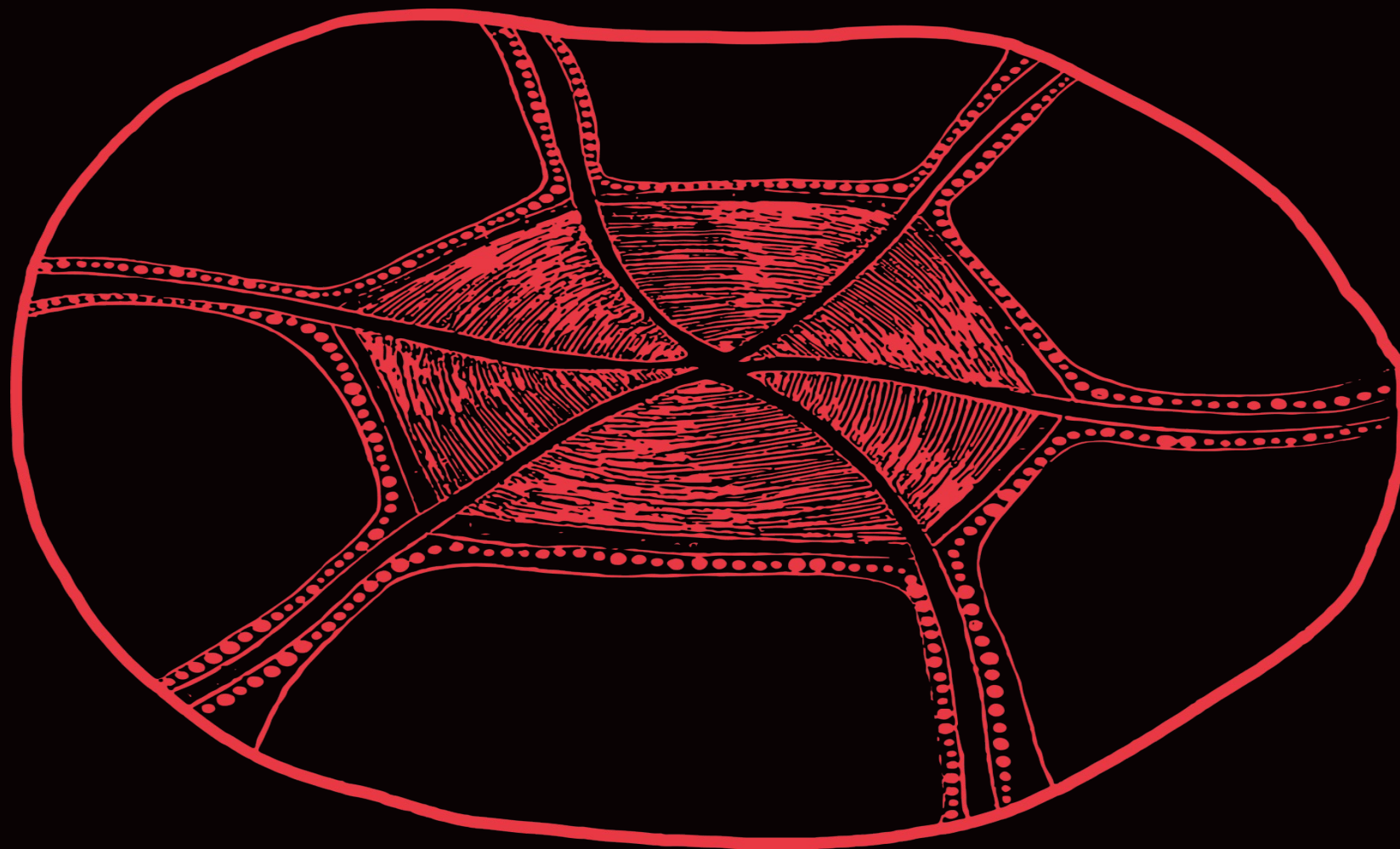




Australian Government
Indigenous Business Australia

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1800 107 107



1800 107 107 (OPT 1)

