

NORTHERN TERRITORY OF AUSTRALIA

AMENDMENTS OF HOUSING ASSISTANCE SCHEMES REGULATIONS

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NORTHERN TERRITORY OF AUSTRALIA

Regulations 1997, No. 21*

Regulations under the *Housing Act*

I, NEIL RAYMOND CONN, the Administrator of the Northern Territory of Australia, acting with the advice of the Executive Council, make the following regulations under the *Housing Act*.

Dated 30 June 1997.

N R CONN
Administrator

AMENDMENTS OF HOUSING ASSISTANCE SCHEMES REGULATIONS

1. PRINCIPAL REGULATIONS

The Housing Assistance Schemes Regulations are in these Regulations referred to as the Principal Regulations.

2. COMMENCEMENT

These Regulations come into operation on 1 July 1997.

3. INTERPRETATION

Regulation 2 of the Principal Regulations is amended -

- (a) by omitting "4" from the definition of "interest subsidy" in subregulation (1) and substituting "4 or 9";

* Notified in the *Northern Territory Government Gazette* on 1 July 1997.

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- (b) by omitting "and 5" from the definition of "purchase price" in subregulation (1) and substituting ", 5 and 7"; and
- (c) by omitting from subregulation (4) "Schedule 4" and substituting "Schedules 4 and 9".

4. SCHEMES

Regulation 3 of the Principal Regulations is amended -

- (a) by omitting from subregulation (1) "and 4" and substituting ", 4, 6, 8 and 9"; and
- (b) by omitting from subregulation (2) "Schedule 2" and substituting "Schedules 2 and 7".

5. SCHEDULE 1

Schedule 1 to the Principal Regulations is amended by adding at the end the following:

"18. LIMITATION OF OPERATION OF SCHEME

"The Commission may not grant an application or advance a housing loan under clause 4 after 30 June 1997."

6. SCHEDULE 2

Schedule 2 to the Principal Regulations is amended by adding at the end the following:

"18. LIMITATION OF OPERATION OF SCHEME

"The Commission may not grant an application or make an advance under clause 4 after 30 June 1997."

7. SCHEDULE 3

Schedule 3 to the Principal Regulations is amended by adding at the end the following:

"5. LIMITATION OF OPERATION OF SCHEME

"The Commission may not advance or pay an amount under this Scheme after 30 June 1997."

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8. SCHEDULE 4

Schedule 4 to the Principal Regulations is amended by adding at the end the following:

"5. LIMITATION OF OPERATION OF SCHEME

"The Commission may not issue a certificate of eligibility under this Scheme after 30 June 1997."

9. SCHEDULE 5

Schedule 5 to the Principal Regulations is amended by adding at the end the following:

"11. LIMITATION OF OPERATION OF SCHEME

"The Commission may not grant an application, enter into a contract or advance a loan for the purchase of a person's first share in a dwelling under this Scheme after 30 June 1997."

10. NEW SCHEDULES

The Principal Regulations are amended by adding at the end the following:

"SCHEDULE 6

Regulation 3

HOMENORTH HOMESTART LOAN SCHEME

1. DEFINITION

In this Scheme, a reference to a share in a house is a reference to a share in a house that -

- (a) is to be held under a tenancy in common together with the Commission; and
- (b) represents an interest in the house that is not less than 70% of the market value of the house.

2. LOAN ADVANCES

Subject to this Scheme, the Commission may advance a housing loan under clause 5 to a person for the purchase of a house or a share in a house.

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3. RESTRICTIONS ON ADVANCES UNDER CLAUSE 4

A person is not eligible for a housing loan under clause 5 -

- (a) unless otherwise approved, if the person, the spouse or a dependant of the person owns, or has previously owned, (including as joint owner) a house in the Territory;
- (b) unless the Commission is satisfied that the person lives or will live in the house to which the person's application for a housing loan relates;
- (c) if the market value of the house to which the application relates is more than \$140,000 or, where another amount is agreed on between the Minister and the Treasurer, more than that other amount;
- (d) unless the person is purchasing a house or not less than 70% of the market value of a house;
- (e) unless the person has an amount of not less than 5% of the market value of the house or the share in the house to which the application relates -
 - (i) which will be, or form part of, the deposit for the purchase of the house; and
 - (ii) of which not less than \$2,000 is the person's own savings and is not obtained by way of a loan or is in any other way encumbered or committed; or
- (f) unless the Commission is satisfied that the person has the financial ability to repay the housing loan.

4. PERSONS WHO MAY APPLY

A person whose gross weekly income is not less than \$300 and not more than \$700 may apply to the Commission for the advance of a housing loan under clause 5.

5. DETERMINATION OF APPLICATION

Where the Commission receives an application under clause 4, it may -

- (a) grant the application and advance a housing loan to the person; or
- (b) reject the application.

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6. MAXIMUM AMOUNT OF ASSISTANCE

(1) The amount that the Commission may advance as a housing loan under clause 5 is not to be more than the amount specified in Column 2 of the Table to this clause opposite the range of gross weekly income specified in Column 1 into which the person's gross weekly income, as at the time the application for the loan is made, falls.

