Boost to Buy Home Ownership Scheme

Information Statement

DELIVERING FOR QUEENSLAND

Queensland Government

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1.0 This document

This document provides an overview of the Queensland Boost to Buy Home Ownership Scheme (the **Scheme** or **Boost to Buy**).

You should read this document carefully as it sets out important information and key risks.

This document is a summary only and is general in nature. It has not been prepared having regard to your particular objectives, financial situation or needs.

If you are successful in your application for the Scheme, you will be required to enter into a Participation Agreement with the Scheme Provider, Queensland Treasury Corporation (QTC). This document does not contain descriptions of all your rights and obligations under the Scheme as set out in the Participation Agreement. Your rights and obligations, including the calculation of amounts payable by you under the Scheme, are governed by the terms of the Participation Agreement.

If you are successful in obtaining provisional approval for participation in the Scheme, you will be provided with a copy of a template Participation Agreement to review. Please read the Participation Agreement carefully and seek independent advice if you are unsure about anything.

This document does not contain any information about the home loan provided to you by an Approved Lender in connection with the Scheme. Please contact your lender for information about your home loan.

2.0 Overview of the Scheme and key parties

The Queensland Government has committed to providing a home ownership assistance initiative to help eligible first-home buyers purchase their first home in Queensland. Under the Scheme, the Scheme Provider will provide funds to approved participants in return for an economic interest in the purchased Property to help bridge the gap between the purchase price of their home and the amount to be loaned to them by a participating bank.

2.1 The parties

Please refer to the table below for a summary of relevant parties, and how they are referenced throughout this document.

References to	Are to be read as
"we", "us" and "our", Scheme Provider	Queensland Treasury Corporation (QTC), appointed to deliver the Scheme on behalf of the Queensland Government.
"you", "your"	You as the participant in the Scheme.
Approved Lender	The bank(s) approved by us that will provide your home loan to you.
Administrative Service Provider	Queensland Rural and Industry Development Authority (QRIDA), appointed to provide administrative functions for the Scheme on behalf of the Scheme Provider.
Security Trustee	The party that holds the mortgage over your Property to secure both your home loan with an Approved Lender and your obligations to us.

Refer to the end of this document for an explanation of key concepts which are capitalised and mentioned throughout the document.

3.0 How to enter the Scheme

3.1 Check your eligibility

To enter the Boost to Buy Home Ownership Scheme, applicants must first confirm they meet all of the eligibility criteria. Applicants can make a preliminary assessment of their eligibility using the eligibility tool at www.treasury.qld.gov.au/boost-to-buy

ELIGIBILITY CRITERIA

To be eligible for the Scheme you must meet all of the following:

- be an Australian Citizen or Permanent Resident aged 18 years or older at the time of applying for the Scheme;
- be a natural person (that is, not an organisation, company, trust or other body or entity);
- have a deposit of at least 2% of the purchase price (accumulated through genuine savings);
- be the registered owner of the Property after settlement and grant a mortgage to the Security Trustee;
- confirm that there will be no other legal or beneficial owner of the Property other than you or your joint Participant;
- not receive a guarantee from, or other form of financial support by, Housing Australia under the Home Guarantee Scheme in connection with the acquisition of the Property;
- have a taxable income for the last financial year (FY25) that is within the relevant threshold:

APPLICATION TYPE	PARTNER STATUS	DEPENDANT STATUS	INCOME THRESHOLD
Individual	**without** a spouse or de facto partner	**without** dependant(s)	up to **$155,000**
Individual	**with** a spouse or de facto partner (who is not a joint applicant)	**with** or without dependant(s)	up to **$155,000**
Individual	**without** a spouse or de facto partner	**with** dependant(s)	up to **$232,000**
Joint	**with or without** a spouse or de facto partner	**with or without** dependant(s)	up to **$232,000**

- be a first home buyer, i.e. neither you nor your spouse own or have previously owned real property in Australia.
- be purchasing the property as your principal place of residence.

3.2 Make an appointment with an Approved Lender

If you meet the eligibility criteria, you can book an appointment with an Approved Lender who will make a loan assessment and run a preliminary check of your eligibility for the Scheme. There are limited places available in the Scheme, which will be processed on a "first come-first served" basis. Once you have provided all required documentation and if the assessments are satisfactory, the Approved Lender will lodge the application for the Scheme on your behalf, if there are still available places.

