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| RentAssist Bond Loan |
| Operational Guidelines V2.2September 2022 |
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# Revision history

The following table shows the development of this manual.

| Version | Amended section | Effective | Details |
| --- | --- | --- | --- |
| 1.0 | Revised Document |  14 April 2020 | Date of issue  |
| 2.0 | Eligibility Requirements | 17 November 2021 | Updated eligibility criteria for Visa subclass 449 holdersCorrection on page 13 Rent should not exceed 55 per cent of total household incomeAdded clarification the Rental provider or agent will need to refund the private bond back to the renter when the bond has already been paid |
| 2.1 | What are the key changes in these guidelines?Residency requirementsIncomeTable: Assessable incomeAssets | 30 May 2022 | Clarified date of changesClarified November 2021 is for Afghan evacuees – also clarified in Residency requirements section.Clarified income assessment for couples and assessment where one member of a household eligible and the other not eligibleClarified information in table – Asylum seekers allowance and added Clean Energy Supplement (had been omitted in error)Included treatment of Commonwealth and State Government Stolen Generations Redress payments |
| 2.2 | Exemption to newly arrived Ukrainian evacueesUpdate to bond top-up assessment | 6 Sep 2022 | Newly arrived Ukrainian evacuees on subclass 449/786 Visas will be exemption from residency eligibility requirementsClarified income and asset assessment for bond top-up applications |

# More information

To find out about housing options visit the [HousingVic website](http://www.housing.vic.gov.au) <http://www.housing.vic.gov.au> or contact your [local housing office](http://www.housing.vic.gov.au/contact-a-housing-office) <http://www.housing.vic.gov.au/contact-a-housing-office>.

To receive this publication in an accessible format contact Homes Victoria <enquiries@homes.vic.gov.au>.

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# When do these guidelines apply?

These RentAssist bond loan guidelines apply when a person:

* is seeking to secure a private rental property
* requires assistance in paying the bond due to their level of income
* applies for a RentAssist bond loan from the Department of Health and Human Services (the department) who manages the program on behalf of the Director of Housing.

# What are the key changes in these guidelines?

The guidelines have been updated on 14 April 2020 with the following key changes:

* An existing bond, rent or maintenance debt is not a barrier to accessing a RentAssist bond loan. The obligation to repay debt remains, except as follows:
	+ where a bond loan was issued prior to 1 July 2001, from which date when all bond loans were required to be lodged with the Residential Tenancies Bond Authority
	+ existing reasons including family violence and urgent medical reasons.
* Excluding some incomes specifically in response to the COVID-19 crisis when determining eligibility.

The guidelines have been updated in November 2021 with the following key changes:

* Eligibility for Afghan evacuees who have arrived under subclass 449 visas
* Updated terminology in response to changes to the *Residential Tenancies Act 1997*

The guidelines have been updated in September 2022 with the following key changes:

* Eligibility for Ukrainian evacuees who have arrived under subclass 449 visas
* New section outlining bond top-up assessment criteria
* Use of the Register of Interest income limit to assess eligibility where an applicant is experiencing family violence.

# Purpose of the RentAssist bond loan program

The objects of the Victorian *Housing Act 1983* include ensuring that every person in Victoria has adequate and appropriate housing at a price within his or her means by encouraging the distribution, according to need of Government financial assistance. The RentAssist bond loan program is a key initiative in meeting these objectives.

As a public authority the Director of Housing is bound to administer the housing assistance programs provided consistent with the principles of the Victorian Charter of Rights. (Refer to [Decision making - Human rights considerations](#_Decision_mMaking_-–)).

The department manages the program, providing a bond loan to assist households who are seeking accommodation in the private rental market and require financial assistance to meet the cost of a bond; one of the major upfront costs of renting in the private rental market.

Bond is a payment amount by a renter as a security deposit for the private rental provider or property owner (rental provider) against the renter not fulfilling their obligations under their leasing agreement.

# Additional Arrangements

Applicants must meet the RentAssist bond loan eligibility requirements to be eligible for a bond loan, but there are special circumstances that allow an exemption to some of the eligibility criteria.

The maximum RentAssist bond loan amounts are based on metropolitan median rents and the number of bedrooms in the property.

All bond money is held by the Residential Tenancies Bond Authority (RTBA). In the case of RentAssist bond loans, at the end of the lease the bond is returned directly to the Director of Housing. If the rental provider makes a successful claim for property damages or unpaid rent, the bond applicant/s are liable to the Director of Housing for any outstanding balance.

# RentAssist bond loan applications

Applicants can apply online through HousingVic online services via the myGov portal, or at any local housing office on a paper application form.

Community Service Organisations (CSO) registered on the department’s eBusiness portal, can also lodge online applications on behalf of clients and renters.

Applications made online are assessed by the Housing Call Centre and the bond voucher is emailed directly to the Real Estate Agent or Private Rental provider.

# Eligibility requirements

Households applying for a RentAssist bond loan must meet the following eligibility criteria:

* must be a permanent resident of Australia
* meet the RentAssist bond loan income and asset eligibility limits
* not own or part-own a residential property
* the rent for the property being leased should not be more than 55 per cent of the household’s total income, to ensure sufficient income for living costs
* proof of identity, residency status, income and other documents have been provided.

