



Land and Construction Loans Fact Sheet

The details contained within this fact sheet are particularly relevant to ADF personnel who are seeking information related to DHOAS subsidy assistance for a land and/or construction loan.

Further information is available on the [DHOAS website](#), or you may contact our customer service team on 1300 434 627 or by emailing dhoas@dva.gov.au.

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1. Am I eligible to receive subsidy assistance on a DHOAS land and/or construction loan?

To be eligible for subsidy assistance on a land and/or construction loan, you must be planning to build and occupy a home on this land within two years from when your subsidy payments start. If you have not finished building and occupied the home within two years, your subsidy payments will cease. To restart your subsidy payments, you would need to re-apply for a subsidy certificate and meet the scheme conditions.

2. Subsidy certificates and progressively drawn down loans

If you have started to receive subsidy payments and you want your Home Loan Provider (HLP) to report each progressive drawdown, you will need a new subsidy certificate each time. Subsidy certificates for progressively drawn down construction loans can be obtained by completing the online [Notification of Change in Circumstances](#) form which is available on our website.

It is advisable to apply for a subsidy certificate before each progressive amount is drawn down. This will avoid any unnecessary delays in having your new construction loan balance factored into your monthly subsidy calculations.

IMPORTANT: If your current subsidy certificate is your last certificate because you are considered separated from the ADF, you must request to commence subsidy payments before the certificate expires.

3. Reserve service and access to subsidy certificates for construction loans

If you are a Reservist, you will only be eligible for one subsidy certificate each financial year until you have completed at least 20 days of paid Reserve service in the applicable financial year. Once you are deemed 'effective' for that financial year, you are able to obtain certificates for the remainder of that financial year.

4. What if I don't want to receive subsidy payments until construction is complete?

You can choose to 'suspend' the commencement of your subsidy payments on your land or progressive construction loan until a time when you are maximising your subsidy payments. The balance of your loan in comparison with your eligible tier level may not represent the best use of your service credit.

It is important that your subsidy certificate will not expire before you elect to commence subsidy payments, or you can access future subsidy certificates. You must notify DVA if you intend to suspend your subsidy payments or your payments will commence on the reported loan balance.

If you choose to suspend your subsidy payments, please confirm your decision via a phone call to the customer service team on 1300 434 627, email dhoas@dva.gov.au or use our online [Notification of Change in Circumstances](#) form.

5. Land and construction loans and the subsidy lump sum payment

If you satisfy the eligibility criteria, the lump sum can be paid on any drawdown including your final drawdown, as long as the subsidy certificate on which the lump sum is requested and subsidy payments are authorised on, was issued prior to the property being occupiable. The lump sum can also be paid with any monthly subsidy payment on a land loan up until 2 years after the first subsidy payment is authorised.

You are able to choose to 'suspend' the subsidy lump sum payment until a future drawdown has occurred on your construction loan, so that the lump sum amount that is deposited into your home loan account does not reduce the total loan balance on which your monthly subsidy payments are calculated. If you wait until all your progressive drawdowns are reported before you receive the lump sum, then your total loan balance will not be reduced by the amount of your subsidy lump sum payment. The last loan balance reported through on your eligible subsidy certificate will be used to calculate the ongoing monthly subsidy payments after construction of your home is complete.

If you choose to suspend the lump sum, please confirm your decision via a phone call to the DHOAS customer service team on 1300 434 627, email dhoas@dva.gov.au or use our online [Notification of Change in Circumstances](#) form.

6. I didn't request the subsidy lump sum payment when I applied for DHOAS

If you want to have your lump sum eligibility assessed and you have not submitted the [Application for Subsidy Certificate \(Part G\)](#) requesting the subsidy lump sum payment, it is incumbent upon you to submit this documentation along with a [Notification of Change in Circumstances](#) form before your property becomes occupiable. Failure to do this will mean you are unable to make the necessary declarations.

7. How much subsidy will I receive at each progressive draw down?

The [subsidy amount calculator](#) available on the DHOAS website provides an estimate of your subsidy payment based on a given loan amount and the current median interest rate, which may differ to the interest rate on your home loan.

8. Is subsidy payable on a land loan and a construction loan at the same time?

Subsidy is payable on a progressively drawn down DHOAS loan. You can choose to commence subsidy payments on your DHOAS land loan and when you are ready to build, you can keep your DHOAS land loan and also take out a DHOAS construction loan. You can be paid subsidy on both loans.

Your HLP may also provide you with the option to establish a DHOAS construction loan and a non-DHOAS land loan or vice-versa. Subsidy is only payable on the DHOAS loan, whichever that is. After the construction of your home is complete, your HLP may offer you the option to combine the two loans into a DHOAS home loan. To combine the two loans, you will need to access a new subsidy certificate by completing the online [Application for Subsidy Certificate](#) form.

9. Subsidy certificates and land loans

If you have started to receive subsidy payments on your land loan and you want to combine this loan with a non-DHOAS construction loan into a principal and interest home loan, you will need to access a new subsidy certificate by completing the online [Application for Subsidy Certificate](#) form.

10. Privacy and your personal information

Your privacy is important to us. We are bound by the Privacy Act 1988 (the Privacy Act) and the Australian Privacy Principles (APPs). The APPs regulate the handling of personal information by Australian government agencies and businesses under the Privacy Act.

You can obtain more information about the way in which the Department of Veterans' Affairs will manage your personal information on the [DVA website](#).

11. Data matching

Information you provide to us may be used for data matching with other government agencies to detect and prevent incorrect subsidy payments and fraud.

12. Appeals and requesting a review of your decision

The *Defence Home Ownership Assistance Scheme Act 2008* (the Act) and *Defence Home Ownership Assistance Scheme Regulations 2018* can be found at <https://www.legislation.gov.au/>.

Section 71 of the Defence Home Ownership Assistance Scheme Act describes the decisions which are appealable. The decisions and the provision under which the decision is made are:

- To refuse to consider an application for a subsidy certificate (Subsection 15(2))
- To refuse to give a subsidy certificate (Subsection 16(3))
- To vary a subsidy certificate (Subsection 24(1))
- To cancel a subsidy certificate (Section 25)
- To refuse to authorise the payment of subsidy (Subsection 27(2))
- To refuse to authorise the continued payment of monthly subsidy (Subsection 27(4))
- To refuse to make a declaration that an event mentioned in item 1 of the table in subsection 36(1) is taken not to have occurred (Subsection 36(2))

- In a notice under section 43, to state a day for subsidy to stop being payable to a person that is later than the day requested by the person (Subsection 43(3))
- To revoke an authorisation of the payment of subsidy (Subsection 44(2))
- To vary an authorisation of the payment of subsidy (when this Act applies as if a subsidised borrower has not been a member of the Reserves) (Subsection 45(2))
- To determine the end of a period of warlike service (Subsection 48(3))
- To recover a due amount in the way provided by section 68 (Subsection 68(1))
- To refuse to extend the time for making an application for review of a decision (Subsection 74(3))
- A decision under the regulations that is declared by the regulations to be a reviewable decision for the purposes of this section (Section 17 and Paragraph 19(3)(b))

Please Note: All decisions relating to the administration of the Defence Home Ownership Assistance Scheme are made pursuant to the *Defence Home Ownership Assistance Scheme Act 2008* (the Act). Whilst due care has been taken in the preparation of this advice, in the event of any inconsistencies between the information provided herein and the Act, the Act will take precedence.