When making an appointment you must specify the region (SEQ or Regional Queensland) where you intend to purchase your property. You will have to purchase your property within the region you specify.

3.3 Receive provisional approval

If your application is granted, you will receive provisional approval for the Scheme. Your provisional approval letter will confirm the indicative maximum purchase price of your Property. This is the sum of the provisional home loan amount as advised to us by your Approved Lender, your deposit and the maximum financial contribution provided by us, taking into consideration that your deposit must be 2% of the property price and the property price cap of $1 million.

Our financial contribution will be up to 25% of the purchase price of the property for existing homes, and up to 30% of the purchase price of the property for new homes suitable for occupation.

At this time, you will also receive a copy of a template Participation Agreement to ensure you have sufficient time to review the terms and conditions of the Agreement ahead of signing. Please read the Participation Agreement carefully and seek independent advice if you are unsure about anything.

3.4 Find a property and enter into a contract of sale

You now have six months to find an eligible property within your approved region and enter into a contract of sale. The property needs to meet certain eligibility criteria, as set out below.

ELIGIBILITY CRITERIA

To be eligible for the Scheme, the property you intend to purchase must meet all of the following criteria:

- it must be located in the region you received approval for (SEQ or Regional Queensland);
- it must be a standard residential property (e.g. house, townhouse, unit or apartment but not vacant land) that is either an existing or new property (provided a Certificate of Occupancy or Final Inspection Certificate has been issued before you sign the contract of sale);
- it must be purchased on the basis of vacant possession or subject to a lease that expires within 12 months of settlement; and
- it must have a purchase price which does not exceed $1 million.

The property you intend to buy must have a purchase price of $1 million or less to qualify as an eligible property. This threshold applies to the property price only and does not include acquisition costs such as legal fees, conveyancing, transfer duty, or mortgage registration fees. You must pay all acquisition costs yourself and cannot use our contribution or your home loan for those costs.

The contract of sale must be in the form of the relevant Contract for Sale and Purchase of Residential Real Estate provided by the Real Estate Institute of Queensland with a minimum 30-day settlement period. You must also include a 14-day finance clause to allow sufficient time for final Scheme approval. Purchases through an auction process are not permitted.

3.5 Arrange insurance for the Property

As soon as you have signed the contract of sale, but no later than close of business the day after signing, you need to arrange for insurance of your Property.

If you are buying a house you need to arrange for home/building insurance and receive a Certificate of Currency. If you are buying a unit or apartment you will need to request the strata insurance Certificate of Currency from the Real Estate Agent.

3.6 Notify your Approved Lender

You need to provide a signed copy of the contract of sale and the Certificate of Currency to your Approved Lender within three business days of signing the contract to progress your loan approval from your Approved Lender and arrange for final Scheme approval. If you are buying a new home, you also need to provide the Certificate of Occupancy or Final Inspection Certificate.

3.7 Sign Participation Agreement and receive final Scheme approval

Once you have secured full loan approval and we confirm that the Property meets the eligibility criteria, we will send you a Participation Agreement to sign via DocuSign. You should sign the Participation Agreement within three business days of receiving the DocuSign link. You can sign outside of this timeframe, however, neither the Scheme Administrative Service Provider nor the Scheme Provider will be liable to you for any loss suffered by you as a result of the Participation Agreement being executed either within or outside of the required timeframe.

Once signed, you will receive a final approval letter from us which sets out how much we will contribute towards your Property. This contribution is referred to as the 'Shared Equity Money'.

Note that you will not receive final approval if:

- there has been a material change in your financial situation since you applied to participate in the Scheme;
- you are attempting to purchase a property outside of the region you sought and received provisional approval for; or
- the seller doesn't hold 'good title' to the Property. 'Good title' means that the title to the Property is free from encumbrances, caveats, a security interest that is not in connection with an existing mortgage or any other unfavorable condition that could prevent the seller from validly transferring the title to the Property to you.

3.8 Settlement and mortgage

You must engage a conveyancer or lawyer who, together with the Approved Lender, will arrange for settlement of the Property. At settlement, the purchase of the Property will be funded with proceeds from the home loan, your deposit and the Shared Equity Money.

At settlement you will also be required to sign the required mortgage documents. The security interest over your Property will be in the form of a single mortgage held and managed by the Security Trustee on behalf of the Approved Lender and the Scheme Provider. The mortgage is held to secure both your home loan with an Approved Lender and your obligations to us.

