



Overview

IBA's Home Ownership Program aims to provide an affordable entry into home ownership for Indigenous Australians, particularly those on lower incomes.

Nationally, 36 per cent of Indigenous households own or are purchasing a home compared to 70 percent of non-Indigenous Australians¹. The Home Ownership Program aims to close this gap by tailoring assistance to borrowers who cannot obtain, or who have difficulty in obtaining, home loan finance from a mainstream home lender.

Key program features include:

- low interest rates (currently commencing at 4.00² per cent which gradually increase until they reach the IBA Home Loan rate³),
- low deposit⁴ of \$3,000 or five per cent of the purchase price, (whichever is less),
- standard loan term of up to 32 years (may be extended to 45 years to assist loan affordability),
- high proportion of new loans to first home buyers (currently more than 90%),
- assistance to clients over the course of the loan to manage mortgage repayments and general household budgeting.

Achievements	2006-07	2007-08	2008-09
new loans approved	508	474	348
value of new loans (million)	117.3	113.9	86.8
first home buyers	390	407	314
enquiries	5,678	5,800	6,696
waiting list	700	911	1,323

Portfolio and historical lending information

- 3,364 active loans with a total portfolio value of over \$552 million,
- low number of reportable arrears equalling 1.46 per cent of loans,
- since 1975 have assisted more than 13,700 families to buy their own homes, with total loans of close to \$1.4 billion.

Average loan amount in Home Ownership Program

Financial year	Home Ownership Program					National
	Average purchase price (\$)	Average loan amount (\$)	Average LVR for all clients (%)	Average LVR for first Home buyers (%)	Average deposit (\$)	Average purchase price (\$)
2005-06	238,234	212,901	90	94.0	7,051	395,900
2006-07	261,924	235,253	91	94.6	6,865	420,900
2007-08	286,406	249,151	93	95.5	7,032	458,000
2008-09	299,139	258,210	93.7	94.3	4,704	437,121

1. 2009 Aboriginal and Torres Strait Islander Home Ownership: A snapshot, 2006, Australian Bureau of Statistics

2. Prospective clients should check commencing interest rates with IBA, as these rates are subject to change, in line with movements in the Reserve Bank of Australia cash rate.

3. The IBA Home Loan Rate is current set at the lesser of the RBA Cash Rate plus 1% or the CBA Standard Variable Home Loan Rate less 1%

4. The First Home Buyers Grant may be used to meet the deposit



Distribution of approved loans, 2008-09

State	Number of loans approved	Total approved (\$)
NSW	118	25,834,002
ACT	7	2,147,500
VIC	44	10,779,443
QLD	89	22,574,642
SA	8	2,415,300
WA	32	8,292,500
TAS	9	1,749,000
NT	41	12,969,505
Total	348	86,761,891

Outlook

In 2009-10 IBA will:

- provide new home loans to more than 360 eligible clients,
- face increased demand for its specialised home lending products as continued uncertainty surrounds the outlook for the Australian domestic economy including a forecast rise in unemployment, and
- face challenges for revenue streams as the overall substantial tightening of financial conditions, with tougher credit standards, is applied by mainstream lenders. This may hamper existing borrowers wishing to refinance existing IBA home loans.

For more information:

- visit www.iba.gov.au
- FREECALL™ **1800 107 107***, or
- write to PO Box 38, Woden ACT 2606