



Changing Your Loan Fact Sheet

The details contained within this fact sheet is particularly relevant to existing DHOAS clients who are currently in receipt of subsidy payments and are considering making changes to their current DHOAS loan. If the information contained within this fact sheet does not answer your query, you are encouraged to visit the DHOAS website or contact the customer service team.

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1. I want to know what are the subsidy ceasing events

The following events will result in your current subsidy arrangements ceasing:

- You close your current DHOAS home loan to take out another DHOAS home loan.
- You repay your DHOAS home loan to a nil or credit balance.
- You increase your existing home loan balance.
- You refinance your existing DHOAS home loan to renovate, repair or complete other improvement works to your home.
- You and your partner separate (and your partner is a party to the DHOAS home loan and/or has an interest in the property).
- You keep your current home loan open but you access a new subsidy certificate and transfer your subsidy to a new DHOAS home loan.
- You are no longer able to meet the [conditions of the scheme](#).
- You exhaust your DHOAS service credit.
- Changing your variable, fixed or split loan to an interest only loan.
- Changing security on your DHOAS home loan.

2. I want to know what are the correct use of funds for loan increases

If you are increasing the balance of your existing DHOAS home loan, you will need to submit a new [application for a subsidy certificate](#). You can only use the extra funds for enlarging, renovating, repairing or improvement works to your subsidised property.

If you intend to use part or all of your new borrowing for anything other than housing related purposes, you cannot be subsidised on these funds. In these cases, you will need to discuss with your Home Loan Provider about having the new borrowing funded as a separate non-DHOAS loan.

If you take out a DHOAS home loan that has a redraw facility, and then proceed to make deposits above your minimum monthly repayments, you may draw on those extra repayments. If your loan is paid down to a nil or credit balance at any point, your subsidy payments will cease as the purpose of your home loan is deemed to have changed. This applies even if you immediately redraw the funds.

Please note: If you wish to refinance your DHOAS loan at a later stage and any redrawn funds have not been used for housing related purposes, such as improvements or renovations to your DHOAS property, this may impact your eligibility or entitlement. This is because a DHOAS loan can only be used for the purposes as outlined above.

If you receive subsidy on a DHOAS home of which any portion has been used for a non-housing related purpose, you may be deemed ineligible for subsidy on that loan and be required to repay the subsidy paid in relation to that loan.

3. Can I meet the declarations outlined in the subsidy authorisation request form?

Before you commit to making a subsidy ceasing change to your current DHOAS home loan, please also consider being able to make the declarations in the questions contained in the Subsidy Authorisation Request Form that will enable subsidy to recommence. These include:

- Owning either solely or with your partner.
- Owning at least a 50% interest in the property.
- Using the loan for a home purchase, construction or renovation/repairs purpose.
- Discharging a previous loan used for one of these purposes.
- Using the property for residential and not business purposes.
- Occupying the subsidised property for a minimum of 12 months from the date subsidy payments recommence on the new loan, noting that previous periods of occupancy or approved occupancy waivers will not apply to the new subsidised loan.

4. How do the subsidised loan limits and my home loan balance affect my subsidy payments?

Every financial year, the Subsidised Loan Limits (SLLs) are updated to reflect the National Weighted Average Housing Price in Australia. This is to ensure that the SLLs stay relevant to the current housing market. This may mean your new loan falls under a different financial year SLLs. For further information on the SLLs, you are encouraged to visit the [DHOAS website](#).

If you are refinancing, consider that subsidy was originally paid on the loan balance when you first met the scheme conditions. Is the refinanced loan amount more or less than the original settlement amount? Refinancing a home loan to a reduced loan limit can reduce the value of your subsidy payments.

5. Would I be affected by any change of legislative interpretations?

All new applications for subsidy certificates are assessed under current legislation. A reassessment could impact on your DHOAS eligibility and entitlement in a number of circumstances. The 3 most significant scenarios are as follows:

If your last application was submitted between 25 November 2008 and 22 July 2009, your assessment was not subject to 'rejoining rules', therefore if you had any breaks in service during your DHOAS qualification period, your ADF service prior to these breaks contributed to your DHOAS eligibility and entitlement ('service credit').

Under the current legislative interpretation, if you have had breaks in effective service during your qualifying period, your service credit may be shortened, or in some cases reduced to zero, depending on the length of the break.

If your previous application was submitted prior to 4 January 2010, there was no requirement to provide a copy of your ADO service record or statement of reserve days. It is now a requirement to provide supporting documentation with your application for a subsidy certificate. If this updated information differs from the effective service that was claimed on your previous application, your previously advised entitlement may change in line with the new service information.

If your previous application was submitted on or before 7 December 2015 and you were assessed as a lateral recruit, your tier level eligibility may change. After this date, all new applications with recognised foreign military service start on Tier 1 and will not be eligible to progress to Tier 2 until another 8 consecutive years of permanent ADF service is completed, and 12 consecutive years for Tier 3 eligibility (or reserve milestones if applicable).

If you are impacted by any of these changes in interpretation, you are encouraged to consider the implications of having your entitlement reassessed before going ahead with any changes to your current subsidised loan.

6. What changes can I make to my DHOAS home loan that do not affect my subsidy payments?

Changing from a variable to fixed interest rate, or vice versa. Changing your name on the loan following marriage, and splitting your loan or performing a split loan consolidation. In these examples, your subsidy payments will continue and you do not need to apply for a new subsidy certificate to support your ongoing subsidy payments.

It is recommended that you contact DHOAS before making any changes to your DHOAS home loan.

7. 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](#).

8. 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.

9. 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 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))
- 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 Section 19(3)(b))

10. More Information

You can learn more about DHOAS by visiting the [DHOAS website](#) or by contacting our customer service team on 1300 434 627.

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.