Owning your first home is within reach with a Welcome Home Loan
A Welcome Home Loan makes it easier for you to buy your first home.

It’s designed for first home buyers who can afford to make regular repayments on a home loan, but have trouble saving for a large deposit.

With a Welcome Home Loan you only need a 10 percent deposit, not a 20 percent deposit as required now by most lenders.

Welcome Home Loans are issued by selected banks, building societies, and credit unions, and underwritten by Housing New Zealand.

There is help available if you are having trouble saving your deposit. Your deposit can be gifted by a relative. You can team up with other borrowers to put together your deposit and purchase a home. You can also use two features offered through KiwiSaver.

If you are a member of KiwiSaver and have been contributing regularly for at least three years, you may be eligible for a KiwiSaver HomeStart grant and a KiwiSaver first-home withdrawal.

The KiwiSaver HomeStart grant provides eligible first-home buyers with a grant of up to $5,000 for individuals and up to $10,000 for two or more eligible buyers to put towards the purchase of an existing/older home.

In addition, the KiwiSaver HomeStart grant also provides eligible first-home buyers with a grant of up to $10,000 for individuals and up to $20,000 for two or more eligible buyers to help with the costs of purchasing a brand new home.

Eligible members can withdraw their KiwiSaver contributions (including tax credits). However at least $1,000 must remain in their KiwiSaver account.

As well as having a 10 percent deposit, you need to meet certain criteria including an income cap and relevant house price cap.

You will also need to meet the specific lending criteria of the participating lender you choose.
Some participating lenders allow you to build a new house with a Welcome Home Loan. Please ask your preferred lender if they do and what their criteria are.

To be eligible for a Welcome Home Loan your combined household income for the last 12 months must have been $85,000 or less (before tax) if you are the sole borrower. If you are teaming up with one or more borrowers to buy a house, then you can have a combined household income up to $130,000 or less (before tax) in the last 12 months.

The maximum amount you can borrow with a Welcome Home Loan depends on the region you are buying in and the type of house you are buying – new or existing.

Each region has house price caps and the maximum loan for that region is the house price cap less your 10 percent deposit.

<table>
<thead>
<tr>
<th>REGION</th>
<th>HOUSE PRICE CAP FOR EXISTING/OLDER PROPERTIES</th>
<th>HOUSE PRICE CAP FOR NEW PROPERTIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland, Queenstown Lakes District</td>
<td>$600,000</td>
<td>$650,000</td>
</tr>
<tr>
<td>Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Rest of New Zealand</td>
<td>$400,000</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

A home which received its building code compliance certificate less than six months before the participating lender submits a Welcome Home Loan application is considered a new home.

You must live in the home you are buying. A Welcome Home Loan cannot be used to buy an investment or rental property.

**You cannot own any other property.**

You will need to pay a 1 percent Lender’s Mortgage Insurance premium and the lender may apply a loan application fee. In most cases these fees can be built into the home loan. Talk to your participating lender to see what applies.

You are a New Zealand citizen or permanent New Zealand resident (holding a ‘Permanent Resident Visa’).

Some participating lenders allow you to build a new house with a Welcome Home Loan. Please ask your preferred lender if they do and what their criteria are.
How Ben and Toni bought their first home in Christchurch using a Welcome Home Loan and KiwiSaver

Ben and Toni have an offer to buy their first home accepted as long as they meet the conditions set out in the sale and purchase agreement. The property they’re interested in is a $400,000 existing home in Hoon Hay, Christchurch. They have not been able to save a deposit, but have been KiwiSaver members since it started in July 2007. In the last 12 months, they have earned a combined income of $100,000.

Both Ben and Toni have applications for the KiwiSaver HomeStart grant pre-approved and are eligible for $5,000 each to help with the purchase of their first home. They are also both eligible to withdraw their KiwiSaver contributions (including tax credits). However at least $1,000 must remain in their KiwiSaver account. Together they can withdraw $35,000.

Banks have advised they will need a deposit of between 15 and 20 percent of the purchase price ($60,000 – $80,000), which they don’t currently have. After looking through the Welcome Home Loan website, they saw it may be possible to get a loan with only a 10 percent deposit so applied to a Welcome Home Loan lender and showed that with all of the KiwiSaver HomeStart grants and first-home withdrawals, they had $45,000 to put towards the purchase. As this totalled 11.25 percent and because they met the other lending criteria, they were offered a Welcome Home Loan of $355,000.

