Australian Government
Department of Veterans' Affairs
Department of Defence

Defence HOME OWNERSHIP ASSISTANCE SCHEME

Defence Home Ownership Assistance Scheme (DHOAS) Fact Sheet

DHOAS was introduced by the Department of Defence on 1 July 2008 to assist Australian Defence Force (ADF) members to achieve home ownership.

It is one of a number of retention initiatives, aimed at encouraging members to continue serving in the ADF.

The Scheme provides an incentive to members to stay in the ADF – the longer you serve, the more entitlement you accrue and the longer you can receive assistance.

How does DHOAS work?

Defence appointed the Department of Veterans' Affairs (DVA) as the DHOAS Scheme Administrator. You can apply to DVA for a subsidy certificate, which will confirm your eligibility for DHOAS.

You provide your subsidy certificate to one of the three Home Loan Providers (HLPs) appointed by Defence to provide DHOAS home loans. They are:

- Australian Military Bank
- Defence Bank Limited (Defence Bank)
- National Australia Bank (NAB)

The assistance provided by the Scheme is not tied to a home loan with a specific value. How much you choose to borrow is between you and your HLP, subject to your provider's lending criteria. Approval for a subsidy certificate does not mean approval for a home loan, nor does it oblige your HLP to lend you a certain amount.

The portion of your home loan that will attract a DHOAS subsidy and the amount of your monthly subsidy payment, will depend on which of the three subsidy tiers you are eligible under, and how much you borrow up to your subsidised loan limit (further details below).

Your HLP will advise DVA when your DHOAS home loan has settled. At this time, you need to submit to DVA a completed Subsidy Authorisation Request Form indicating you're meeting the Scheme conditions. DVA will then calculate your monthly subsidy and start making the payments directly into your home loan account.

Please note: Subsidy payments are deposited into accounts at the beginning of the month, and cover the month or two months previously, depending on the date your loan is drawn down.

Important: There are many variables that might need to be considered in relation to your DHOAS entitlement, such as breaks in service, transferring between Reserves and Permanent Force, separation from the ADF, medical separation, lateral (foreign) service and eligible partners. For details, please see the DHOAS website.

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How do I qualify for DHOAS?

To be able to access DHOAS, you need to have served in the ADF on or after 1 July 2008, completed a qualifying period of service (or in certain circumstances, foreign service) and accrued a service credit.

For Permanent members, the qualifying period is two consecutive years of service. For Reservists, it is four consecutive years of "effective" Reserve service, which is at least 20 paid days per financial year. For all members, if you have a break in service you will need to start again. Continuous Full-time Service can fast-track Reservists' qualifying period.

After you have completed this qualifying period, you then need to accrue an entitlement, known as a Service Credit, to access DHOAS subsidy assistance.

For Permanent members, you accrue entitlement monthly. For every month of service you complete after your two year qualifying period, you become eligible for one month of DHOAS subsidy. (Or, for every year of ADF service, you accrue one year of entitlement).

For Reservists, you accrue entitlement per financial year. You become entitled to one year of assistance after you complete at least 20 days of paid Reserve service within a financial year. This means you need to complete at least four years of effective Reserve service and then another 20 days of paid service within a financial year before you can access DHOAS.

Generally, your DHOAS Service Credit is equal to your total years of ADF service minus your qualifying period (and minus any time you have already received DHOS, DSH or DHOAS subsidies). Warlike service extends your Service Credit. Breaks in service can impact on your entitlement. You are advised to check the DHOAS website for details.

How long can I receive DHOAS?

You can receive DHOAS for as long as you have a Service Credit and a DHOAS home loan into which your subsidy can be paid, and you meet the conditions of the Scheme. You can accrue and access entitlement as long as you serve in the ADF. After you separate, you can also access any remaining entitlement you have not used.

However, the maximum term available for DHOAS assistance (while in the ADF and after separation) is 20 years without warlike service. If you've completed warlike service, you may be eligible for up to 25 years of assistance.

What if I have been in a previous Defence home ownership scheme?