After settlement, you (and any joint applicant) will become the registered owner(s) of the Property.

4.0 Our ongoing equity share in your Property

You are now a Participant in the Scheme. The Shared Equity Money was our contribution towards the purchase of your first home. In exchange for the Shared Equity Money, we will hold ongoing equity in your Property which you will have to reduce to zero by paying the amounts you owe to us when exiting the Scheme. We will hold the benefit of a mortgage taken over the Property that secures your payment of the amount you owe us.

4.1 Shared Equity Interest

The equity that we have in your Property is referred to as "Shared Equity Interest". The Shared Equity Interest is equal to the proportion of the Shared Equity Money to the lower of the purchase price of the Property and the market value of the Property as determined based on a valuation commissioned by the Approved Lender.

EXAMPLE
You purchase a Property for $600,000 under the Scheme and you receive Shared Equity Money under the Scheme totalling $150,000, being 25% of the purchase price. The Property was valued at $570,000, which is lower than the purchase price. The initial Shared Equity Interest will be 26.32% (refer to calculation below). *Calculation example:* Shared Equity Interest = $\frac{Shared\ Equity\ Money}{Lower\ of\ Purchase\ Price\ or\ Approved\ Lender\ Valuation} = \frac{\$150,000}{\$570,000}$ **26.32%**

Your final approval letter will confirm the Shared Equity Interest in your Property.

SUMMARY NOTE

While we will provide you with up to 25% of the purchase price to help facilitate settlement, your **Shared Equity Interest** (the Scheme Provider's interest in the property) is based on the **lower** of the purchase price or the lender valuation. This means that if the valuation is **lower than the purchase price**, the Scheme Provider's interest in your property will be **higher than expected**.

4.2 Shared Equity Amount

The amount that you owe us at any point in time, referred to as the "Shared Equity Amount", will be determined based on the value of your Property at that time. It is calculated as the Shared Equity Interest multiplied by either the latest valuation (as provided by you or your Approved Lender) or, if you are selling, the higher of the latest valuation and the actual sale price.

Because the Shared Equity Amount reflects the market value of our interest in your Property, if the value of your home increases, so will the value of the Shared Equity Amount, in which case you will be required to pay more than the original contribution by the Scheme Provider.

SUMMARY NOTE

The Shared Equity Amount is not adjusted for any modifications or renovations you make to your Property; even though these could result in a higher valuation for your Property.

When you are required to make payment to us under the Participation Agreement, for example at the end of the term of the agreement or because an Early Payment Event has occurred (see section 5 below for further detail), we will calculate the Shared Equity Amount and notify you of that amount.

4.3 Your participation in the Scheme ends when the Shared Equity Interest has been paid

Your participation in the Scheme will end on the day you pay us the Shared Equity Amount in full reducing the Shared Equity Interest to 0% together with any other monies due to us under the Participation Agreement.

You can reduce our interest in your property at any time by making voluntary payments, however you cannot reduce the Shared Equity Interest below 5% in the first two years unless we agree. In certain situations, you will be required to make mandatory payments to reduce your Shared Equity Interest, either partially or completely.

5.0 When you can or are required to make payments

5.1 Paying at the End Date

You are required to pay the Shared Equity Amount at the "End Date", which is the earlier of the day you repay your home loan in full or the original maturity date in your home loan (ignoring any later extensions).

We will remind you of your End Date and will require a current valuation at your expense, to calculate your Shared Equity Amount.

5.2 Voluntary payments

You can make voluntary payments to reduce our Shared Equity Interest at any time before the End Date. Voluntary payments must reduce the Shared Equity Interest by at least five percentage points (i.e. 5%), and you cannot reduce the Shared Equity Interest below 5% in the first two years unless we agree. You can ask us to confirm by how much a proposed payment would reduce our Shared Equity Interest, by providing a recent valuation (<12 months old) acquired at your own expense.

5.3 Breaching the Income Threshold test

Your ongoing eligibility is tested against an income threshold on every 5-year audit date. The Scheme entry threshold will initially be $150,000 for single Participants and $225,000 for joint Participants (or sole Participants that have a dependent and do not have a spouse) as demonstrated in your FY25 Notice of Assessment. The Income Threshold will increase every year in line with the wage price index.

