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The Australian government would want nothing less than its own citizens having their own pieces of land. Having a house that one can call his or her own provides a sense of accomplishment aside from a sense of ownership, which of course isnâ€™t possible if you are renting. When you own a property, you know for a fact that you have an investment that can grow as time passes.

To promote home ownership, the Australian government created the First Home Buyer Grant, a state-sponsored subsidy program that provides financial assistance to qualified first home buyers who wish to purchase vacant lots or properties. Unlike money from lenders, the money given by the Australian government doesnâ€™t need to be repaid.

Introduced on 1 July 2000, the purpose of the grant is to counter the impact of the GST on home ownership. Under the program, the first home owner is entitled to $7,000 worth of grant to help settle some of the mortgage costs. But of course, it is the sole discretion of the applicant as to where he or she will spend the money.

When applying for a home loan, getting a mortgage broker would be one of the best choices. The mortgage broker not only helps you find good deals in the market. They also work to ensure that you qualify for any government grant that applies to your situation. In the case of the state-sponsored grant, the mortgage broker will keep you posted on the requirements and even do some of the paperwork for you. They will be the ones coordinating with the state regarding your grant application.

A mortgage calculator is also available on the Internet to help you determine how the grant money would figure in your loanâ€™s overall cost. This would be very crucial when youâ€™re comparing home loans.

So how do you qualify for the grant? In South Australia for example, consumers who entered into mortgage contracts after 17 September 2010 will qualify for the grant given that they do not exceed the $575,000 mortgage amount limit. Exceeding the mortgage cap will disqualify the applicant from the $7,000 grant.

No matter how big or small the grant money is, it would still prove valuable for any mortgage applicant. And of course, it will be part of things that you need to consider when comparing home loans. While you may have the freedom to choose how you would like to spend the grant money, it is advisable if you just use it to cover some of the mortgage fees that you may encounter along the way. Using a mortgage calculator, find out how it could impact your loanâ€™s overall cost if you decide to use the grant to boost your deposit amount.

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Crowin Smith - About Author:
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