(2) Subclause (1) does not operate so as to require the Commission to advance to an applicant the maximum amount determined under that subclause and the Commission may advance such lesser amount to an applicant as it determines.

TABLE

Column 1 Gross weekly income		Column 2 Loan amount
Not less than	Not more than	
\$300	- \$349	\$80,000
\$350	- \$399	\$80,000
\$400	- \$449	\$85,000
\$450	- \$499	\$85,000
\$500	- \$549	\$90,000
\$550	- \$599	\$90,000
\$600	- \$649	\$95,000
\$650	- \$700	\$95,000

7. RATE OF INTEREST

(1) Subject to this Scheme, the rate of interest payable by a person on a housing loan advanced under clause 5 is -

(a) at the date that interest first becomes payable on the housing loan and for the 12 months commencing from that date -

(i) the rate specified in Column 2 of the Table to this clause opposite the range of gross weekly income specified in Column 1

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into which the person's gross weekly income, as at the time the person's application for the loan is made, falls; or

(ii) the market rate,

whichever is the lesser at that date; and

(b) on the expiration of the period referred to in paragraph (a), the rate of interest that from time to time applies by operation of subclause (2), (3) or (4).

(2) Subject to subclauses (3) and (4), where, on any anniversary of the date that interest first becomes payable by a person on a housing loan advanced under this Scheme, the interest rate being paid by the person is less than the maximum rate of interest payable under subclause (7), the person is, for the 12 months commencing from that date, to pay the rate of interest that equals the first-mentioned rate of interest as increased by the rate of increase determined by the Minister under subclause (5)(b) in respect of the housing loan.

(3) Where, on any anniversary of the date that interest first becomes payable by a person on a housing loan advanced under this Scheme, the interest rate being paid by the person is equal to the maximum rate of interest payable under subclause (7), the person is to continue to pay that rate of interest for the 12 months commencing from that date.

(4) A person is not to pay a rate of interest that is more than the maximum rate of interest payable under subclause (7) and, if it occurs that the rate of interest payable by a person under subclause (2) or (3) becomes more than that maximum rate of interest, the rate of interest payable by the person immediately reduces to be the rate of interest equal to that maximum rate of interest (but which may be varied by the operation of subclause (2) or this subclause).

(5) Subject to subclause (6), the Minister is from time to time to determine -

(a) a rate of interest to be the maximum rate of interest for the purposes of subclause (7)(a); and

(b) the rates by which rates of interest paid on housing loans advanced under this Scheme are, from each anniversary of the date that interest first becomes payable on each of the housing

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loans, to increase (unless a rate of interest payable on a housing loan equals or is more than the maximum rate of interest payable under subclause (7)).

(6) Where the Minister makes a determination under subclause (5), the Minister -

(a) is to have given regard to prevailing economic conditions (in particular current bank interest rates and the consumer price index); and

(b) in the case of a determination of the rates by which interest rates are to increase ('rates of increase') under subclause (5)(b) -

(i) is to determine the rates of increase in relation to the gross weekly income of persons to whom housing loans are advanced under this Scheme; and

(ii) may not determine a rate of increase that is more than 0.5% per annum.

(7) The maximum rate of interest payable on housing loans advanced under this Scheme is -

(a) the rate of interest the Minister from time to time determines under subclause (5)(a) to be the maximum rate; or

(b) the rate of interest that is equal to 1% more than the market rate,

whichever from time to time is the lesser.

(8) Where the operation of subclause (2) or (4) varies the rate of interest payable by a person under this Scheme, the variation so made becomes due and payable on and from the monthly instalment next payable on the housing loan after that variation.

(9) Where the gross weekly income of a person contains an amount that is not a whole dollar, the gross weekly income of the person is, for the purposes of the Table to this clause, to be calculated exclusive of that amount.

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TABLE

Column 1		Column 2
Gross weekly income		Rate of interest
Not less than	Not more than	
\$300	- \$349	5%
\$350	- \$399	6%
\$400	- \$449	7%
\$450	- \$499	8%
\$500	- \$599	10%
\$600	- \$649	11%
\$650	- \$700	12%

8. TERMS AND CONDITIONS

(1) Where the Commission grants an application to advance a housing loan under clause 5 for the purchase of a share in a house, the Commission and the person to whom the application is granted ('the applicant') are to enter into an agreement relating to the ownership of the house.

(2) An agreement referred to in subclause (1) is to make provision for the following terms and conditions:

- (a) that the applicant is to purchase the house by purchasing a first share in the house of not less than 70% of the market value of the house and, on repayment of the loan advanced in respect of that share, a second and final share being the whole of the Commission's interest in the house;
- (b) that the applicant has the right to possess the premises and that the applicant, in consideration thereof, is to make payments in respect of rates, taxes, charges and other outgoings in respect of the premises;

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- (c) that if the applicant, without fault, at any time during the term of the agreement, wishes to sell the house, the Commission is not, unless there are reasonable grounds for doing so, to withhold its consent to the sale of the house.

9. LOAN TO BE SECURED BY MORTGAGE

A housing loan advanced under clause 5 is to be secured by a mortgage over the house in respect of which the loan is made and, unless otherwise approved, is to be secured by a first mortgage.