If your taxable income exceeds that threshold by 25% for two or more consecutive financial years before an audit date, you must ask your Approved Lender to undertake a serviceability assessment. If it is determined that you are able to increase your loan, you will be required to use that increase to make a mandatory payment to reduce or eliminate the Shared Equity Interest. A recent valuation (less than 12 months old) will be required at your own expense.

If you fail to complete the serviceability assessment or make the required payment, it will trigger the mandatory early payment of the full Shared Equity Amount.

5.4 Early Payment Events and fees

Certain events will require you to pay the Shared Equity Amount in full to reduce the Shared Equity Interest to zero within a set period, referred to as "Early Payment Events". Among others, these events include where:

- you fail to maintain insurance;
- you breach your Property obligations or your other obligations under the Participation Agreement (see section 7.0 below);
- you provide misleading information;
- you fail to comply with the continuing eligibility criteria;
- you undertake an unapproved refinancing; or
- you (or if there are joint Participants, both of you) die, in which case your estate must make the payment unless the person entitled to inherit the Property satisfies the eligibility criteria and applies to replace you as a Participant in the Scheme.

If you do not reduce the Shared Equity Interest to zero within two years of the initial Early Payment Event, a 0.50% fee is applied to the Shared Equity Interest every two years until it is paid. This is a fixed fee that will apply every two years until you pay the Shared Equity Amount in full.

SUMMARY NOTE

You must pay the Shared Equity Amount by the End Date, with payment based on a current valuation paid for by you. You can make voluntary payments, but only in minimum 5% increments, and reducing the Shared Equity Interest below 5% isn't allowed in the first two years without approval.

If your income rises above the threshold by 25% for two consecutive years, you will be required to undertake a serviceability assessment from your Approved Lender to determine if you are able to increase your loan to make mandatory payments. Failure to do so can trigger full early payment.

Certain events, such as breaching Scheme rules, providing misleading information, unapproved refinancing, or failing to maintain insurance, will also trigger mandatory early payment, and additional fees will apply if you fail to pay the Shared Equity Amount within two years.

6.0 Making payments and selling your Property

Where you are required to pay us the Shared Equity Amount, you have a choice about how you want to source the funds for that payment.

You can pay by using your savings, by refinancing with the Approved Lender or by selling the Property.

If you sell, the Approved Lender will obtain a valuation at your expense, and you must pay us the Shared Equity Amount calculated from the higher of that valuation and the actual sale price using the sale proceeds. If sale proceeds are insufficient because the valuation is higher than the sale price, you must pay the shortfall or the mortgage may not be released to complete the sale.

6.1 When will the mortgage be enforced?

Both us and your Approved Lender hold the benefit of a mortgage taken over the Property that secures your payment of the amount you owe us. The mortgage over your Property can be enforced, (which means we can take legal steps to recover the money you owe, such as selling the Property), in order to secure payment of the amounts that you owe to us in any of the following circumstances:

- a Scheme document is or becomes wholly or partly void, voidable or unenforceable;
- you breach your obligation not to dispose, deal with, encumber or part possession with the Property or any interest in the Property (see section 7.0 below);
- you refinance your home loan with a lender that is not a lender approved by the us for the purposes of the Scheme;
- you fail to make payment of the amount required following the End Date (see section 5 above); or
- you breach or default under your home loan.

After an Enforcement Event, payments are applied in a set order:

- first, towards the Approved Lender's outstanding loan;
- second, towards the amount owed to us; and
- third, towards any other interests ranking ahead of you (for example, a lien over your Property to secure an unpaid debt).

Any remaining balance is then payable to you.

If an Enforcement Event has occurred and the mortgage has not been enforced or you have not reduced the Shared Equity Interest to zero within 2 years, a 0.50% fee is applied to the Shared Equity Interest every two years until action is taken to enforce the mortgage or you have reduced the Shared Equity Interest to zero.

WARNING

You may need to use savings, refinance with an Approved Lender, or sell the property to pay the Shared Equity Amount. If you sell, you must pay the full Shared Equity Amount based on the higher of the lender's valuation and the sale price**. If the valuation is higher than your sale price there may be a funding shortfall you have to cover yourself.**

The mortgage can be enforced if you breach Scheme rules, refinance with a non-approved lender, fail to make required payments, or default on your home loan. In an enforcement scenario, sale proceeds are applied first to your lender, then to the Scheme Provider, then to you. If payment isn't made within two years of an enforcement event, an additional 0.50% Shared Equity Interest penalty will be incurred every two years until the Shared Equity Interest is reduced to zero.