There are special circumstances that allow an exemption to some of the eligibility criteria.

To support the applicant in accessing private rental, when all required information has been provided, the application is assessed, and a voucher provided within three working days.

# Residency requirements

Applicants for a RentAssist bond loan must be an Australian citizen, permanent resident, protected special category visa holder, or Afghan or Ukrainian evacuees who have arrived under a subclass 449 or 786 visa.

Newly arrived migrants and New Zealand citizens who are subject to Centrelink’s two-year waiting period are eligible to apply for bond loan subject to meeting all other eligibility criteria.

If an applicant was not born in Australia, they must provide evidence as follows to satisfy residency requirements for bond:

* Proof an applicant receives a primary support payment from Centrelink, such as Jobseeker payment, is sufficient to demonstrate they are an Australian citizen or permanent resident. The following Centrelink payments are *not* considered primary support payments for the purpose of this policy:
	+ Foreign Pension
	+ Family Tax Benefits
	+ Paid Parental Leave
	+ Child Support
	+ income from interest, allocated pensions, etc.
* a Certificate of Australian Citizenship
* a current Permanent Resident Evidence ImmiCard
* evidence of Visa subclass 449
* the Visa Entitlement Verification Online (VEVO) system or the myVEVO app. VEVO enables the applicant to send visa details directly from VEVO to any third-party email address. Applicants can use their foreign passport to access their visa details and work entitlements.

Confirmation on whether a particular visa allows permanent residency can be found on the website of the [Department of Home Affairs](https://www.homeaffairs.gov.au/) < [https://www.homeaffairs.gov.au](https://www.homeaffairs.gov.au/)>or by telephoning them on 131 881.

## Assurance of Support

An applicant who was on an Assurance of Support arrangement can be approved for a RentAssist bond loan if they can provide evidence the sponsorship arrangement has expired or broken down. Evidence may be confirmation from Centrelink they are receiving a Special Benefit.

## Victorian residency

Provided all other eligibility criteria are met, applicants living interstate or overseas can be approved for a RentAssist bond loan for a property in Victoria. An Australian contact address must be provided.

## Newly arrived Ukrainian evacuees

To address the immediate housing needs of newly arrived Ukrainian evacuees, those on the Humanitarian Concern visa subclass 449 or subclass 786 will be exempt from the current residency eligibility requirements. A policy consideration of ‘Humanitarian stay visa 449’ can be applied in HiiP to pass this requirement.

# Income

Applicants must have an income to be eligible for a RentAssist bond loan.

Incomes and assets for Rent Assist bond loans are classified under the eligibility rules as assessable (included in determining eligibility) and non-assessable (excluded when determining eligibility).

The same income and asset rules are used in determining eligibility for both the Victorian Housing Register and assessing public housing rental charges.

As in public housing allocations guidelines, where an applicant is experiencing family violence, the Register of Interest income limit can be used when assessing a bond loan application, to provide appropriate assistance.

The income and assets of all household members 18 years of age and over who are seeking the bond loan, are included in the determination of eligibility.

The eligibility of each household member 18 years of age and over who is applying for a bond loan is assessed individually. The incomes for children 17 years of age and under who are not party to the rental agreement are disregarded.

The combined incomes of couples are assessed against the Bond Loan Scheme income limits for couples. They are not assessed individually if the income of one member of the couple would make them ineligible.

Where a couple apply for bond loan assistance and one partner is ineligible because they hold a temporary spouse visa, the relevant couple income limit is applied when determining income eligibility.

The total assessable income and assets cannot exceed eligibility limits for the bond loan assistance. However, not all income received by a household is assessable in determining eligibility, for example, some of the new payments in response to the current COVID-19 health crisis.

The current income and asset limits and maximum bond loan amountsare found on the [Housing Vic website](file:///C%3A%5CUsers%5Ckdeh2507%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5C1W6GVIML%5CHousing%20Vic%20website) <http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits>.

Some applicants within a household may be eligible and receive a bond loan, while some applicants are ineligible and do not. The share of the bond loan provided is proportionate to the number of eligible household members, for example, if two household members apply, one is eligible and one is not eligible, 50 per cent of the bond loan will be provided.

If all household members party to the rental agreement are eligible then 100 percent of the bond loan will be provided, up to the maximum bond loan amount.

## Applicants under 18 years of age

There is no minimum age requirement for bond eligibility provided they have an income and have been accepted as a renter by a rental provider or agent. If the lease has been signed by another person with the applicant (i.e. their guardian), both persons’ income is assessed. If the applicant does not receive an income, the guardian’s income and asset documentation is assessed.

The income used in assessing eligibility is outlined in the table below.