10. APPLICATION FOR TRANSFER OF LOAN ARRANGEMENTS

(1) Where a person has, by way of a housing loan under clause 5, purchased a house or a share in a house and -

- (a) the mortgage executed in relation to the housing loan has not been discharged; and
- (b) the person has, unless otherwise approved, occupied the premises for a period of not less than 3 years after the mortgage was executed,

the person may apply to the Commission for consent to the sale of the house, discharge the mortgage and, subject to this Scheme, advance the amount specified in the application, being an amount not more than the amount used to discharge the mortgage, for the purposes of the purchase of the Commission's interest in the house, other premises (but not a share in other premises) or a residential block, as specified in the application, on the same terms and conditions on which the housing loan under clause 5 was granted.

(2) A person making an application under subclause (1) is to provide the Commission with such information as the Commission requires, including information in relation to the person's gross weekly income.

11. DETERMINATION OF APPLICATION FOR TRANSFER OF LOAN ARRANGEMENTS

(1) Where the Commission receives an application under clause 10(1), it may -

- (a) subject to subclause (2) and clause 12, grant the application; or
- (b) reject the application.

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(2) The Commission is not to grant an application under subclause (1)(a) unless it is satisfied that the person making the application will, if the application is granted, purchase and apply, in accordance with guidelines from time to time published by the Commission, all the proceeds received by the person from the sale of the house referred to in clause 10(1) towards the purchase of the share in the house, the other premises or the residential block specified in the application.

(3) Subject to this Scheme, where the Commission grants an application under subclause (1)(a), it is to make an advance to the person to whom the grant relates of an amount not more than -

- (a) the amount applied for in the application; or
- (b) the difference between -
 - (i) the amount required to purchase the share in the house, the other premises or the residential block specified in the application; and
 - (ii) the amount of proceeds referred to in subclause (2) received by the person,

whichever is the lesser.

(4) Notwithstanding subclause (3), the Commission may advance to an applicant under that subclause such lesser amount as it determines.

12. RESTRICTIONS ON ADVANCES UNDER CLAUSE 11

A housing loan is not to be advanced to a person under clause 11 -

- (a) unless otherwise approved, to enable the person to refinance an existing loan;
- (b) if the person, the spouse or a dependant of the person owns (including jointly owns) premises in the Territory, other than the house the subject of the person's housing loan under clause 5 or other premises specified in the person's application under clause 10(1);
- (c) unless otherwise approved, if the person, the spouse or a dependant of the person has previously owned (including jointly owned) premises in the town in the Territory in which is situated the premises or residential block specified in the person's application under clause 10(1); or

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- (d) unless the Commission is satisfied that the person lives or intends to live in the premises or on the residential block specified in the person's application under clause 10(1).

13. LAPSE OF GRANT OF TRANSFER OF LOAN ARRANGEMENTS

(1) Unless otherwise approved, the grant of an application under clause 11(1)(a) lapses immediately on the expiration of 3 months after the date of the grant unless the person to whom that grant relates has -

- (a) sold the house the subject of the person's housing loan advanced under clause 5;
- (b) purchased the premises or residential block specified in the person's application under clause 10(1); or
- (c) in the case of the purchase of a residential block, has built or, in the opinion of the Commission, has entered into a binding agreement to build, a house on the block.

(2) Nothing in subclause (1) prevents a person referred to in that subclause from making a further application under clause 10(1).

14. TRANSFERRED LOAN TO BE SECURED BY MORTGAGE

A housing loan advanced under clause 11 is to be secured by a mortgage over the premises or residential block in respect of which the loan is made and, unless otherwise approved, is to be secured by a first mortgage.

15. RATE OF INTEREST

(1) Subject to this Scheme, the rate of interest payable by a person on a housing loan advanced under clause 11 is -

- (a) on the date that interest first becomes payable on the housing loan, the rate that was payable by the person on the housing loan advanced to the person under clause 5 at the date of the discharge of the mortgage securing that housing loan; or
- (b) subject to paragraph (a), the rate of interest that from time to time applies in respect of the housing loan by operation of clause 7(2), (3) or (4).

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(2) Where the operation of clause 7(2) or (4) varies the rate of interest payable by a person on a housing loan advanced under clause 11, the variation so made becomes due and payable on and from the monthly instalment next payable on the housing loan after that variation.

(3) For the purposes of the application of clause 7 in respect of a housing loan advanced under clause 11, a reference in that clause to the date that interest first becomes payable on a housing loan is a reference to that date in respect of the housing loan advanced under clause 5 to which the housing loan under clause 11 relates.

16. REPAYMENT OF LOAN

(1) A person to whom a housing loan under this Scheme is advanced is to repay the loan to the Commission, together with such other amounts as fall due for repayment under this Scheme -

- (a) subject to clause 17, unless otherwise approved, by monthly instalments of not less than 25% of the monthly equivalent of the person's gross weekly income; and
- (b) not later than 45 years after the date on which the principal is first payable under the housing loan.

(2) For the purposes of subclause (1)(b) and clause 17(1)(b), the date on which the principal is first payable under a housing loan advanced under clause 11 is the date on which the principal was first payable under the housing loan advanced under clause 5 to the person had the mortgage securing the housing loan not been discharged.

