

# Owning your first home

is within reach with a First Home Loan



**Kāinga Ora**  
Homes and Communities

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## A First Home Loan makes it easier to buy your own home.

A First 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 First Home Loan you only need a 5 percent deposit, not a 20 percent deposit as required now by most lenders.

First Home Loans are issued by selected banks, building societies, and credit unions, and underwritten by Kāinga Ora – Homes and Communities.

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## Do you need help with your deposit?



To find out more about the First Home Grant and the KiwiSaver first-home withdrawal go to **kaingaora.govt.nz/home-ownership/first-home-grant/**

Not yet a member of KiwiSaver? Go to **ird.govt.nz/kiwisaver** to find out about joining.

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 First Home Grant and a KiwiSaver first-home withdrawal.

The First Home 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 First Home 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 Government contributions). However at least \$1,000 must remain in their KiwiSaver account.

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## Okay, where's the catch?

As well as having a five 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.

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## Maximum income

To be eligible for a First Home Loan your combined household income for the last 12 months must have been **\$95,000** 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 **\$150,000** or less (before tax) in the last 12 months.

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## Maximum amount you can borrow

The maximum amount you can borrow with a First 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 5 percent deposit.

Region	House price cap for existing/older properties	House price cap for new properties
Auckland	\$625,000	\$700,000
Queenstown-Lakes District	\$600,000	\$650,000
Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City	\$550,000	\$650,000
Hamilton City, Tauranga City, Western Bay of Plenty District, Waipa District, Hastings District, Napier City, Nelson City, Tasman District	\$525,000	\$600,000
Christchurch City, Selwyn District, Waimakariri District	\$500,000	\$550,000
Waikato District, Dunedin City	\$425,000	\$550,000
Rest of New Zealand	\$400,000	\$500,000

A home which received its building code compliance certificate less than 12 months before the participating lender submits a First Home Loan application is considered a new home.

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## Other criteria

You must live in the home you are buying. A First 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, a permanent New Zealand resident (holding a 'Permanent Resident Visa'), or a resident visa holder who is ordinarily resident in New Zealand.

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## What about if I want to build a house?

Some participating lenders allow you to build a new house with a First 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 First Home Loan, First Home Grant 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 \$500,000 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 First Home Grant pre-approved and are eligible for \$3,000 each to help with the purchase of their first home. They are also both eligible to withdraw their KiwiSaver contributions (including Government contributions). However at least

\$1,000 must remain in their KiwiSaver account. Together they can withdraw \$19,000.

Banks have advised they will need a deposit of between 15 and 20 percent of the purchase price (\$75,000 – \$100,000), which they don't currently have. After looking through the First Home Loan website, they saw it may be possible to get a loan with only a 5 percent deposit so applied to a First Home Loan lender and showed that with all of the First Home Loans and first-home withdrawals, they had \$25,000 to put towards the purchase. As this totalled 5 percent and because they met the other lending criteria, they were offered a First Home Loan of \$475,000.

House purchase price	Deposit amount	Deposit available	First Home Loan
\$500,000	\$25,000 (\$19,000 + \$3,000 + \$3,000)	5%	\$475,000 (95% LVR)