Table 1: Assessable income for eligibility

|  |  |  |
| --- | --- | --- |
| Age Pension | Gross wages (including over time, shift allowances and bonuses, before income tax, superannuation contribution and union fees are deducted) | Parenting payment single (formerly known as Sole Parents Pension) |
| Asylum seekers allowance | Incentive allowance | Parenting payment partnered |
| Austudy, Abstudy, university grants and bursaries (where part of the Austudy entitlement is traded for a loan; the Austudy entitlement is imputed) | Income generated from funds or assets (includes real estate) | Partner allowance |
| Blind Pension | Income generated from investments and interest on savings (including assets over $10,000 gifted in one year) | Relocation Scholarship for Youth Allowance and Abstudy (Living Allowance) Students |
| Carer’s payment (formerly known as Carer’s pension) | Interest on Prisoner of War one-off payments | Sheltered workshop payments |
| Centrelink Working Credits Scheme – wages component | Income from interest on F-111 Ex-Gratia lump sum payments | Sickness allowance |
| Clean Energy Supplement | Income received by Ministers of Religion | Special benefits |
| Community Development Employment Project income | Income received from a person that has co-signed the lease with the applicant (e.g. a guardian) | Superannuation payments |
| Defence Force Income Support Allowance (DFIS) – Department of Veterans’ Affairs payment for a shortfall where the main Centrelink income is reduced by a War Disability Pension. | Income support supplement (paid by Veterans Affairs) | Veterans Affairs Pensions and/or War Widows Pension |
| Defence Force Reserve payments | Jobseeker allowance | Widow allowance  |
| Department of Veterans Affairs Service Pension | Maintenance payments | Work cover/compensation payments for loss of earnings  |
| Disability Support Pension | Mature Age allowance | Youth allowance (18 Years and Over) |
| Disability wage supplement | New Enterprise Incentive Scheme (NEIS) |  |
| Double Orphan Pension (18 years or over) | Overseas income including Overseas War Service or Veterans’ Affairs Pensions |  |

Refer to the [Rent setting and rebate operational guidelines: Assessable income](https://providers.dhhs.vic.gov.au/rent-setting-and-rebate-operational-guidelines) <https://providers.dhhs.vic.gov.au/rent-setting-and-rebate-operational-guidelines> for the calculation of income generated by shares and other investments.

## Treatment of Assistance received in Response to COVID-19

The income type of ‘JobKeeper’ payment is to be included in the assessment of bond loan eligibility.

Income types that are excluded when calculating rent, or eligibility for the Victorian Housing Register and bond loans comprise the following Commonwealth initiatives:

* one off payment Economic Support payment of $750 to benefit recipients
* Coronavirus supplement of $550, per fortnight
* early access to superannuation.

## Proof / evidence of Income

### Centrelink and Department of Veterans’ Affairs income

* Centrelink income recipients must provide a current Centrelink statement (less than two weeks old) or provide authority to participate in Centrelink Confirmation eServices income confirmation.
* If an applicant is not receiving the full amount they are entitled to, a letter from Centrelink is required to explain the lesser amount. Where this confirms they are not receiving another type of income (such as wages), the assessment is on the amount they are receiving.
* Department of Veterans’ Affairs clients are required to provide income statements not more than two weeks old.

### Wage earners

* Wage earners must supply a letter from their employer confirming the employer’s contact name, address and telephone number and all of the applicant’s gross weekly income earned over the last 13 weeks. If employment began less than 13 weeks prior to applying for the bond loan, the average gross weekly income earned to-date is used.
* If employment has recently terminated and the client is awaiting Centrelink payment, a letter confirming the date of commencement and amount of benefit is required from Centrelink
* Self-employed applicants who have not consented to participate in Centrelink Confirmation eServices income confirmation must provide documentation showing all forms of income and their latest 13-week profit and loss statement certified by an accountant. If the applicant does not have an accountant, a statutory declaration completed by the applicant declaring the information provided in the profit and loss statement is true and correct is required. A projected profit and loss statement (including a statutory declaration where the applicant does not have an accountant) is required where the applicant has recently commenced self-employment.

### Centrelink payment has not commenced

If a client has been granted an allowance or benefit from Centrelink but it has not yet commenced at the time of applying for the bond loan, the applicant is required to provide documentation such as an acknowledgment from Centrelink that shows the application has been lodged. Acknowledgement of the income type sourced will be used by the department to assess income eligibility for the bond loan.

If there is no future payment information at the time of applying, or the applicant has not been granted a payment from Centrelink, the applicant must provide documentation confirming all other sources of income currently used to meet living expenses which is used to assess income eligibility. Documentation may include:

* wages statement for any part-time or seasonal work
* a statutory declaration prepared by a parent/guardian for applicants waiting commencement of Austudy payments.

# Assets

The asset limit for the RentAssist bond loan align with the asset limit for priority access for the Victorian Housing Register. The amount is based on the ability to maintain a tenancy in the bottom 25th percentile of the private rental market for a period of six months. The asset limit is found on the [HousingVic website](http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits) <http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits>.

