NOTE: Fully redacted pages have been deleted

FOI 4057
Document 4

1. Current state of play – decisions already taken

Policy parameter	Key decisions	Rationale
Pre-consultation on the Program Directions		
Frequency of income reviews	Increased to five yearly reviews, from annual.	Balance administrative burden and participant sense of home ownership, and recognises participant circumstances not likely to materially change over one year.
Mandatory repayments of equity share	Introduced flexible repayment requirement with consideration of participant circumstances.	Operationalise the election commitment, balance integrity of scheme with participant sense of home ownership.
Renovations and recognising uplift	Introduced a threshold for claiming a renovation uplift against the Cth share, and two-valuation approach.	Operationalise the election commitment, enable participant sense of home ownership.
Refinancing the primary loan (increasing total loan)	Introduced eligible circumstances to increase the size of the primary mortgage.	Balance the principle of repaying the Cth equity share as soon as possible, while maintaining the participant's sense of agency over decisions about their home.
Calculation of the Commonwealth's equity share	Introducing the ability to adjust the Cth share if a property is valued under the purchase price.	To protect the Commonwealth's financial interests. This also aligns with the NSW and Victorian shared equity schemes.
Post-consultation on the Program Directions under consideration		
Income caps	Increasing single and joint income caps with WPI growth since May 2022.	Recognises wage growth since the election commitment and will help to address the mortgage servicing barriers raised by stakeholders.
	Enabling single parents to access the joint cap	Acknowledges that single parents can face additional difficulties in achieving home ownership due to the increased living costs of a family supported by only one income.
New home constructions	Certain changes to timeframe requirements, the mortgage term limit, and flexibility around the timing of construction progress payments.	To better support the take up of new builds under the scheme, and ensuring the scheme is compatible with lender practices.

s 22 [redacted]

#	Regulatory issue	Owner	Treasury position
1	**(National Credit Code Applicability) HTB arrangements to be exempt from the National** Credit Code	Treasury	Supports in-principle – awaiting further advice from internal teams and ASIC. At this stage we do not expect any significant issues with Housing Australia's position.
2	**(National Consumer Credit Protection Act – Responsible Lending obligations)**	Treasury	Supports in-principle – awaiting further advice from internal teams and ASIC. At this stage we do not expect any significant issues with Housing Australia's position.
3	**(Chapter 7 of the Corporations Act)**	Treasury	Supports Housing Australia position.
4	**(ASIC Act)**	Treasury	Supports Housing Australia position.
5	**(Corporations Act Part** 7.8A) Lender DDO **obligations**		Supports in-principle – awaiting further advice from internal teams and ASIC. At this stage we do not expect any significant issues with Housing Australia's position.
6	**(AML/CTF)**	Housing Australia	s 22 [redacted]
7	**APRA Prudential Guidance**	N/A	

From: s 22 [redacted]
To: s 22 [redacted]
Cc: Jessica Robinson; Donovan, Felix; s 22 [redacted]
Subject: HTB Regulatory Issues[SEC=OFFICIAL:Sensitive, ACCESS=Legal-Privilege]
Date: Tuesday, 25 February 2025 5:29:13 PM
Attachments: image006.png
image001.png

OFFICIAL: Sensitive Legal Privilege

Hi s 22 [redacted]

As mentioned at the SteerCo and our Monday catch up, we are keen to reengage with Housing Australia on the regulatory issues HA had previously raised with TSY in relation to which HA was keen to seek exemptions for the HTB program. Set out below is a summary table of the key issues and the feedback we have received from consulting with our Financial Systems Division colleagues and ASIC.

We're keen to talk through the positions set out below with the HA team. Appreciate if you could please let us know the best HA contact for these discussions.

Jess – I've copied you in as I had previously mentioned these matters to you in a separate discussion.

Thanks

s 22 [redacted] (she/her) — **Director**
s 22 [redacted] Housing Finance Branch
Housing Division
P s 22 [redacted] **M** s 22 [redacted]

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The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

LGBTQI+ Ally

s 47C, S 47E(d) [redacted]

	Issue identified by Housing Australia	
1	HTB arrangements to be exempt from the National Credit Code.	[redacted]

s 47C, S 47E(d)

s 22