17. REVIEW OF REPAYMENT OF LOAN

(1) The Commission -

(a) may -

- (i) at the request of the person to whom a housing loan is advanced under this Scheme; or
- (ii) of its own volition; and

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- (b) notwithstanding paragraph (a), is, at the expiration of each period of 3 years after the date on which the principal is first payable under the housing loan, to,

review the monthly instalments required by clause 16(1) to be made on the loan and, where the Commission is satisfied that the review shows that the gross weekly income referred to in that clause in relation to the loan has varied, it may, for that reason, but not otherwise, vary those monthly instalments, either by increasing or decreasing them, so that those monthly instalments are not less than 25% of the monthly equivalent of the person's gross weekly income.

(2) Where the Commission under subclause (1) varies the monthly instalments payable by a person under this Scheme, the variation so made becomes due and payable on and from the date of the monthly instalment next payable under the housing loan after the variation is made.

18. RATE OF INTEREST WHERE NOT RESIDING IN PREMISES

Notwithstanding anything to the contrary in this Scheme, where -

- (a) a person is advanced a housing loan under this Scheme and the mortgage executed in relation to the housing loan has not been discharged; and
- (b) the person to whom the housing loan is advanced does not reside, for whatever reason, in the premises to which the housing loan relates for a period of time,

the Commission may increase the rate of interest payable on the housing loan, with effect for that period only, to a rate it considers suitable, but that rate must not be greater than 1% more than the market rate.

19. BUILDING ACT

A housing loan under this Scheme is not to be advanced to a person for the purpose of the erection of premises in a manner which does not comply with the *Building Act*.

20. COMMONWEALTH-TERRITORY HOUSING AGREEMENT

For the purposes of paragraph 19(b)(ii) of the Housing Agreement between the Commonwealth of Australia and the Territory dated 24 May 1990, the difference between the amount paid by a person to whom a housing loan is advanced under this Scheme and the amount that would have been payable by that person if the rate of interest on the

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housing loan was equal to that payable under a Commonwealth Bank of Australia variable home loan is subsidy assistance to be recovered by the Territory, except in the case of hardship, in accordance with that paragraph.

"SCHEDULE 7

Regulation 3

HOMENORTH HOMESHARE TENANT EQUITY SCHEME

1. DEFINITION

In this Scheme, a reference to a share in a dwelling is a reference to a share in a dwelling that -

- (a) is to be held under a tenancy in common together with the Commission; and
- (b) represents an interest in the dwelling that is not less than 70% of the market value of the dwelling.

2. SALE OF DWELLINGS

Subject to this Scheme, the Commission may sell to a person a dwelling or a share in a dwelling and, for that purpose, may advance a housing loan under this Scheme to the person.

3. RESTRICTION ON SCHEME

(1) A person is not eligible to purchase a dwelling or a share in a dwelling and to an advance of a housing loan for that purpose under clause 5 -

- (a) unless otherwise approved, if the person, the spouse or a dependant of the person owns (including jointly owns) a house in the Territory;
- (b) unless the Commission is satisfied that the person lives or will live in the dwelling in respect of which the person's application for a housing loan relates;
- (c) unless the person is purchasing a dwelling or not less than 70% of the market value of a dwelling; or
- (d) if the person does not comply with the requirements of subclause (2).

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(2) For the purposes of subclause (1)(d), the requirements are -

- (a) the person has an amount of not less than 5% of the purchase price of the dwelling, or the share of the dwelling, to which the application relates that will be, or form part of, the deposit for the purchase of that dwelling;
- (b) the Commission is satisfied that the applicant has made improvements to the dwelling to which the application relates that amount to not less than 5% of the purchase price of the dwelling or the share of the dwelling; or
- (c) the Commission is satisfied that the applicant has made improvements to the dwelling to which the application relates and has an amount that will form part of the deposit for the purchase of that dwelling that, in total, amount to not less than 5% of the purchase price of the dwelling or the share of the dwelling.

4. PERSONS WHO MAY APPLY

Subject to this Scheme, a person who is the tenant of a dwelling and whose -

- (a) gross weekly income is not less than \$300 and not more than \$1,000 may apply, or that person and an approved person may jointly apply, to the Commission to purchase that dwelling or a share in that dwelling; or
- (b) gross weekly income is more than \$1,000 may apply, or that person and an approved person may jointly apply, to the Commission to purchase that dwelling (but not a share in that dwelling),

and for the advance under clause 5 of a housing loan to purchase that dwelling or the share in that dwelling, as the case may be.

5. DETERMINATION OF APPLICATION

Where the Commission receives an application under clause 4, it may -

- (a) grant the application by selling the dwelling or the share in the dwelling, and making an advance to purchase the dwelling or the share in the dwelling, to the person making the application, or jointly to that person and an approved person where that application is made in their joint names; or

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(b) reject the application.

6. MAXIMUM AMOUNT OF ADVANCE

(1) The amount that the Commission may advance as a housing loan under clause 5 is not to be more than the amount specified in Column 2 of the Table to this clause opposite the range of gross weekly income specified in Column 1 into which the person's gross weekly income, as at the time the application for the loan is made, falls.