7.0 Your obligations under the Participation Agreement

Your general obligations

You must always comply with the Participation Agreement. Amongst other things, this requires that:

- you ensure no Early Payment Events or Enforcement Events occur;
- you continue to meet the continuing eligibility criteria at all times and notify us as soon as possible if you do not; and
- you complete the mandatory 5-yearly audits and provide requested information about income, insurance, loan statements, and Property outgoings within required timeframes.

Your obligations in relation to the Property

Until the mortgage is discharged, you must:

- not give others any rights in the Property or lodge certain caveats without our consent;
- not sell the Property within 2 years of purchasing it unless we agree otherwise;
- not subdivide the Property or consolidate or amalgamate it with other property;
- not dispose of, encumber or otherwise deal with the Property without our consent;
- use the Property lawfully and pay all outgoings (rates, utilities, body corporate fees and charges as applicable) on time;
- keep title documents (if any) with the Security Trustee unless they are held by the Approved Lender; and
- not cause any damage or destruction to the Property.

Failure to comply with these obligations can lead to an Early Payment Event and you will be required to pay us the full Shared Equity Amount early.

Body corporate and subdivision

If the Property is strata or similar title, you must comply with all body corporate obligations, and ensure that we can obtain information from the relevant body corporate by inspection or on request.

Failure to comply with these obligations can lead to an Early Payment Event.

Insurance

From the date the contract of sale takes effect, you must insure the Property on a full replacement or reinstatement basis and maintain public liability insurance.

This obligation does not apply where the Property is subject to strata or similar title and the body corporate has taken out insurances in respect of the Property.

You must not do anything to prejudice insurance and must use claim proceeds for repair or reinstatement.

Failure to comply with these obligations can lead to an Early Payment Event.

Maintenance

You must keep the Property in good repair.

If we issue a rectification notice, you must fix identified issues within the timeframe, or it will give rise to an Early Payment Event.

Loan changes and refinancing

You must not increase your loan except for specific reasons (for example, to make voluntary or mandatory payments or in response to lender hardship treatment), or with our written consent. You can only refinance with lenders appointed under the Scheme (i.e. an Approved Lender) and must not switch to interest-only or increase your loan-to-value ratio above 80%.

Breaching these obligations will lead to an Early Payment Event.

Living in the Property

You must occupy the Property as your principal place of residence while in the Scheme. If leaving for more than three consecutive months, you need our prior written approval and are required to apply at least 20 business days before leaving.

Failure to comply with these obligations will lead to an Early Payment Event.

Ownership of other property

You must not own or acquire any other real property (including through companies or trusts) during the term without our consent, except as a superannuation fund asset.

Failure to comply with these obligations will lead to an Early Payment Event.

Leasing and licensing

You cannot lease the whole Property during the term, except with our prior written approval, or if an existing lease ends within 12 months after settlement.

Renting rooms or short-stay licensing while you remain living at the property is permitted subject to conditions. Any income from leasing/licensing will count toward your Annual Income for Income Threshold purposes.

Failure to comply with these obligations will lead to an Early Payment Event.

7.1 The Scheme Provider's rights

We will have certain rights with respect to the Property which are set out below.

RIGHT	DESCRIPTION
Inspection	**We may visit and inspect your property at reasonable times and as often as reasonably requested by us to check whether you are complying with your obligations under the scheme.** You must permit us to inspect the Property and you must provide reasonable assistance during the inspection.
Monitoring	If material adverse circumstances emerge and you fail to notify us, we may: ▪ require you to meet with us; ▪ refer you to an independent financial advisor; and ▪ increase our monitoring of you, including by procuring a credit report.
Power of attorney	You appoint us as your attorney to do anything necessary to enforce our rights if an Enforcement Event has occurred.
Costs and indemnities	We have the right to be indemnified or reimbursed by you for all reasonable costs incurred relating to: ▪ your breach of any obligation under the Scheme; ▪ any incorrect or misleading information that you provide; and ▪ any exercise of a power by us, our attorney or the Security Trustee.
Consultation	We have the right consult with the Approved Lender regarding the exercise of any of the rights mentioned above.

7.2 Valuations and disputes

You or your Approved Lender must provide current valuations when required. Valuations are at the expense of the Participant unless otherwise agreed by the lender. Valuations must be recent (no older than 12 months). If you disagree with a valuation, there is a process to obtain further valuations at your expense, with the final amount set at the median of three valuations if they differ materially.

