

Private Rental Bond Assistance

Policy

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1. Purpose

The purpose of this policy is to provide consistent guidelines to assist Northern Territory residents to access the private rental market, through an interest free bond assistance loan.

2. Policy details

This policy applies to all applicants who apply for private rental bond assistance through the CEO (Housing).

Bond assistance is an interest free loan to help people access the private rental market, Affordable Housing, and permanent caravans.

2.1. Identification

Each person applying for private rental bond assistance must provide identification that meets the requirements of the Identification and Documentation policy.

2.2. Eligibility

To receive private rental bond assistance, applicants must meet all eligibility criteria stated in this section. There are some exemptions that may be made in priority circumstances such as persons who are currently affected by Domestic and Family violence.

2.2.1. Social Housing

For tenants commencing a tenancy with a Community Housing Provider:

- Those accessing Social Housing will not be eligible for private rental bond assistance. Their Community Housing Provider will be responsible for providing an equivalent scheme to assist with the payment of bond; and
- Those accessing Affordable Housing and who meet all other required eligibility criteria are able to access Private Rental Bond Assistance.

2.2.2. Residency

Applicants for private rental bond assistance must:

- Be an Australian Citizen or a Permanent Resident of Australia; and
- Be a Northern Territory resident for a minimum of 3 months prior to the date of submitting their application.

Exemptions - Applicants applying who have been issued a Special Category Visa, Refugee Visa or Temporary Protection Visa are not required to meet the residency criteria listed in 2.2.2.

2.2.3. Age

In Australia, an individual must be 18 years old to apply for a private loan. An applicant for private rental bond assistance must therefore be a minimum of 18 years old.

2.2.4. Income and asset limits

To be eligible for private rental bond assistance, the applicant(s) must be receiving an income, and their assessable household income and assets must not exceed the upper limit identified in the Income and Assets policy.

The Income and Asset limits are set by the Minister responsible for Housing, therefore discretion cannot be applied to these set amounts. Please refer to the CEO (Housing)'s Income and Asset policy.

2.2.5. Outstanding debt

Applicants who have a recoverable outstanding debt with the Department/CEO (Housing) may submit an application if the applicant has a current Agreement to Pay (ATP) for the debt, and the agreed payments are up to date.

An applicant's combined debt ATP payments to the CEO (Housing), must not exceed 30% of their gross income. If a proposed new ATP will take the applicant over the 30% limit, the applicant will be ineligible for the ATP and private rental bond assistance. Discretion may be considered by the Manager depending on the individual circumstances.

A recoverable debt is considered money owed to the Department/CEO (Housing), which was accrued less than 3 years before the application was submitted to the Department. If a debt is over 3 years old, it is considered irrecoverable.

2.2.6. Provisional approval

Applicants for private rental bond assistance must receive provisional approval from the CEO (Housing) before entering into a tenancy agreement with a landlord. The applicant will receive the provisional approval in writing following the assessment of an application.

Applicants are not required to provide a tenancy agreement for provisional approval.

2.2.7. Tenancy agreements

To be eligible for and receive private rental bond assistance, applicants must provide a valid tenancy agreement, signed by the landlord, and the applicant(s) of the private bond assistance loan.

The rental property listed on the agreement must be a recognised address within the Northern Territory, and the landlord named is the registered owner of the property listed, or an agent acting on behalf of the owner.

2.2.8. Rent limit

The applicant's private rental payments must not exceed 53% of their gross income to ensure sufficient income for living costs. Commonwealth Rent Assistance may be included in calculating household income if the applicant is eligible for this benefit.

If rent exceeds 53% of an applicant(s) gross income, the application for private rental bond assistance will not be approved without delegate approval.

2.3. Loan amounts

The private rental bond assistance loan provides up to the value of 6 weeks rent, this includes 4 weeks rent for the security deposit and up to 2 weeks rent in advance. If an applicant intends on contributing to the security deposit, the applicant can request a loan amount less than the required security deposit/bond.

If the tenancy agreement lists multiple tenants who are contributing to the bond/rent, then the level of assistance provided will be calculated as a pro-rata amount.

For example, if the total rent was \$400 per week with 4 tenants contributing to bond/rent, the amount of assistance provided to an individual applicant would be \$100 per week. The remaining \$300 per week is the responsibility of the remaining 3 tenants. These 3 tenants may also wish to apply for a private rental bond assistance loan to pay their share.

If the other tenants are not contributing to the bond, the tenancy agreement must state that the bond loan applicant is the only contributor to the bond. In all situations, the portion of bond/rent calculated must not exceed 53% of the applicant's gross personal income.

2.4. Other requirements

Applicants must;

- Provide a valid tenancy agreement for a minimum period of 6 weeks for all accommodation, including a caravan park agreement if the property is a permanent (static) caravan, to claim private rental bond assistance;
- Be listed as a signatory on the tenancy agreement; and
- Provide a tenancy agreement that separates the cost of utilities from rent and bond, if weekly rent includes utility bills.

2.5. Timeframes

Applicants provisionally approved for private rental bond assistance, have an initial 6-week period to find a property. If applicants cannot find a suitable property within the initial period and there has been no change to their household income or structure, they can apply for a 3-week extension. If the household income or structure changes, the application cannot be extended, in this case a new application with updated documentation will be accepted for reassessment.

A new application form must be completed after the combined 9 weeks has expired (initial 6 weeks + 3 week extension).

2.6. Repayment arrangements

Private rental bond assistance loans are interest free. The amount loaned to the applicant(s) is paid directly to the landlord and is to be repaid by the applicant to the CEO (Housing), by signing an Agreement to Pay.

All applicants have up to 18 months to repay their loan. The weekly repayment amount is calculated by dividing the total loan amount by the number of weekly instalments, this is the minimum repayment amount that will result in the loan being fully repaid within the selected time period. A client may elect to make larger repayments and pay off the loan in a shorter period of time.

2.7. Changing an Agreement to Pay due to financial stress

If the client experiences financial stress during the loan period, repayments may be reduced for a period of up to 6 weeks. The minimum amount of \$10 will be accepted for a period of up to 6 weeks.

The client will be required to sign a new Agreement to Pay. The agreement to pay will specify the minimum weekly payment, and the dates this will commence and end. The new agreement to pay should also specify the recalculated weekly repayment required at the end of the 6-week period. This recalculation will ensure the loan period does not exceed 18 months.

Reduced payments can be approved on 2 occasions through the duration of the 18 month repayment period.

At the end of the tenancy, a client may request that a portion of their bond be returned directly to the CEO (Housing) from the Landlord to repay any outstanding loan amounts. This must be arranged directly between the tenant and the Landlord.

3. Discretionary decision making

Discretion can be applied to this policy using the Discretionary Decision Making policy, excluding the income and asset limits, which is set by the Minister for Housing.

4. Complaints and/or appeals

If a client is not satisfied with either a decision or action of the CEO (Housing), they can access the Department's complaints and/or appeals processes. For further information, please refer to the Complaints and/or Appeals policies.

5. Review of the policy

If at any time the legislative, operating or funding environment is so altered that the policy is no longer appropriate in its current form, the policy shall be reviewed and amended accordingly. This policy will be reviewed within two years of release.

6. References

6.1. Legislation

Caravans Parks Act 2012

Housing Act 1982

National Consumer Credit Protection Act 2009

Residential Tenancies Act 1999

6.2. Policies

Appeals policy

Complaints policy

Discretionary Decision Making policy

Income and Assets policy

Eligibility policy

Domestic and Family Violence policy