(2) Subclause (1) does not operate so as to require the Commission to advance to an applicant the maximum amount determined under that subclause and the Commission may advance such lesser amount to an applicant as it determines to be appropriate, but that amount is not to exceed the purchase price of the dwelling plus any costs of and incidental to the sale of the dwelling less the amount referred to in clause 3(2).

TABLE

Column 1		Column 2	
Gross weekly income		Loan amount	
Not less than	Not more than		
\$300	-	\$349	\$80,000
\$350	-	\$399	\$90,000
\$400	-	\$449	\$95,000
\$450	-	\$499	\$100,000
\$500	-	\$549	\$105,000
\$550	-	\$599	\$110,000
\$600	-	\$649	\$115,000
\$650	-	\$699	\$120,000
\$700	-	\$749	\$125,000
\$750	-	\$799	\$125,000
\$800	-	\$849	\$130,000
\$850	-	\$899	\$130,000

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\$900	-	\$949	\$140,000
\$950	-	\$1,000	\$145,000
more than \$1,000			\$150,000 or more

7. RATE OF INTEREST

(1) Subject to this Scheme, the rate of interest payable by a person on a housing loan advanced under clause 5 is, at the date that interest first becomes payable on the housing loan and for the first 12 months commencing on that date -

(a) in the case of a person referred to in clause 4(a) -

(i) the rate specified in Column 2 of the Table to this clause opposite the range of gross weekly income specified in Column 1 into which the person's gross weekly income, as at the time the application for the loan is made, falls; or

(ii) 92.5% of the market rate;

(b) in the case of a person referred to in clause 4(b), the market rate; or

(c) the rate from time to time determined by the Minister by instrument in writing,

whichever from time to time is the lesser.

(2) On the expiration of the period referred to in clause (1), the rate of interest is that from time to time applying by operation of subclause (3), (4) or (5).

(3) Subject to subclauses (4) and (5), where, on any anniversary of the date that interest first becomes payable by a person on a housing loan advanced under this Scheme, the interest rate being paid by the person is less than the maximum rate of interest payable under subclause (8), the person is, for the 12 months commencing from that date, to pay the rate of interest that equals the first-mentioned rate of interest as increased by the rate of increase determined by the Minister under subclause (6)(b) in respect of the housing loan.

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(4) Where, on any anniversary of the date that interest first becomes payable by a person on a housing loan advanced under this Scheme, the interest rate being paid by the person is equal to the maximum rate of interest payable under subclause (8), the person is to continue to pay that rate of interest for the 12 months commencing from that date.

(5) A person is not to pay a rate of interest that is more than the maximum rate of interest payable under subclause (8) and, if it occurs that the rate of interest payable by a person under subclause (3) or (4) becomes more than that maximum rate of interest, the rate of interest payable by the person immediately reduces to be the rate of interest equal to that maximum rate of interest (but which may be varied by the operation of subclause (3) or this subclause).

(6) Subject to subclause (7), the Minister is from time to time to determine -

- (a) a rate of interest to be the maximum rate of interest for the purposes of subclause (8)(a); and
- (b) the rates by which rates of interest paid on housing loans advanced under this Scheme are, from each anniversary of the date that interest first becomes payable on each of the housing loans, to increase (unless a rate of interest payable on a housing loan equals or is more than the maximum rate of interest payable under subclause (8)).

(7) Where the Minister makes a determination under subclause (6), the Minister -

- (a) is to have given regard to prevailing economic conditions (in particular current bank interest rates and the consumer price index); and
- (b) in the case of a determination of the rates by which interest rates are to increase ('rates of increase') under subclause (6)(b) -
 - (i) is to determine the rates of increase in relation to the gross weekly income of persons to whom housing loans are advanced under this Scheme; and
 - (ii) may not determine a rate of increase that is more than 0.5% per annum.

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(8) The maximum rate of interest payable on housing loans advanced under this Scheme is -

- (a) the rate of interest the Minister from time to time determines under subclause (6)(a) to be the maximum rate; or
- (b) the rate of interest that is equal to 1% more than the market rate,

whichever from time to time is the lesser.

(9) Where the operation of subclause (3) or (5) varies the rate of interest payable by a person under this Scheme, the variation so made becomes due and payable on and from the monthly instalment next payable on the housing loan after that variation.

(10) Where the gross weekly income of a person contains an amount that is not a whole dollar, the gross weekly income of the person is, for the purposes of the Table to this clause, to be calculated exclusive of that amount.

TABLE

Column 1 Gross weekly income		Column 2 Rate of interest
Not less than	Not more than	
\$300	- \$349	5%
\$350	- \$399	5%
\$400	- \$449	6%
\$450	- \$499	6%
\$500	- \$549	6.5%
\$550	- \$599	6.5%
\$600	- \$649	7%
\$650	- \$699	7%
\$700	- \$749	7%
\$750	- \$799	7%
\$800	- \$849	8%
\$850	- \$899	8%

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\$900	-	\$949	9%
\$950	-	\$1,000	9%

8. TERMS AND CONDITIONS

(1) Where the Commission grants an application to advance a housing loan under clause 5 for the purchase of a share in a dwelling, the Commission and the person to whom the application is granted ('the applicant') are to enter into an agreement relating to the ownership of the dwelling.