7.3 Privacy, confidentiality and complaints

The Administrative Service Provider collects and shares your information with us to administer the Scheme, including from your Approved Lender and public sources, and will handle your information in accordance with applicable privacy laws.

You can make complaints or privacy complaints by visiting the Administrative Service Provider's website at www.qrida.qld.gov.au/boost-to-buy/feedback-complaints and completing an online customer complaints form. The Administrative Service Provider (following engagement with us) will aim to respond within 30 days.

7.4 Changes of parties and notices

You cannot assign your rights or obligations without our consent. We can assign or transfer our rights or novate the Agreement without your consent, and you must sign documents to facilitate that.

Notices to you in relation to the Scheme may be sent to you by post or email, and you can consent to SMS or website notifications.

8.0 Risks or costs that might arise under the Scheme

WARNING

This section is a summary of some of the key risks under the Participation Agreement and the costs and obligations that you will be responsible for that would not apply to an ordinary homeowner who is not participating in this Scheme. This summary describes risks, costs and obligations that are general in nature and does not take into account your individual circumstances. It is not exhaustive and does not cover all the risks or costs associated with your participation in the Scheme. You should consider seeking independent advice to understand the risks associated with participation in the Scheme based on your personal circumstances.

8.1 You could be required to pay us an amount greater than the amount we contribute to the Property

At any time, the amount you owe us equals the Shared Equity Interest multiplied by the market value of the Property (see section 4.2 for further detail).

Accordingly, if the value of the Property increases you will be required to pay us an amount greater than the amount that we initially contributed to the Property.

EXAMPLE

*You purchase a Property for $600,000 under the Scheme which is the same as the Approved Lender Valuation. The Shared Equity Money, our contribution, is **$150,000** which results in the Shared Equity Interest being 25%.*

*After 10 years, you decide to exit the Scheme using your own savings. You have not made any early payments. You arrange a valuation which values your Property at $750,000. The amount you must pay us to reduce our interest in your Property in full and exit the Scheme is **$187,500**, which is the Shared Equity Interest (25%) multiplied by the valuation ($750,000).*

Calculation example:

Shared Equity Amount = Shared Equity Interest x Market Value

= 25% x $750,000 = $187,500

If you decided to exit the Scheme by instead selling your Property, it is important to remember that the market value which is used to determine the Shared Equity Amount when you sell your home will be the higher of the latest valuation and the actual sale price.

8.2 The amount you are required to pay could increase as a result of fees

There are circumstances under the Participation Agreement where the Shared Equity Interest will increase through the application of fees.

This occurs if you fail to make payment following an Early Payment Event (see section 5.4 above for further detail) or where the mortgage is not enforced and you have not made a full payment of our Shared Equity Amount following an Enforcement Event (see section 6.1 above for further detail).

WARNING

The application of fees will increase the Shared Equity Interest (i.e. our interest in your Property).

EXAMPLE

You purchase a Property for $800,000 under the Scheme which is the same as the Approved Lender Valuation. The Shared Equity Money, our contribution, is $200,000 which results in the Shared Equity Interest being ***25%.*** *A few years later you have not made any payments, and you remain a participant in the Scheme. However, you decide to purchase an investment property which is not allowed while you are a participant in the Scheme and constitutes an Early Payment Event.*

In this scenario, you will be required to exit the Scheme by paying the Shared Equity Amount in full within 60 days. If you fail to comply and have not paid the Shared Equity Amount in full 2 years from the Early Payment Event, a 0.50% fee will be added to the Shared Equity Interest every two years until you pay us.

In this scenario, following the imposition of the 0.50% fee, our Shared Equity Interest will increase from ***25% to 25.5%****. If the market value of the home at the time is $1,000,000 this means you would be required to pay us* ***$255,000****, which is* ***$5,000 more*** *than you would have had to pay before the fee was applied (assuming the market value remains unchanged).*

Calculation example:

Shared Equity Amount before fee = 25.00% x $1,000,000 = $250,000

Shared Equity Amount after fee = 25.50% x $1,000,000 = $255,000

8.3 You are required to pay all or part of the Shared Equity Amount early

Following the occurrence of an Early Payment Event you will be required to pay us the Shared Equity Amount in full.

If you breach the income threshold test, you will be required to pay to us part or all of the Shared Equity Amount depending on your capacity to refinance as determined by the Approved Lender.