<table>
<thead>
<tr>
<th>HOUSE PURCHASE PRICE</th>
<th>DEPOSIT AMOUNT</th>
<th>DEPOSIT AVAILABLE</th>
<th>WELCOME HOME LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400,000</td>
<td>$45,000 ($35,000 + $5,000 + $5,000)</td>
<td>11.25%</td>
<td>$355,000 (88.75% LVR)</td>
</tr>
</tbody>
</table>
If you think you may be eligible for a Welcome Home Loan, and you would like to take the next step, visit the Welcome Home Loan website to read more about the loan. Then contact a participating lender – refer to the website or the table below. Each lender has their own credit criteria you will need to meet along with the standard Welcome Home Loan eligibility criteria.

<table>
<thead>
<tr>
<th>WELCOME HOME LOAN LENDERS</th>
<th>PHONE NO</th>
<th>WEBSITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZCU Baywide</td>
<td>0800 229 9433</td>
<td><a href="http://www.nzcubaywide.co.nz">www.nzcubaywide.co.nz</a></td>
</tr>
<tr>
<td>Heartland Bank</td>
<td>0800 227 227</td>
<td><a href="http://www.heartland.co.nz">www.heartland.co.nz</a></td>
</tr>
<tr>
<td>NZCU Employees</td>
<td>09 579 0448</td>
<td><a href="http://www.nzcuemployees.co.nz">www.nzcuemployees.co.nz</a></td>
</tr>
<tr>
<td>Kiwibank</td>
<td>0800 272 278</td>
<td><a href="http://www.kiwibank.co.nz">www.kiwibank.co.nz</a></td>
</tr>
<tr>
<td>Nelson Building Society</td>
<td>0800 101 700</td>
<td><a href="http://www.nbs.co.nz">www.nbs.co.nz</a></td>
</tr>
<tr>
<td>SBS Bank</td>
<td>0800 727 2265</td>
<td><a href="http://www.sbsbank.co.nz">www.sbsbank.co.nz</a></td>
</tr>
<tr>
<td>TSB Bank</td>
<td>0800 231 232</td>
<td><a href="http://www.tsbbank.co.nz">www.tsbbank.co.nz</a></td>
</tr>
<tr>
<td>Westpac</td>
<td>0800 177 277</td>
<td><a href="http://www.westpac.co.nz">www.westpac.co.nz</a></td>
</tr>
<tr>
<td>The Co-operative Bank</td>
<td>0800 554 554</td>
<td><a href="http://www.co-operativebank.co.nz">www.co-operativebank.co.nz</a></td>
</tr>
</tbody>
</table>
Easy Welcome Home Loan Guide

Are you interested in owning your first home?

YES

Do you want to live in the house you buy, rather than renting it out?

YES

How many people want to borrow?

1

NO

Is your household income $85,000 per year or less (before tax)?

NO

Sorry, you don’t qualify.

YES

Consider joining KiwiSaver so you will be eligible for the HomeStart grant and first-home withdrawal after three years of contributions.

2+

Is your household income $130,000 per year or less (before tax)?

NO

Sorry, you don’t qualify.

YES

Do you have a deposit that is 10 percent or more of the purchase price?

NO

The deposit can be gifted by a relative.

YES

Three or more borrowers can team up to purchase a home.

You may qualify for a Welcome Home Loan. Contact one of the participating lenders.
How do I find out more?

If you would like to find out more about a Welcome Home Loan:

- Visit www.welcomehomeloan.co.nz
- Contact a participating lender - see page 5
- Call 0508 WELCOME (0508 935 266)

Budgeting and other products.

If you would like to find out more about home ownership and get help with budgeting and other lending products:

- Download Home Ownership: A guide to buying your own home from www.welcomehomeloan.co.nz

Disclaimer
The information contained in this booklet is intended to help you understand Welcome Home Loans and is indicative only. It is not intended to address the specific circumstances of any particular individual or entity. All reasonable steps have been taken to ensure the quality and accuracy of the information. The eligibility criteria or other policies applicable to Welcome Home Loan may be changed, deleted, added to or otherwise amended without notice. The information contained in this booklet should not be construed as legal or professional advice and you should take advice from qualified professional people.

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This booklet is also available at www.welcomehomeloan.co.nz