Asset eligibility limits for are as follows for different household structures:

* Couple household – assessed against the couple asset limit if one partner is ineligible because they are not yet a permanent resident.
* Single parent with shared care arrangement where the child or children lives with them on a regular basis (typically at a minimum of every second weekend and half of the school holidays) – assessed against the single with a dependent or dependants.
* Group household – total household assets assessed. If the total asset amount exceeds the eligibility limit but at least one individual’s asset is eligible as a single applicant, this person can be considered for their share of the bond on their own if the main applicant consents. Alternatively, the eligible household member can submit their own application for a Rent Assist bond loan.
* Assessable assets include capital value or equity that could be used to pay for the bond:
* Newborn Upfront Payment (formerly known as Baby Bonus and Maternity Payment)
* Carer supplement fixed amount of $600 each year in addition to the regular Carer payment or Carer allowance to help with the cost of caring for a person with disability or a medical condition.
* Cash holdings
* Family Tax Benefit Lump Sum Supplement – annual lump sum payment to families following reconciliation of entitlement at end of financial year
* Interest or equity in real estate in Australia, e.g. houses, flats or units or land that can be used or sold by the applicant to pay the bond
* Mobile homes and recreation vehicles, e.g. caravans, boats, etc
* Net fixed assets of a business, including the value of the business itself
* Older Australian’s bonus
* Savings including fixed term deposits
* School Start Bonus – one off payment paid to families with children starting prep and year seven at a government or non-government school (no longer paid)
* Shares in estates and businesses
* Stock market bonds and investments
* Superannuation funds that can be realised
* The value of any interest or equity in land in Australia
* Loss of wages component of victims of crime lump sum compensation payment.
* Non-assessable assets include personal belongings, furniture, a private car and assets that cannot be realised. Relevant documentation must be provided for assets that are not realisable.
* Additionally, specific purpose lump sums payments that can be separately identified (this applies to F-111 ex-gratia lump sum payments and prisoner of war (Japan and Korea) lump sum compensation payment) are not assessable assets, but the income from these assets is assessible in determining eligibility for a RentAssist bond loan.
* Commonwealth and State Government Stolen Generations Redress payments are categorised as non-assessable incomes, however eligible recipients who elect to invest this payment may be charged a deemed interest rate on interest earned from that investment.

## Real estate

Applicants who own or part own residential real estate are not eligible for a RentAssist bond loan unless they cannot make ‘effective use’ of the property.

### Exemptions for bond applicants who own real estate

If an applicant cannot make ‘effective use’ of their property by living in it or selling their equity in the property, it is not included as an assessable asset. The applicant must provide documentation to support this, for example, from a solicitor, family violence support worker or financial institution. Examples of not been able to make ‘effective use’ of the property include:

* medical and mobility issues
* health and safety
* contested property settlement not yet successfully negotiated
* family violence.

Where settlement has been successfully negotiated, the money the applicant will receive is an assessable asset.

Where the applicant is escaping from family violence and has not yet commenced property settlement, documentation can be provided by a family violence support worker to confirm the applicant cannot make ‘effective use’ of the property.

# Identity

Each person applying for the bond loan must provide 100 points of identification to establish their identity as outlined on the proof of identity page on the [HousingVic website](https://housing.vic.gov.au/proof-identity) < https://housing.vic.gov.au/proof-identity>. Local management discretion may be applied when a client cannot provide photo identification that has a signature, for example accepting documents that add to 100 points although they do not have a photo.

Where an applicant who is currently homeless cannot meet the proof of identity requirements, a signed letter from the applicant’s support worker confirming the applicant's full name and date of birth can be accepted as proof of identity. The letter should also include the worker's full name and contact details.

# Victorian Housing Register Clients

An applicant for a bond loan who is on the Victorian Housing Register (VHR) can elect in their application for a RentAssist bond loan if they would like their postal address updated on the VHR. Applications approved for Priority access housing may require a reassessment of the application due to the change in accommodation type.

# Rent should not exceed 55 per cent of total household income

To ensure that households have sufficient disposable income to sustain their living expenses, for a RentAssist bond loan to be approved, the weekly rent on the property should not be more than 55 percent of the total household income. This is not including any additional charges such as utility or service charges. This is known as the rent ratio test.

All assessable and non-assessable incomes are used including the current maximum rent assistance for the household structure. The current maximum rent assistance amounts are found on the [HousingVic website](http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits) <http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits>

The rent ratio test is applied according to the following household structures:

* couples, combined income is assessed against the total rent
* group households, income of each eligible applicant is assessed against their share of the rent.
* For group households, income of each applicant is assessed against their share of rent as determined by the household. For example; where the bedrooms may not be even in size or amenity.

The actual amount received is used for the 55 per cent rent ratio test if an applicant’s Centrelink income is reduced due to a previous overpayment or they have a repayment agreement with Centrelink for a loan. If the applicant’s full Centrelink payments will resume shortly (for example within two weeks), the assessment of the rent ratio is on the full entitlement.

Incomes that is currently provided by a friend or relative as shown on a bank statement or statutory declaration are included.

The assessment can be on a future increase in income such as:

* moving away from home or turning 18 or 21 years old
* a pregnant client’s income will increase when she is granted Parenting Payment Single, family allowance, etc.
* indexed increase in pensions and allowances for Centrelink and Department of Veterans’ Affairs recipients.