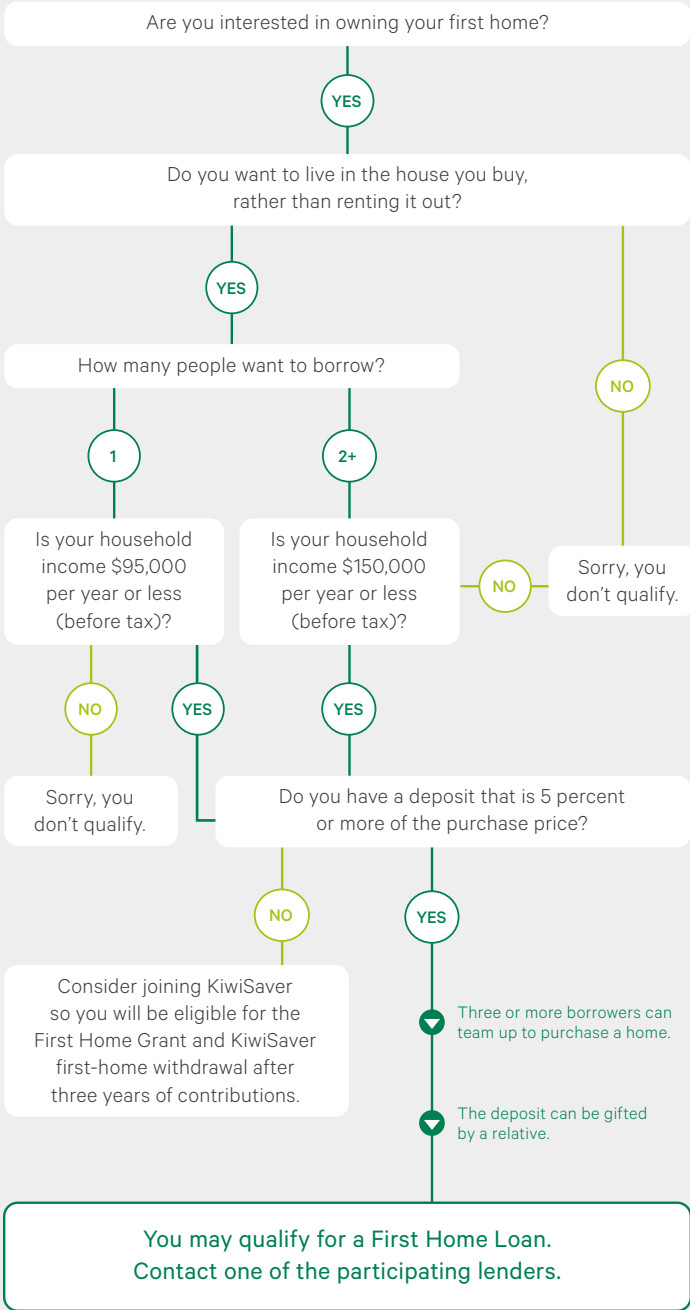
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## What are the next steps?

If you think you may be eligible for a First Home Loan, and you would like to take the next step, visit the First 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 First Home Loan eligibility criteria.

First Home Loan Lenders	Phone No.	Website
NZCU Baywide	0800 229 9433	<a href="http://nzcubaywide.co.nz">nzcubaywide.co.nz</a>
Heartland Bank	0800 227 227	<a href="http://heartland.co.nz">heartland.co.nz</a>
NZCU Employees	09 579 0448	<a href="http://nzcuelmployees.co.nz">nzcuelmployees.co.nz</a>
Kiwibank	0800 272 278	<a href="http://kiwibank.co.nz">kiwibank.co.nz</a>
Nelson Building Society	0800 101 700	<a href="http://nbs.co.nz">nbs.co.nz</a>
SBS Bank	0800 727 2265	<a href="http://sbsbank.co.nz">sbsbank.co.nz</a>
TSB Bank	0800 231 232	<a href="http://tsbbank.co.nz">tsbbank.co.nz</a>
Westpac	0800 177 277	<a href="http://westpac.co.nz">westpac.co.nz</a>
The Co-operative Bank	0800 554 554	<a href="http://co-operativebank.co.nz">co-operativebank.co.nz</a>

# Easy First Home Loan guide





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How do I find out more?

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

- Visit [kaingaora.govt.nz/home-ownership/first-home-loan/](https://www.kaingaora.govt.nz/home-ownership/first-home-loan/)
- Contact a participating lender – see page 05
- Call **0508 935 266**

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Budgeting and other products

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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 [kaingaora.govt.nz/home-ownership/first-home-loan/](https://www.kaingaora.govt.nz/home-ownership/first-home-loan/)
- Visit [sorted.org.nz](https://www.sorted.org.nz) and [fincap.org.nz](https://www.fincap.org.nz)  
– for savings and budgeting advice



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## Disclaimer

The information contained in this booklet is intended to help you understand First 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 First Home Loans 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 [kaingaora.govt.nz/home-ownership/first-home-loan/](https://kaingaora.govt.nz/home-ownership/first-home-loan/)

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