

# Common terms

## Body corporate

A legal entity established to manage and maintain the common areas of a multi-unit property or development such as residential unit blocks, townhouse complexes and high-rise apartment buildings.

## Budget

A plan that outlines how money will be earned and spent over a specific period, typically covering income, expenses and financial goals.

## Cross-lease

A property title that is a combination of fee simple and leasehold under a cross-lease agreement.

## Deposit

A sum of money payable as a first instalment on a home loan as part of a home purchase.

## Eligibility criteria

The specific criteria that determine if an applicant is eligible for a financial product.

## Fee simple (freehold)

A common type of ownership in New Zealand where you own and have unrestricted use of the land and anything built on it unless there are registered or unregistered interests that restrict use of the property.

## First home buyer

An individual who has not previously owned a home or land in New Zealand or overseas.

## First Home Loan

A low-deposit loan for first home buyers underwritten by Kāinga Ora and issued by participating banks and lenders.

## Home loan

A financial loan given by a bank or other financial lender for the purposes of purchasing a residential home or property.

## Interest rate

The interest charged on a financial loan.

## KiwiSaver

A voluntary savings scheme designed to help New Zealanders save for retirement through regular contributions made from members' earnings, employer contributions and the government.

## KiwiSaver first-home withdrawal

A one-time option to withdraw all or part of savings from a KiwiSaver fund to put towards the purchase of a first home.

## Land Information Memorandum (LIM)

A report issued by the local council that provides essential information about a property, including zoning, land use, building consents and other relevant information that may impact the property or its value.

## Leasehold

An ownership structure where the owner of the land agrees to lease the right to use the land to live or build on for a period of time.

## Lender

A participating bank or financial lender who will lend money for the purposes of a home loan for eligible applicants wanting to buy a home.

## Lending criteria

The requirements set by a bank or lender that a loan applicant must meet as part of a lending assessment.