If you do not have sufficient funds to make this payment (e.g. through accumulated savings) you will be required to refinance your loan to make the payment or sell the Property to make the payment. If you do not pay the Shared Equity Amount within 2 years following the occurrence of an Early Payment Event a fee of 0.50% will be applied to the Shared Equity Interest every two years.

See section 5 above for further details.

8.4 Undertaking renovations which increase the value of your Property will lead to you paying a higher Shared Equity Amount

The Shared Equity Interest is not separately adjusted for the increase in value of any modifications or renovations that you carry out on the Property that are permitted under the Participation Agreement. We will not reimburse you for any modifications or renovations made to your Property.

If renovations increase the value of the Property, this will mean a higher Shared Equity Amount is payable by you (see section 4.2 above for further detail about how a higher market value of the Property leads to a higher Shared Equity Amount).

We will be entitled to a proportionate amount of any increase in the value of the property. You may wish to consider making an early payment of the Shared Equity Interest prior to undertaking capital improvements to the property.

EXAMPLE

Our Shared Equity Interest in your Property is 20% and you decide you want to renovate your kitchen. Before the renovations begin your Property is valued at $600,000, which means the amount you owe us at that time (i.e. the Shared Equity Amount) is ***$120,000****.*

You use $50,000 of your savings to renovate the kitchen in your Property and once complete your Property is valued at $675,000, which is a $75,000 increase in value. Since you did not pay us prior to renovating, our Shared Equity Interest in your Property remains at 20% and we are entitled to 20% of the increase in the Property's value. This 20% uplift in your Property's value after the renovation is equal to ***$15,000*** *and so the amount you now owe us (i.e. the Shared Equity Amount) is* ***$135,000****. You maintain the other 80% of the increase in market value ($60,000).*

Calculation example:

Shared Equity Amount before renovation = 20% x $600,000 = $120,000

Shared Equity Amount after renovation = 20% x $675,000 = $135,000

8.5 There are restrictions on how you can deal with the Property and other real property

While you participate in the Scheme, there are restrictions on your use and treatment of the Property. Among others, these include that you must live in the Property as your primary residence, not lease the Property, not purchase other property interests in Australia and not refinance your home loan without our consent. Breaching these obligations will lead to an Early Payment Event or Enforcement Event (as applicable). See section 7.0 for further detail.

8.6 In certain circumstances you will be required to procure and pay for valuations

There are circumstances where you will be required to procure valuations from an approved valuation agency for the purposes of calculating the Shared Equity Amount. As specified in the Participation Agreement, you are responsible for procuring these valuations at your own cost.

Any valuations provided by the lender will also be at your expense, unless otherwise agreed by the lender.

9.0 Key concepts

Please refer to the table below for a summary of key concepts relating to the Scheme that are discussed throughout this Information Statement. Please note that this is a summary only and is general in nature - these concepts will be defined in the Participation Agreement.

CONCEPT	DESCRIPTION
Approved Lender Valuation	A valuation of your Property obtained by the Approved Lender, which may be used to calculate our Shared Equity Amount. You will bear the cost of the valuation unless otherwise agreed by the lender. See section 4.2 for further detail.
Early Payment Event	Certain events which, if they occur, mean that you must pay the Shared Equity Amount early. If you fail to do so, a fee will be added to your Shared Equity Interest until it is paid. Section 5.4 lists the events which will cause an Early Payment Event to occur.
Enforcement Event	Certain events which, if they occur, mean that you are no longer eligible to participate in the Scheme and the mortgage over your Property can be enforced to secure payment of the amounts that you owe us. Section 6.1 lists the events which will cause an Enforcement Event to occur.
Income Threshold	An amount which your annual income is measured against to assess your initial and ongoing eligibility to participate in the Scheme. This amount increases every year in line with the wage price index. See section 5.3 for further detail.
Property	The real property in Queensland that meets the relevant eligibility criteria that you buy with assistance from the Scheme, which may be a new or existing home.
Shared Equity Amount	The dollar amount that you owe us at any point in time, determined by multiplying the Shared Equity Interest by the market value of your Property. This amount will change depending on the value of your Property. See section 4.2 for further detail.
Shared Equity Interest	Our interest in your Property, expressed as a percentage. See section 4.1 for further detail.
Shared Equity Money	The amount we provide you with to contribute to the purchase price of your Property in exchange for an interest in your Property. See section 4 for further detail.