## Applicant already moved into the property

If an applicant has already moved into a property, provided they meet the eligibility criteria at the point of applying, the applicant can be approved for a bond loan for up to three months after the tenancy has commenced, this provision recognises that they may not have been aware that they could access a bond loan. The Rental provider or agent will need to refund the private bond back to the renter in full and lodge the voucher with the RTBA.

# Debt to the department

## An applicant has an existing bond loan and is transferring properties

Where an applicant has an existing bond loan and is seeking a new bond loan in order to transfer properties, they can be provided with the second bond loan on the basis that the existing tenancy will be terminated by the rental provider in order for them to take up the second tenancy. The applicant will be liable for any amount withheld on the first tenancy’s bond loan.

## Previous Bond Charges

When the bond loan application is lodged each applicant signs a legally binding declaration that states their understanding to repay the loan to the department at the completion of their tenancy.

For RentAssist bond loans, the bond money is held by the RTBA until the end of the tenancy and is automatically returned to the department by the RTBA once the tenancy has concluded. Any bond amount not returned by the RTBA represents a portion paid to the rental provider or agent as compensation for either rental arrears or damage to the property. The rental provider or agent must apply to the Victorian Civil and Administrative Tribunal (VCAT) within ten business days of the end of the tenancy for an order directing the RTBA to pay an amount of bond to the rental provider or agent.

An amount paid to the rental provider or agent under an order by VCAT is a debt to the applicant. Where an applicant has an outstanding bond debt, they can be approved for a further bond loan.

The applicant is encouraged to enter into an agreement to repay the debt by signing an Outstanding Charges Repayment Agreement.

Where the debt is from a previous group or joint tenancy, the applicant must enter into a repayment agreement for the amount apportioned equally to all household members on the original application as they are jointly and severally responsible for the debt.

Staff should check the previous bond to confirm whether the debt remains to be payable or falls under the exemptions for repayment of debt.

For Bonds lodged with the RTBA from 1 July 2001 onwards, the rental provider has 14 days in which to make a claim on the bond before it is refunded to the Director of Housing.

Consistent with the Policy below, for bond loans issued prior to that date, the Director of Housing is no longer pursuing debts arising from those bond loans.

There are circumstances where an applicant is exempt from repaying the outstanding debt

### Exemptions to repayment of outstanding bond loan

The applicant is exempt from repayment of a bond loan in the following circumstances:

* Bond loans issued prior to the 1 July 2001 – These are bond loans created prior to it being mandatory for the Residential Tenancies Bond Authority to hold all bonds.

Circumstances beyond the renters control, such the following;

* The damage is the result of an accident or actions which could not be reasonably prevented, considering the individual needs or circumstances of the renter or the household members remaining in the property, for example, the renter has a disability or is a survivor of family violence.
* Where the debt arises due to third-party or criminal actions beyond the renter’s control.
* Where the debt arises from other factors beyond the renter’s control (e.g. natural disaster).
* Serious medical condition – the bond debt is due to the applicant being forced to leave a tenancy due to a serious medical condition. The applicant must provide a letter from their treating health practitioner confirming their medical condition and that they were forced to leave the tenancy.
* A new social housing tenancy is being commenced – the bond is retained by the private rental provider as the renter could not provide sufficient notice of their intention to vacate due to their requirement to commence a social housing tenancy.
* Bankrupt clients – if one applicant on a previous bond application is declared bankrupt, the outstanding debt is generally written off for all joint applicants in recognition of the difficulties to practically pursue a shared debt for bond loans. The [Bankruptcy operational guideline](https://providers.dhhs.vic.gov.au/tenancy-management-manual-bankruptcy-operational-guidelines-word) <https://providers.dhhs.vic.gov.au/tenancy-management-manual-bankruptcy-operational-guidelines-word> outlines the documentation required for evidence of bankruptcy.

In the case of family violence, staff will accept verbal advice from a family violence worker to confirm the circumstances. A file note is made regarding the information provided. If written evidence is provided, staff make a file note regarding the evidence, but the documentation is not required to be retained by the department. Where documentation is provided and is to be stored in HiiP, this should be stored in the secure document management system within HiiP.

## Previous Tenancy Charges

Where a bond applicant has an existing tenancy related debt, this is not a barrier to accessing a RentAssist bond loan.

Consistent with that principle, having a bond debt is not a barrier to accessing a public housing tenancy or transferring between public housing properties

Given that housing assistance provided under the *Housing Act 1983* is dependent on the revenue generated from rental charges and related activities, it is important that where a client has a debt that these obligations are met.

A debt is an amount which the Director of Housing is owed for unpaid current and vacated rental accounts, and current and vacated maintenance.

Where an applicant has outstanding charges, staff should establish whether the applicant has had the opportunity to discuss and have their debt reviewed. Applicants may elect to discuss the debt with a departmental office at the time of applying for the bond loan, or at a later date.

Alternatively, applicants may wish to enter into a repayment agreement by completing the Agreement to Repay Rental/Maintenance Arrears form.

Where the applicant wishes to enter into a repayment agreement and the outstanding charges are from a joint tenancy, the applicant is encouraged to enter into a repayment agreement for the whole amount as they are jointly and severally responsible for the debt.