(2) An agreement referred to in subclause (1) is to make provision for the following terms and conditions:

- (a) that the applicant is to purchase the dwelling by purchasing a first share in the dwelling of not less than 70% of the market value of the house and, on repayment of the loan advanced in respect of that share, a second and final share being the whole of the Commission's interest in the dwelling;
- (b) that the applicant has the right to possess the dwelling and that the applicant, in consideration thereof, is to make payments in respect of rates, taxes, charges and other outgoings in respect of the dwelling;
- (c) that if the applicant, without fault, at any time during the term of the agreement, wishes to sell the dwelling, the Commission is not, unless there are reasonable grounds for doing so, to withhold its consent to the sale of the house.

9. LOAN TO BE SECURED BY MORTGAGE

A housing loan advanced under clause 5 is to be secured by a mortgage over the dwelling in respect of which the loan is made and, unless otherwise approved, is to be secured by a first mortgage.

10. APPLICATION FOR TRANSFER OF LOAN ARRANGEMENTS

(1) Where a person has, by way of a housing loan under clause 5, purchased a dwelling and -

- (a) the mortgage executed in relation to the housing loan has not been discharged; and

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- (b) the person has, unless otherwise approved, occupied the dwelling for a period of not less than 3 years after the mortgage was executed,

the person may apply to the Commission to discharge the mortgage and, subject to this Scheme, for an advance from the Commission of an amount specified in the application, being an amount not more than the amount used to discharge the mortgage, for the purposes of the purchase of the Commission's interest in the dwelling on the same terms and conditions on which the housing loan under clause 5 was granted.

(2) A person making an application under subclause (1) is to provide the Commission with such information as it requires, including information in relation to the person's gross weekly income.

11. DETERMINATION OF APPLICATION FOR TRANSFER OF LOAN ARRANGEMENTS

(1) Where the Commission receives an application under clause 10(1), it may -

- (a) subject to subclause (2) and clause 12, grant the application; or
(b) reject the application.

(2) Subject to this Scheme, where the Commission grants an application under subclause (1)(a), it is to make an advance to the person to whom the grant relates of an amount not more than -

- (a) the amount applied for in the application; or
(b) the amount required to purchase the Commission's interest in the dwelling specified in the application,

whichever is the lesser.

(3) Notwithstanding subclause (2), the Commission may advance to an applicant under that subclause such lesser amount as it determines.

12. RESTRICTIONS ON ADVANCES UNDER CLAUSE 11

A housing loan is not to be advanced to a person under clause 11 -

- (a) unless otherwise approved, to enable the person to refinance an existing loan;

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- (b) if the person, the spouse or a dependant of the person owns (including jointly owns) a house in the Territory, other than the dwelling the subject of the person's housing loan under clause 5;
- (c) unless otherwise approved, if the person, the spouse or a dependant of the person has previously owned (including jointly owned) a house in the town in the Territory in which the dwelling is situated; or
- (d) unless the Commission is satisfied that the person lives or intends to live in the dwelling.

13. TRANSFERRED LOAN TO BE SECURED BY MORTGAGE

A housing loan advanced under clause 11 is to be secured by a mortgage over the dwelling in respect of which the loan is made and, unless otherwise approved, is to be secured by a first mortgage.

14. RATE OF INTEREST

(1) Subject to this Scheme, the rate of interest payable by a person on a housing loan advanced under clause 11 is -

- (a) on the date that interest first becomes payable on the housing loan, the rate that was payable by the person on the housing loan advanced to the person under clause 5 at the date of the discharge of the mortgage securing that housing loan; or
- (b) subject to paragraph (a), the rate of interest that from time to time applies in respect of the housing loan by operation of clause 7(3), (4) or (5).

(2) Where the operation of clause 7(3) or (5) varies the rate of interest payable by a person on a housing loan advanced under clause 11, the variation so made becomes due and payable on and from the monthly instalment next payable on the housing loan after that variation.

(3) For the purposes of the application of clause 7 in respect of a housing loan advanced under clause 11, a reference in that clause to the date that interest first becomes payable on a housing loan is a reference to that date in respect of the housing loan advanced under clause 5 to which the housing loan under clause 11 relates.

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15. REPAYMENT OF LOAN

(1) A person to whom a housing loan under this Scheme is advanced is to repay the loan to the Commission, together with such other amounts as fall due for repayment under this Scheme -

- (a) subject to clause 16, unless otherwise approved, by monthly instalments of not less than 25% of the monthly equivalent of the person's gross weekly income; and
- (b) not later than 45 years after the date on which the principal is first payable under the housing loan.

(2) For the purposes of subclause (1)(b) and clause 16(1)(b), the date on which the principal is first payable under a housing loan advanced under clause 11 is the date on which the principal was first payable under the housing loan advanced under clause 5 to the person had the mortgage securing that housing loan not been discharged.

