

Affordable Housing Bond Aggregator: Frequently asked questions

1. What is the Affordable Housing Bond Aggregator (“AHBA”)?

The AHBA is a fundraising platform and loan provider for the community housing sector administered by the National Housing Finance and Investment Corporation (“**NHFIC**”), established by the Australian Government under the *National Housing Finance and Investment Corporation Act 2018* (Cth). The AHBA is a separate source of funding from the National Housing Infrastructure Facility (which is also administered by the NHFIC).

The AHBA operates by providing loan finance (“**AHBA Loans**”) to eligible registered community housing providers (“**CHPs**”), using money borrowed from the Commonwealth and by raising finance by the issue of bonds in the capital markets. This function is expected to enable fundraising on a larger scale and on different terms to what would be possible for individual CHPs accessing the loan or capital markets.

AHBA Loans are to be provided with the object of improving housing outcomes for Australians by, amongst other outcomes, contributing to the development of the scale, efficiency and effectiveness of the community housing sector in Australia.

2. What finance is on offer under the AHBA?

AHBA Loans will be provided as secured loan finance, which will be made available to any CHP, subject to satisfaction of eligibility criteria and the NHFIC’s assessments and discretions.

It is intended that the relative savings from the AHBA’s fundraising activities will be passed through CHPs in the form of lower interest and/or longer tenor loans, enabling them to improve housing outcomes for their clients.

The AHBA will not provide any other form of finance other than loans. Grants and equity finance are not available under the AHBA.

3. Who is eligible to apply for AHBA Loan?

To be eligible for an AHBA Loan, you must be a CHP (however described) that is registered under a law of, or under a scheme administered by, a State or a Territory. No other person or entity is eligible for an AHBA Loan.

The NHFIC may impose additional criteria for eligibility to apply for any AHBA Loans (“**Additional Eligibility Criteria**”). The Additional Eligibility Criteria are specified in section 4.2 of the AHBA Guidelines, and are subject to change by the NHFIC, at any time and without notice.

4. What can AHBA Loans be used for?

A CHP may use an AHBA Loan to:

- acquire new housing stock;
- construct new housing stock;
- maintain its existing housing stock; and/or

- assist with its working capital requirements and/or for application towards its general corporate purposes; and/or
- refinance its existing indebtedness,

provided that the use of the loan finance can be demonstrated to improve housing outcomes for Australians.

The NHFIC may provide an AHBA Loan to a CHP undertaking a 'mixed tenure development' only where it is satisfied that any profits from the development will be applied to support affordable housing outcomes. A 'mixed tenure development' for these purposes is a development which aims to improve housing outcomes for Australians by (1) making affordable housing available for sale or rent, and (2) making housing available for sale or rent on the private market at the prevailing market price (or such other price which does not support affordable housing outcomes).

Please refer to the AHBA Guidelines for further information about whether your project is eligible for an AHBA Loan.

5. What materials should I read before submitting an Expression of Interest Form or applying for an AHBA Loan?

CHPs should review the following documents before applying for an AHBA Loan:

- the AHBA Guidelines (which contain more detailed information about the AHBA, the eligibility criteria, the application process and the assessment process); and
- the General Information on Indicative Terms for AHBA Loans, ("**Indicative Terms**") available upon request from a NHFIC relationship manager, which summarises key commercial terms and conditions that will apply under the transaction documents for AHBA Loans.

6. What are the first steps to apply for an AHBA Loan?

Each application for an AHBA Loan must be made through a NHFIC relationship manager. A NHFIC relationship manager may be contacted by the submission to the NHFIC of an Expression of Interest Form ("**EOI Form**"), which will be made available on the NHFIC website at www.NHFIC.gov.au or upon request from the NHFIC.

The EOI form will be made available once our relationship management team is in place. In the interim, you can discuss the requirements which are anticipated to apply to AHBA loans with Treasury officials by contacting NHFIC.

The NHFIC may be contacted on 1800 549 767 or via email at inquiries@nhfic.gov.au.

CHPs are encouraged to discuss their individual circumstances in full with the NHFIC relationship manager before deciding whether to apply for an AHBA Loan.

7. Will I need to provide security?

The NHFIC will only provide AHBA Loans where the NHFIC has obtained security for the loan at a level that is appropriate, having regard to the risk to the NHFIC and the Commonwealth.

Security provided may include one or a combination of the following arrangements:

- registered real property and leasehold mortgages over the applicant's property;
- specific security agreements, including over shares in the applicant as appropriate;

- side deeds may be required as appropriate; and
- any other security the NHFIC considers necessary.

Please refer to the Indicative Terms available from a NHFIC relationship manager for further details about the provision of security.

8. What happens once my EOI Form is submitted?

Once your EOI Form is submitted, you will be contacted by a NHFIC relationship manager to discuss your application. The NHFIC relationship manager will be your point of contact for all matters relating to your application.

Suitable applications will first be developed in consultation with the NHFIC relationship manager prior to them being submitted to the NHFIC for assessment.

The submission of an EOI Form does not oblige the NHFIC to progress any AHBA Loan application beyond discussions with a NHFIC relationship manager (and there is no assurance that any such application will move beyond such discussions), nor for the NHFIC relationship manager to develop, or NHFIC to assess, any such application.

The NHFIC will notify applicants of the outcome of their application in writing, including reason for a decision to decline an application.

9. What are the criteria used to assess an AHBA Loan application?

Each AHBA Loan application will be assessed by the NHFIC on a case-by-case basis, without any preference as to the date that the application for that AHBA Loan is initiated.

The provision of any AHBA Loan is subject to satisfaction of eligibility criteria and the NHFIC's assessments and its discretions, all as detailed in the AHBA Guidelines.

An EOI Form is expressly not an application or proposal for any AHBA Loan and does not require the NHFIC to make any financing decision nor a decision not to provide finance.

10. What are the indicative terms for AHBA Loans?

The Indicative Terms, which will be available upon request from a NHFIC relationship manager, outline the key commercial terms and conditions that are to be included in the finance documents for AHBA Loans. Finance documents for AHBA Loans may require amendment to take into account any considerations identified by the NHFIC.

11. How do I contact the NHFIC?

You can contact the NHFIC to make enquiries about AHBA Loans, the status of your EOI Form assessment or to make any other AHBA enquiries by:

- Calling: 1800 549 767; and/or
- Emailing: inquiries@nhfic.gov.au.