Further information on discussing and reviewing debt is outlined in the [Public Housing Allocations operational guidelines](https://providers.dhhs.vic.gov.au/public-housing-allocations-operational-guidelines) <https://providers.dhhs.vic.gov.au/public-housing-allocations-operational-guidelines>.

### Exemption to repayment of maintenance charges older than 15 years

Consistent with the spirit of the *Limitation of Actions Act 1958*, the Director will not pursue vacated maintenance debts older than 15 years from when the department obtained an order from the Victorian Civil and Administrative Tribunal (VCAT).

# Household type

## Current renter, resident or occupant of the department

A current renter, resident or occupant residing in public housing including movable units who is vacating the public housing can be approved for a RentAssist bond loan provided they meet all other eligibility criteria.

## Couple and family applications

An applicant receiving a Centrelink payment at the partnered rate is assessed at the single rate of payment where they are not applying with their spouse to live in the same property. For example; in the case of a client escaping family violence.

If there is a single parent applicant within a group household, their bond eligibility is assessed on their equal share of the total bond amount depending on the number of renters applying for the bond. The single parent is entitled to their share of the maximum bond loan amount according to the size of the rental property.

## Group households

All members of a group household applying for a bond loan must submit their application together as only one application can be made per household. However, where there are more than nine applicants for the bond loan, the household must apply together, but as two separate applications as the RTBA allows a maximum of nine rent contributors per bond loan.

## Joining established group household

If a new household member joins the rental agreement and wants to become party to the bond loan, a new application is required, to replace the existing bond loan.

## Sharing an owner-occupied property

Where the applicant will be sharing with the owner, including dual occupancy, a formal rental agreement under the RTA is required in order for a RentAssist bond loan to be considered.

## Applicant will sublet the property

A bond loan may be issued to an applicant who is subletting from an existing renter where a formal rental agreement under the RTA will exist for a RentAssist bond loan to be considered.

The applicant must provide a copy of the written permission from the original rental provider confirming the subletting arrangement.

Where the property is a commercial property, a copy of the commercial lease agreement which confirms the subletting is allowed must be provided. Note that the department does not approve bonds for applicants who will lease commercial properties directly as these leases are not governed by the RTA.

# Accommodation types

Bond loans can be approved for the following types of accommodation.

## Private rental accommodation

Accommodation owned by **private** individual/s, businesses and the like, which is providing long term residential accommodation under the Residential Tenancies Act**.**

## Managed by community groups

Applicants seeking to enter long term Community Managed housing operating under the scope of the Residential Tenancies Act are eligible for RentAssist bond loans on the same terms and conditions as those seeking to enter the private rental market.

## Student accommodation

Bond loans can be approved for student accommodation if the rental agreement is under the RTA and the bond will be lodged with the RTBA. This includes accommodation subsidised by an educational institution (for example a private rental property where the university is paying a subsidy to the renter) but does not include properties owned by an educational facility (subsidised or not) as the tenancy would not be subject to the RTA.

## Rooming and boarding houses

Bond loans can be approved for private hotels, rooming and boarding houses that are not partly owned by the department. The bond loan cannot be for a key deposit.

## Caravans and caravan parks

Bond loans can be approved for caravans and caravan parks if it will be an applicant’s primary place of residence and the caravan is located in a registered caravan park i.e. permanently situated in the caravan park. The local council is contacted to confirm the caravan park is registered.

# Evidence of the tenancy

### Online application

For applications made online, the applicant or Community Service Organisation scan and attach the required documents into bond online.

For an application made online, applicants can include up to five properties where the real estate agents/rental providers have agreed to the tenancy. The application must include written confirmation they agree to the tenancy. The Real estate agent agreement to the tenancy and Private rental provider release of information and agreement to tenancyforms that can be used are available on the [HousingVic website](https://housing.vic.gov.au/about/forms-guides) <https://housing.vic.gov.au/about/forms-guides>. The private rental provider also gives the department authority to confirm ownership of the property with the local council.

If the local council is not willing to confirm ownership and the owner does not want to complete a release of information, the applicant must provide a copy of the most recent Rates Notice or the Property Title from the owner.

### Paper application

Where a private rental provider has not completed section E – Private rental provider release of information of the Application for a bond loan, a confirmation of ownership letter from HiiP can be generated to request the local council to confirm ownership. If the local council is not willing to confirm ownership and the owner does not want to complete a release of information, the applicant must provide a copy of the most recent Rates Notice or the Property Title from the owner.

Where the applicant has provided a letter from the real estate agent/rental provider rather than the completed section C – Real estate agent or rental provider of the RentAssist bond loan application for a bond loan, contact the real estate agent/rental provider to confirm the details of the tenancy:

* Name, contact address and phone number of the rental provider/agent
* Names of all the proposed renters
* Address of the rental property
* Number of bedrooms – if a study or dining room will be used as a bedroom, confirm whether the household will still have access to a separate living area
* Bond amount required – also confirmed that the bond has not already been paid by the client
* Weekly rent required – excluding service charges
* Duration of rental agreement
* Date of commencement of tenancy.
* Income confirmation

A client may consent to participate in the Centrelink Confirmation eServices - Income Confirmation Scheme (IC) which enables the department to access the applicant’s income information from Centrelink. If an applicant declines to participate in IC, they are required to provide an income statement from Centrelink, an employer or other source of income is required to assess their eligibility for bond.

