



Bond Assistance Loan Policy

Purpose

The Bond Assistance Loan scheme is a Department of Housing and Works (the Department) initiative that aims to prevent homelessness and divert people from the need for social housing, by providing financial assistance to access private or Community Housing rental accommodation.

This document outlines the conditions under which a Bond Assistance Loan (the Loan) will be provided to an applicant and the obligations of the recipient if it is granted.

Scope

This policy applies to applicants of the Bond Assistance Loan scheme who are seeking to or have recently commenced a private rental tenancy or Community Housing rental tenancy.

Policy Statements

The Loan

1. The assistance provided is an interest-free loan of up to the maximum level of assistance or the equivalent of four weeks' contractual rent whichever is the lower amount (the bond amount) plus two weeks' rent in advance to secure a private rental tenancy.
2. The Department will determine the amount of assistance provided up to the maximum levels shown below:

| MAXIMUM LEVELS OF BOND ASSISTANCE | | |
|---|-----------------|--------------------|
| Household Type | Metro & Country | Northwest & Remote |
| Single | \$1,600 | \$1,800 |
| Two People (Couple or Adult with Child) | \$1,700 | \$1,960 |
| Three People | \$1,760 | \$2,000 |
| Four People | \$1,800 | \$2,200 |
| Five People | \$2,000 | \$2,800 |
| Six People | \$2,000 | \$2,800 |

3. An applicant may apply for a Loan prior to locating a suitable property or up to eight weeks after commencement of the tenancy.
4. An applicant may apply for a Loan before or after payment is made to the lessor.
5. Loan approval is wholly at the discretion of the Department.
6. The maximum Loan amount will be proportionately reduced where signatories to the Residential Tenancy Agreement are not eligible or have not applied for bond assistance.

7. The approved Loan amount will be paid directly to the Bond Administrator and/or the Lessor on behalf of the Loan recipient or directly to the recipient where the bond and/or rent in advance have been paid to the Lessor prior to application.

Eligibility

General

8. Applicants must establish their identity to the satisfaction of the Department.
9. Applicants must be an Australian citizen, Australian permanent resident, or a New Zealand citizen who holds a protected Special Category Visa (SCV), and reside in Western Australia.
10. Applicants must be 16 years of age or older.
11. Applicants must be, or in the process of becoming, a signatory to a residential tenancy agreement under the *Residential Tenancies Act* WA 1987 (the Act) for the property to which the Loan relates and required to provide a security bond to the Lessor. Boarding and lodging or 'room only' accommodation arrangements are not eligible for bond assistance.
12. The property to which the Loan relates must be a private rental or Community Housing rental property.

Income

13. Applicants must have an income source received in Western Australia.
14. The combined gross (before tax) assessable weekly income of all applicants must be below the following limits:

| INCOME LIMITS | | | | |
|----------------------------------|-----------------|--------------------------|--------------------|--|
| Household Type | Metro & Country | People with a Disability | Northwest & Remote | People with a Disability in Northwest & Remote |
| 1 person | \$988 | \$1,235 | \$1,265 | \$1,581 |
| 2 persons | \$1,413 | \$1,766 | \$1,801 | \$2,251 |
| 2 persons (Adult plus Dependant) | \$1,693 | \$2,116 | \$2,160 | \$2,700 |
| 3 persons | \$1,693 | \$2,116 | \$2,160 | \$2,700 |
| 4 persons | \$1,693 | \$2,116 | \$2,160 | \$2,700 |
| 5 persons | \$1,925 | \$2,406 | \$2,449 | \$3,061 |
| 6 persons | \$2,148 | \$2,685 | \$2,735 | \$3,419 |

15. A Loan will only be provided where the weekly contractual rent for the private rental accommodation is sixty percent or less of the total gross weekly household income.

Assets

16. Applicants must have cash assets that are below the following limits:
- Singles - \$5,000

- Singles with dependants - \$10,000
- Couples with or without dependants - \$10,000

17. Applicants must not own or be part owner of property or land.

Existing Debt

18. Applicants with multiple bond loans outstanding at the time of application may be refused a further bond loan.
19. Applicants with any existing debt owing to the Department or a history of default may be refused a Loan.

Recipient's Obligations

20. The Department has the right to set the terms of the repayment arrangement and other conditions of assistance.
21. Recipients must enter into an arrangement to repay the Loan at the time of loan approval. Any arrangement for the household to share responsibility for the debt is a private matter between the recipient and members of the household.
22. Recipients with existing debt owing to the Department must enter into a separate arrangement to repay the debt at the time of loan approval.
23. Recipients must provide consent for the Department to share information with the Bond Administrator and the Lessor in relation to the Loan provided and the tenancy to which it relates.
24. Recipients must instruct the Lessor and the Bond Administrator to pay any remaining bond (to which they are entitled) directly to the Department upon disposal of the bond at the end of the tenancy.
25. Failure to repay the loan in accordance with the loan agreement may result in the debt being referred to a commercial debt collection agency.

Lessor's Obligations

26. The Lessor must provide consent for the Department to share information with the Bond Administrator in relation to the tenancy for which the Loan is provided.
27. The Lessor must lodge the security bond with the Bond Administrator in accordance with section 29 of the Act.
28. The Lessor must advise the Department where there has been a change in ownership of the leased property, or the tenancy has ended.

Definitions

| Term | Definition |
|----------------------|--|
| Assessable Income | Income deemed 'assessable' pursuant to the Rental Policy Manual - Eligibility Relating to the Income of Applicants. |
| Bond Assistance Loan | An interest free loan provided by the Department to eligible applicants for bond and rent-in-advance (or part thereof) to help them obtain accommodation in the private rental market. |
| Cash Assets | Cash or an asset that can be readily converted to cash. |
| Default | Failure to meet the legal obligations or conditions of a loan; failure to maintain a payment or repayment arrangement. |
| Lessor | A person or group who grants a lease; a landlord. |

Related Legislation

- *Housing Act 1980*
- *Residential Tenancies Act 1987*
- *Residential Tenancies Regulations 1989*
- *Residential Parks (Long-stay Tenants) Act 2006*

Related Department Policies

- Discretionary Decision-Making Policy
- Housing Authority Appeals Mechanism
- Identity Policy
- Rental Policy Manual - Eligibility Relating to the Income of Applicants

Document Control

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