

HOME LOANS

FOR INDIGENOUS AUSTRALIANS



IBA
INDIGENOUS
BUSINESS
AUSTRALIA

IBA makes buying a home a realistic option for many Aboriginal and Torres Strait Islander individuals and families. With our affordable loans, you can take ownership of your home and your future.



BUYING A HOME

Buying a home is one of the most significant steps you can take. Owning your own home can give you and your family stability and security.

Deciding if, and when, to buy a home can be both exciting and challenging. There are benefits and risks in buying a home, and you need to consider whether the time is right for you – personally and financially.

WHAT IBA CAN DO

IBA housing loans are available to Indigenous Australians buying, in most cases, their first home and who are unable to borrow all of the required funds from another lender.

Eligible customers may be able to buy:

- established residential property
- established residential property and upgrade
- land and construct a new home.

We can talk to you about the assistance available from IBA and what information you will need to provide.

LOAN AMOUNT

The amount that IBA lends to you will depend on a number of factors such as your income and savings, your capacity to meet loan repayments and other housing costs over the term of the loan, the value of the property you are buying, the interest rate and the loan term.

In assessing each of these factors, IBA will take into account your:

- employment income
- other income
- rental history
- housing and living expenses
- current credit cards and loans (for example, personal or car loans)
- credit history
- savings history
- eligibility for the First Home Owner Grant scheme.

We will assess these factors at the time you lodge your housing loan application and let you know the amount you may be eligible to borrow.

The loan calculator on IBA's website can help you estimate how much you can borrow.

DEPOSIT

IBA has lower deposit requirements than commercial home lenders.

The minimum deposit you will need to contribute will depend on your income; for most first home buyers that will only be \$3,000. Different deposit requirements apply to first home buyers on higher incomes and to existing or previous home owners.

IBA requires you to contribute the maximum amount you have available as your deposit.

Assistance provided through the First Home Owner Grant scheme can be used to meet the deposit requirements.

INTEREST RATES

IBA offers housing loans at a range of interest rates, depending on your individual circumstances and loan requirements.

The IBA Home Loan Rate is comparable to the standard variable mortgage rates of other lenders.

First home buyers may be eligible for a standard introductory interest rate which has a low commencing interest rate, capped for a minimum introductory period.

Customers who obtain part of their funds from another lender may receive an extended introductory interest rate which is capped for a minimum period of 36 months.

ADDITIONAL COSTS

You will be required to pay for other costs in addition to the purchase price of your home. These may include your property valuation report, building and pest inspections, conveyancing costs, state/territory-levied duties (e.g. stamp duty) and mortgage registration fees.

If you are a first home buyer and don't have sufficient personal savings or access to First Home Owner Grant funds, an additional IBA loan may be available to finance these costs.

Your IBA Home Lending Officer can discuss these costs and any additional assistance available.



HOW TO APPLY

To apply for an IBA housing loan you must first register your interest by completing an *Expression of Interest* form which is available on the IBA website.

If you are eligible, you will be invited to apply as funds become available. IBA will contact you and ask you to submit a *Housing Loan Application* which will be used to determine whether you qualify for a loan and the amount you may be able to borrow.

IBA housing loans are only provided for purchasing a home to meet your family's needs. For construction loans, the house being built must be of a suitable standard and will generally not include unnecessary extras, such as luxury fittings.

To be eligible for an IBA housing loan you will:

- be at least 18 years of age
- be of Aboriginal and/or Torres Strait Islander descent (for joint applicants, only one person is required to meet this criteria)
- be an Australian resident
- be able to meet minimum deposit requirements
- have the capacity to meet housing loan repayments
- meet other housing loan product criteria relevant to your home purchase.





Australian Government
Indigenous Business Australia



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iba.gov.au



IBA has taken all reasonable steps to ensure that the contents of this publication do not offend Aboriginal or Torres Strait Islander people.

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