Where an applicant has consented to IC, the department can access their asset information from Centrelink. If a client declines to participate in IC, they must provide documentation showing the current value of all assessable assets and for cash assets are required to provide:

* current bank statements, bank books, or
* an automatic teller machine printout showing current balance (which can identify the applicant by name on the printout or card with corresponding number and name).

If an applicant voluntarily provides a bank statement that conflicts with the asset amount on an IC statement, evidence is required to confirm current assets. It is:

* recommended to the applicant to attend Centrelink to correct the conflicting information (after which the department will access the updated asset information from Centrelink),
* they must supply a new statement with evidence to show the money has been spent rather than withdrawn (for example receipts or bills), or
* the assessment will be based on the bank statement where this is more recent than the information from the IC statement.

## Bond loan amounts

The current Income/Asset Limits and Maximum Bond Loan amountsare found on the [HousingVic website](http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits) <http://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits>.

The maximum bond amounts are dependent on the number of bedrooms in the property and are based on metropolitan median rents for properties with different numbers of bedrooms.

A study or a similar room such as a separate dining room used as a bedroom can be counted as a bedroom for the purposes of calculating the maximum bond loan. A lounge or living room cannot be counted as a bedroom where it would result in the household no longer having access to a separate lounge/living area.

The maximum bond loan amount is the maximum that can be provided even if the property bond exceeds the maximum bond loan amount.

# Calculating bond entitlement

Where the bond amount is less than the maximum bond loan entitlement for the appropriate property size the following formula is applied:

* Actual bond amount
* divided by Number of rent contributors
* multiplied by Number of eligible applicants
* equals bond amount provided

Where the property bond amount is more than the maximum bond loan entitlement for the appropriate property size the following formula is applied:

* maximum bond entitlement for bed size
* divided by Number of rent contributors
* multiplied by Number of eligible applicants
* equals bond amount provided

# Administration

## Bond vouchers

In all cases, the voucher is scanned into HiiP, attached to the paper application (where there is one) and sent to the Bond Management Unit.

If the applicant no longer wants the bond, the voucher is cancelled in HiiP.

Where an applicant has been provided with multiple vouchers for multiple properties, any vouchers not used can be cancelled if advised by the applicant, otherwise they will expire after 60 days.

The RTBA number is a unique identifier generated by the RTBA to automatically identify the relevant real estate agent/rental provider when the funds are electronically transferred by the department to the RTBA. If a real estate agent or rental provider does not have an RTBA number, email their name and address to the Victorian Housing Register team at victorianhousingregister@dhhs.vic.gov.au. The Victorian Housing Register Team will generate and advise of the RTBA number or advise there is no RTBA number for that entity.

## Repayment of outstanding bond loan

Where an applicant is repaying a bond loan or for an initial repayment, a Bond Loan Statement can be generated from HiiP. A Bond Loan Repayment card should be ordered through HiiP where an applicant wants to repay an outstanding loan by instalments. Ensure the postal address is correct and advise the applicant the card may take 10 working days to be delivered and can be used at any Australia Post, Post Office.

Where a bond loan payment is received through the mail, attach any documentation that is in the envelope to the voucher. Check HiiP to identify the bond loan application number and generate a Bond Loan Statement, forward it with the voucher and any attached documentation to the sender for payment at any Australia Post, Post Office.

Where an applicant has repaid a bond loan and you also receive payment from the RTBA to repay the same bond loan, the applicant must provide a written request for reimbursement of the original bond. Forward the letter with a copy of the receipt to the Bond Recoupment Unit and request that they reimburse the applicant for the appropriate amount.

## Appealing decisions

An applicant may appeal a decision made by the department in relation to their bond application, or the amount outstanding under a previous bond loan.

Refer to the Housing Appeals section of the [Business Practice Manual](http://providers.dhhs.vic.gov.au/business-practice-manual) for more information <http://providers.dhhs.vic.gov.au/business-practice-manual>.

## Reviving applications

Any bond loan application that has been received and then made ineligible or cancelled can be revived and reconsidered for approval when:

* an applicant returns within fourteen days with new or requested documentation
* at any time if there has been a successful appeal lodged.

If an applicant returns to the office with documentation after fourteen days, a new bond loan application must be submitted.

## Archiving bond applications

All bond loan application forms and submitted documentation (approved, ineligible or cancelled) must be forwarded to the Bond Management Unit located at level 6, 50 Lonsdale Street, Melbourne 3000 on a weekly basis.

## New Residential Tenancies Act Provisions

Note: Changes to the *Residential Tenancies Act 1997* (RTA) that came into effect on 1 February 2019 allow a rental provider in some cases to ask for an additional amount of bond (or top-up) that aligns with the rent increase for a rental agreement. As the top-up can only occur after five years (and if there are five or more years left on the agreement), Rental providers cannot ask for an additional bond until February 2024.