16. REVIEW OF REPAYMENT OF LOAN

- (1) The Commission -
 - (a) may review -
 - (i) at the request of the person to whom a housing loan is advanced under this Scheme; or
 - (ii) of its own volition; and
 - (b) is, at the expiration of each period of 3 years after the date on which the principal is first payable under the housing loan, to review,

the monthly instalments required by clause 15(1) to be made on the loan and, where the Commission is satisfied that the review shows that the gross weekly income referred to in that clause in relation to the loan has varied, it may, for that reason, but not otherwise, vary those monthly instalments, either by increasing or decreasing them, so that those monthly instalments are not less than 25% of the monthly equivalent of the person's gross weekly income.

(2) Where the Commission under subclause (1) varies the monthly instalments payable by a person under this Scheme, the variation so made becomes due and payable on and from the date of the monthly instalment next payable under the housing loan after the variation is made.

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17. RATE OF INTEREST WHERE NOT RESIDING IN DWELLING

Notwithstanding anything to the contrary in this Scheme, where -

- (a) a person is advanced a housing loan under this Scheme and the mortgage executed in relation to the housing loan has not been discharged; and
- (b) the person to whom the housing loan is advanced does not reside, for whatever reason, in the dwelling to which the housing loan relates for a period of time,

the Commission may increase the rate of interest payable on the housing loan, with effect for that period only, to a rate it considers suitable having given regard to the person's reason for not residing in the dwelling or premises, but that rate must not be greater than 1% more than the market rate.

"SCHEDULE 8

Regulation 3

HOMENORTH EARLY START DEPOSIT ASSISTANCE SCHEME

1. PAYMENT OF DEPOSIT BY COMMISSION

Subject to this Scheme, the Commission may, on the application of a person, advance to or pay on behalf of the person a sum of money to be used as, or form part of, a deposit for the purchase or erection of premises.

2. RESTRICTIONS ON SCHEME

- (1) A person is not eligible to participate in this Scheme -
 - (a) unless otherwise approved, if the person, the spouse or dependant of the person owns, or has previously owned, (including as a joint owner) premises in the Territory;
 - (b) unless the Commission is satisfied that the person intends to live in the premises to which the person's application for the advance or payment relates;

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- (c) if the market value of the premises to which the application relates is more than \$140,000 or, if the premises are to be constructed, if the market value of the land and the construction costs of the premises is more than \$140,000; or
- (d) if the person's gross weekly income is less than \$300 or more than \$1,000.

3. AMOUNT OF ASSISTANCE

(1) The amount that the Commission may advance to or pay on behalf of a person under this Scheme is, subject to subclause (2), the amount specified in Column 2 of the Table to this clause opposite the range of gross weekly income specified in Column 1 within which the person's gross weekly income, as at the time the application for the advance or payment is made, falls.

(2) Where one person alone is purchasing or constructing premises, the amount that the Commission may under this Scheme advance to or pay on behalf of that person may not exceed \$1,000.

(3) Where the gross weekly income of a person contains an amount which is not a whole dollar, the gross weekly income of the person shall, for the purposes of this clause, be calculated exclusive of that amount.

TABLE

Column 1 Range of gross weekly income	Column 2 Amount of assistance
\$300 - \$699	\$3,000
\$700 - \$849	\$2,000
\$850 - \$1,000	\$1,000

4. TIME OF PAYMENT

An amount to be advanced to or paid on behalf of a person under this Scheme is not to be advanced or paid before -

- (a) in the case of the purchase of premises where the person borrows money to purchase the premises, the execution of the mortgage or mortgages securing the loan or loans advanced to the person in relation to the purchase;

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- (b) in the case of the purchase of premises where the person does not borrow money to purchase the premises, settlement of the purchase; or
- (c) in the case of the erection of premises, the grant of a building permit within the meaning of the *Building Act* in respect of the erection.

"SCHEDULE 9

Regulation 3

HOMENORTH ASSIST INTEREST SUBSIDY SCHEME

1. LOAN INTEREST SUBSIDY

Subject to this Scheme, the Commission may pay an interest subsidy to an approved lender in respect of a loan advanced by that lender to a person to whom the Commission has issued a certificate of eligibility.

2. RESTRICTIONS ON SCHEME

The Commission is not to pay an interest subsidy on behalf of a person in respect of a loan advanced to the person -

- (a) where the loan is advanced by a lender which the Commission has not approved;
- (b) unless the loan is advanced to the person for the purchase or erection of a house by the person;
- (c) unless otherwise approved; if the loan is for the purpose of refinancing an existing loan;
- (d) if, at the time of the person's application under clause 3, the person or the spouse or dependant of the person owns, or has previously owned, (including as a joint owner) premises in the Territory;
- (e) unless otherwise approved, if the person or the spouse or a dependant of the person has previously received financial assistance;
- (f) if the Commission is not satisfied that the person, on obtaining the loan, intends to live in the house to which the loan relates; or
- (g) if the market value of the house to which the loan relates is more than \$140,000.

Housing Assistance Schemes Regulations

3. CERTIFICATE OF ELIGIBILITY

(1) A person whose gross weekly income is not less than \$700 or more than \$1,000 may apply to the Commission for a certificate of eligibility.

(2) The Commission, on receipt of an application under subclause (1), is, subject to clause 2, to determine whether the person is eligible for an interest subsidy and, if so, may, on the person entering into an agreement with the Commission specifying the conditions on which the certificate of eligibility is issued and on which the interest subsidy is to be paid by the Commission, issue to the person a certificate of eligibility.

