



# Bond Assistance Loan Policy

## Purpose

The Bond Assistance Loan scheme is a Department of Communities (Communities) 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. Communities 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 Communities.
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 Communities.
9. Applicants must be either an Australian or New Zealand citizen or permanent resident, residing 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. For all State and Federal payments relating to COVID-19, see the Department of Communities (Housing) COVID-19 Policy.
16. 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**

17. 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

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

## **Existing Debt**

19. Applicants with multiple bond loans outstanding at the time of application may be refused a further bond loan.

20. Applicants with any existing debt owing to Communities or a history of default may be refused a Loan.

## **Recipient's Obligations**

21. Communities has the right to set the terms of the repayment arrangement and other conditions of assistance.

22. 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.

23. Recipients with existing debt owing to Communities must enter into a separate arrangement to repay the debt at the time of loan approval.

24. Recipients must provide consent for Communities to share information with the Bond Administrator and the Lessor in relation to the Loan provided and the tenancy to which it relates.

25. Recipients must instruct the Lessor and the Bond Administrator to pay any remaining bond (to which they are entitled) directly to Communities upon disposal of the bond at the end of the tenancy.

26. 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**

27. The Lessor must provide consent for Communities to share information with the Bond Administrator in relation to the tenancy for which the Loan is provided.

28. The Lessor must lodge the security bond with the Bond Administrator in accordance with section 29 of the Act.

29. The Lessor must advise Communities 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 Communities 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.
Communities	The Department of Communities, including the Housing Authority, the Department for Child Protection and Family Services, the Disability Services Commission and other entities.
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 Communities Policies

- Discretionary Decision-Making Policy
- Housing Authority Appeals Mechanism
- Identity Policy
- Rental Policy Manual - Eligibility Relating to the Income of Applicants
- Department of Communities (Housing) COVID-19 Policy

## Document Control

Version Number	0.5
Publication date	19 June 2023