



Rental Bond Loans for the private rental market – important information from Housing ACT

What is a Rental Bond Loan?

If you can't afford to pay a bond, you may be able to apply for a bond loan.

If you want to rent privately, most landlords will expect you to pay a bond (security deposit) in case you damage the property or fall behind in your rent.

If you cannot afford to pay the bond yourself, you may be able to borrow the money from Housing ACT. This is known as a bond loan.

The Rental Bond Loan scheme is to assist people on low to moderate incomes to rent suitable properties in the private sector. Rental properties must be within the ACT.

Bond loans are interest-free loans to cover the cost of the bond. You can only use these loans for bonds, they cannot be used for rent in advance or moving costs.

How will a Rental Bond Loan help me?

If you are an eligible applicant you may be granted a loan of up to 90% of the bond required to rent privately in the ACT. However, loans cannot be granted where the bond has already been paid.

The bond loan will be paid directly to the Office of Rental Bonds.

Couples will be assessed jointly, both for general eligibility and capacity to repay any loan. If a loan is approved, both parties are equally responsible for repayment of the loan.

The loan is re-payable to Housing ACT over a 20 month period with payments to be made by direct debit from the applicant's bank account. You will need to start making your repayments no later than 3 months after the loan is granted.

How do I know if I am eligible for a Rental Bond Loan?

- You meet an income test based on household size (See separate 'Housing Assistance Income Barrier' Fact Sheet);
- You do not have cash or convertible assets over \$10,000 (excluding ordinary household and personal effects, and a car);
- You do not have any outstanding debts (such as rental/maintenance debts or previous bond loans) with Housing ACT; and



- You demonstrate that you are able to satisfactorily meet the obligations and payments required to sustain a tenancy in a private rental property.

This is a brief outline of the requirements. Some of the criteria may be exempted. Please contact Gateway Services.

How do I apply for a Rental Bond Loan?

- You will need to obtain a Rental Bond Loan application kit from Gateway Services;
- You will have to fill out the form and lodge the completed form at Gateway Services. Please ensure you provide details of your income, proof of identity, assets, contact telephone numbers and details on the intended rental property, including a copy of the lease or tenancy, or sublease or subtenancy for group/shared homes, weekly rent and amount of bond required.
- Housing ACT may pre-approve an applicant to find a private rental property for a period of 90 days.

Special conditions for Group/Shared Housing

- Each member of the household may be assessed individually, and each must lodge a separate application for their portion of the bond.
- The loan amount will be limited to 90% of each individual's portion of the bond.
- Each person's portion of the bond will be the total bond for the property divided by the number of applicants.
- Each applicant must not have cash or other liquid assets exceeding \$10 000 (excluding ordinary household and personal effects, and a car)
- Each applicant should not have outstanding debts (such as rental/maintenance debts or previous bond loans) with Housing ACT.
- Each applicant must demonstrate that they are able to satisfactorily meet the obligations and payments required to sustain a tenancy in a private rental property.

If you qualify for a loan (including each eligible member of a group), you may also receive a grant of \$100 to help you establish your new tenancy. When you have repaid your loan to Housing ACT, the Office of Rental Bonds will be advised that Housing ACT no longer has an interest in the Bond Loan. At the completion of your tenancy the Bond will be refunded to you if no other monies are owed to the landlord.



Further Information

For more information, contact the Community Services Directorate on 133427 or visit Gateway Services at:
Nature Conservation House
Cnr Emu Bank & Benjamin Way
Belconnen Town Centre
(Open 9:00am to 5:00pm Mon to Fri)

For more assistance on Housing ACT matters, please telephone 133 427.

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