(3) A certificate of eligibility issued under this clause is to specify the maximum interest subsidy payable to an approved lender should the person to whom it relates be advanced a loan by the lender.

(4) Subject to subclauses (5) and (6), a certificate of eligibility issued under this clause is to remain in force for 3 months from the date of issue.

(5) A certificate of eligibility -

(a) is of no force or effect if obtained by fraud; and

(b) remains in force only during the time that the information contained in the certificate remains unchanged.

(6) The Commission may, at any time before a certificate of eligibility issued under this clause expires, renew the certificate for the period, not exceeding 3 months, as is specified in the certificate.

4. LEVEL AND PAYMENT OF INTEREST SUBSIDY

(1) The Commission is to pay an interest subsidy on behalf of a person under this Scheme on the day that interest first becomes payable on the loan advanced to the person, and thereafter on that date in each month until the expiration of the whole of the period that the person is entitled to have the interest subsidy paid on his or her behalf in accordance with this clause.

(2) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income of not less than \$700 and not more than \$749 specified in Column 1 of

Housing Assistance Schemes Regulations

the Table to this clause borrows an amount not less than the amount specified opposite in Column 2, the interest subsidy that the Commission may pay each month on behalf of the person under this Scheme is -

- (a) for 2 years on and from the date that interest first becomes payable on the loan, the amount specified opposite in Column 3;
- (b) for one year next following the period referred to in paragraph (a), \$105;
- (c) for one year next following the period referred to in paragraph (b), \$75;
- (d) for one year next following the period referred to in paragraph (c), \$40;
- (e) for one year next following the period referred to in paragraph (d), \$20; and
- (f) for one year next following the period referred to in paragraph (e), \$20.

(3) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income of not less than \$750 and not more than \$799 specified in Column 1 of the Table to this clause borrows an amount not less than the amount specified opposite in Column 2, the interest subsidy that the Commission may pay each month on behalf of the person under this Scheme is -

- (a) for 2 years on and from the date that interest first becomes payable on the loan, the amount specified opposite in Column 3;
- (b) for one year next following the period referred to in paragraph (a), \$75;
- (c) for one year next following the period referred to in paragraph (b), \$40;
- (d) for one year next following the period referred to in paragraph (c), \$20; and
- (e) for one year next following the period referred to in paragraph (d), \$20.

(4) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income of not less than \$800 and not more than \$849 specified in Column 1 of

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the Table to this clause borrows an amount not less than the amount specified opposite in Column 2, the interest subsidy that the Commission may pay each month on behalf of the person under this Scheme is -

- (a) for 2 years on and from the date that interest first becomes payable on the loan, the amount specified opposite in Column 3;
- (b) for one year next following the period referred to in paragraph (a), \$40;
- (c) for one year next following the period referred to in paragraph (b), \$20; and
- (d) for one year next following the period referred to in paragraph (c), \$20.

(5) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income of not less than \$850 and not more than \$899 specified in Column 1 of the Table to this clause borrows an amount not less than the amount specified opposite in Column 2, the interest subsidy that the Commission may pay each month on behalf of the person under this Scheme is -

- (a) for 2 years on and from the date that interest first becomes payable on the loan, the amount specified opposite in Column 3;
- (b) for one year next following the period referred to in paragraph (a), \$20; and
- (c) for one year next following the period referred to in paragraph (b), \$20.

(6) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income of not less than \$900 and not more than \$949 specified in Column 1 of the Table to this clause borrows an amount not less than the amount specified opposite in Column 2, the interest subsidy that the Commission may pay each month on behalf of the person under this Scheme is -

- (a) for 2 years on and from the date that interest first becomes payable on the loan, the amount specified opposite in Column 3; and
- (b) for one year next following the period referred to in paragraph (a), \$20.

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(7) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income of not less than \$949 and not more than \$1,000 specified in Column 1 of the Table to this clause borrows an amount not less than the amount specified opposite in Column 2, the interest subsidy that the Commission may pay each month on behalf of the person under this Scheme, for 2 years on and from the date that interest first becomes payable on the loan, is the amount specified opposite in Column 3.

(8) Where a person whose gross weekly income, as at the time the person makes an application for an eligibility certificate, falls within the range of income specified in Column 1 of the Table to this clause borrows an amount that is less than the amount specified opposite in Column 2 of the Table, the Commission is to pay an interest subsidy each month on behalf of the person, for the whole of the period specified respectively in subclause (2), (3), (4), (5), (6) or (7), but the amount of the interest subsidy that the Commission may pay on behalf of the person is the amount that represents the same proportion in relation to the interest subsidy specified opposite in Column 3 as the amount the person borrows is in relation to the amount specified in Column 2.

TABLE

Column 1	Column 2	Column 3
Range of gross weekly income	Minimum loan	Interest subsidy
\$700 - \$749	\$100,000	\$132
\$750 - \$799	\$105,000	\$105
\$800 - \$849	\$110,000	\$75
\$850 - \$899	\$115,000	\$40
\$900 - \$949	\$120,000	\$20
\$950 - \$1,000	\$120,000	\$20