# Bond top-up

## Background

Amendments to the *Residential Tenancies Act 1997* that came into effect in 2021include a facility where a Residential Rental Provider may request extra bond, known as a top-up, for a long-term rental agreement or when renters make changes to a property.

A RentAssist Bond top-up applies for Renters who received a previous RentAssist Bond Loan for a property they have been living in continuously for five years, but only if there are five or more years left on the agreement. The Renter may approach the department for an extension to the original RentAssist bond loan because their private Residential Rental Provider has formally requested a bond top-up.

The department will not provide a top-up if it requested because a renter has made changes to a property.

## Assessment

**Checklist of what must have occurred before assessment:**

☐ the renter must have lived in the property continuously for 5 years

☐ there is a long-term fixed agreement in place for another 5 or more years

☐ a 120-day written notice must be issued to the renter

☐ the bond top-up must be processed within 120 days of the request

☐ the Residential Rental Provider cannot ask for a bond top-up more than once in any five years. For example, in a 10-year agreement, the Residential Rental Provider can ask the renter to top-up the bond after five years as there are still five years left on the agreement. In a seven-year agreement, the rental provider cannot ask the renter to top-up the bond after five years as there will only be two years left on the agreement.

☐ the maximum bond top-up amount within rules. For example, if the current monthly rent is $1,000, and the original bond paid was $800, the maximum amount of bond top-up that can be requested is $200 -> one month’s rent - bond already paid = maximum bond top-up

☐ in the scenario where a renter makes modifications to the property, the department will not provide a bond top-up

☐ bond top-up applications will be assessed as a continuation of the original bond service so are automatically approved if they above criteria are also met

## Income and asset exemption

Bond top-up applications will be assessed as a continuation of the original bond service. Therefore, in circumstances where the original application was approved, the bond top-up application will also be approved. In situations where the application fails income and/or asset eligibility a policy consideration should be applied in HiiP.

## Applying for a bond top-up

Applicants can apply online through HousingVic Online Services via the myGov portal (my.gov.au).

Community Service Organisations (CSO) registered on the department’s eBusiness portal, can also lodge online applications on behalf of clients and renters.

## Further information and how renters can challenge a bond top-up request

Further information about bond top-up applications can be found at <https://www.consumer.vic.gov.au/housing/renting/rent-bond-bills-and-condition-reports/bond/bond-top-ups#:~:text=Bond%20top%2Dups%20in%20long%2Dterm%20rental%20agreements,-In%20long%2Dterm&text=The%20rental%20provider%20must%20give,bond%20amount%20within%20120%20days>.

# Decision making – Human rights considerations

The *Charter of Human Rights and Responsibilities Act 2006* (the Charter) is legislation that sets out the basic rights, freedoms and responsibilities of all people in Victoria. It is about the relationship between government and the people it serves.

The Charter requires public authorities, including the department, and people delivering services on behalf of government, to act consistently with the human rights in the Charter and to give the proper consideration to human rights in making decisions. In deciding what action to take, staff will consider the potential impact of proposed action taken through these operational guidelines on the person’s (and their household’s) rights under the Charter.

Any person making decisions under these operational guidelines must:

* understand the objective and rationale of the actions they are taking under these operational guidelines
* consider the impact of proposed action on the person’s Charter rights (more than one right might be relevant)
* consider whether the proposed impact is balanced, proportionate and necessary to achieve the objectives for these operational guidelines and;
* choose the least restrictive measure available.

This assessment needs to be individualised for the client, and any other affected household members.

The Charter of Human Rights and Responsibilities – A guide for Victorian public sector workers is also available to guide staff and their line management when considering human rights as part of the decision-making processes at <http://www.humanrightscommission.vic.gov.au/>

Staff must ensure that all information and evidence gathered as well as rationale and process for decisions made is documented in the Housing integrated information Program (HiiP).

# Decision making – Debt checklist

This bond loan debt checklist is designed to promote the consistent application of Department of Health and Human Services (the department) policies and operational guidelines and the appropriate exercise of discretion by departmental staff.

* Contact and communication. Renter has been contacted to discuss the bond loan debt, including their account of how the debt arose. Attempts at contact and engagement have included: phone, text message and/or correspondence to the most recent address on file.
* Information about exemptions. Renter has been informed about the existence of exemptions from liability in certain cases and expressly asked whether the damage occurred as a result of family violence, disability, third party damage, natural disaster, accidents or actions which could not be reasonably prevented.
* Human rights. Proper consideration has been given to how the department’s decisions regarding the bond loan debt will impact the bond loan applicant’s human rights (including the right to protection of families under section 17 of the Charter of Human Rights and Responsibilities Act 2006 (Vic)).
* Referral for advice and support. The bond loan applicant has been referred to legal and/or support services.
* Collaboration with client and workers. Factors that contributed to the bond loan debt or damage have been considered, and support workers have been consulted with to determine an appropriate course of action (including waiving or reducing the debt).