The legislation states that the length of time you have received a subsidy under DHOAS or a previous scheme, either the Defence HomeOwner Scheme or Defence Service Homes, will be deducted from the period of time you receive assistance under the new Scheme.

For example, if you've been a Permanent member for 20 years, take away your two year qualifying period and you have 18 years of DHOAS entitlement. However, if you've received DHOS for six years, this leaves you with 12 years of DHOAS entitlement.

What are my entitlements?

The following table shows the subsidy tier for which you may be eligible. It is based on your total years of service in the ADF (that is, do not subtract your qualifying period).

Minimum service – Permanent	Minimum service – Reservists	Subsidy tier	Subsidised loan limit (2026-27)	Maximum monthly subsidy*
2 years	4 years	Tier 1	$455,622	Up to $607
4 years	8 years	Tier 2	$683,433	Up to $911
8 years	12 years	Tier 3	$911,244	Up to $1,215

Maximum monthly subsidy amounts are based on the median interest rate valid as of **October 2026. Please note, the subsidy values will decrease if interest rates are reduced.*

The *subsidised loan limit* is the maximum portion of your home loan that will attract a subsidy. Your subsidy is calculated on how much you borrow *up to* your subsidised loan limit. These loan limits are reviewed annually, but the loan limits that are in place at the time your DHOAS subsidy commences are used for the length of your DHOAS assistance on that home loan. If you stop, then restart DHOAS, the loan limits current at the time that you restart will apply.

The *subsidy* is the maximum payment that you can receive each month. You can receive the maximum monthly payment if your DHOAS home loan balance (at the time you receive your first subsidy payment) is equal to or greater than the subsidised loan limit in your tier. If your home loan is less, your monthly subsidy will be less.

The formula to work out the monthly subsidy amount is 37.5% of the interest incurred on your eligible home loan amount, over 25 years (this is regardless of your actual home loan period). A median interest rate, based on the rates of Australian home lenders, is used to calculate the interest incurred.

For all DHOAS subsidies, the median interest rate is capped at 8.95%. Under this capped rate, any fluctuations in the interest rate will impact on subsidy values. Your monthly subsidy will change if interest rates change.

DVA checks the interest rate on the 10th last business day of each month, and if it has changed, amends subsidy payments that are made the following month. For example, it checks the median interest rate in November. If the rate decreases, DVA will reduce the subsidy payments to be made into members' DHOAS home loan accounts on the first business day in December.

The capped rate of 8.95% is contained in the DHOAS legislation, and will be reviewed if it is necessary to ensure the scheme remains effective in the housing market.

Applying for a Subsidy Certificate

The online Application for Subsidy Certificate form is available on the DHOAS website. You need to attach your complete service records, specifically a long version of your ADO Service Record, to your application.
If you are unable to access the online form, a PDF version is still available, which you can post, fax, or email to DVA for assessment. If eligible, you will be forwarded your certificate by email or post.

Can I get a lump sum payment?

You may be able to receive a lump sum payment if you have accrued entitlement to DHOAS (that is, you have completed service after your qualifying period). You can convert up to four years of your Service Credit. For the purpose of calculating the lump sum, the Tier 1 subsidy amount is used (regardless of your eligible tier). Please note, your lump sum will not be paid on settlement and it can't be used as an upfront deposit.

What are the Scheme conditions?

You must live in the home for at least 12 months from when your subsidy starts. If you buy a home in good faith that you will be able to meet this condition, but then you receive a posting after you've moved into the house and your payments have started, you may be able to continue receiving your subsidy. To ensure your subsidy is not affected, you also need to apply for an occupancy reduction *before* you move out of the property. Please note, you are able to receive the payments if your family remains in the home while you are posted elsewhere. Another condition is that DHOAS loans can only be used for buying or building a home, buying land, or renovating.

Do I pay Fringe Benefits Tax?

Fringe Benefits Tax may apply. Please contact the Defence Tax Management Office on 1800 806 053 for further information on how this relates to your personal circumstances. Further information is also available on our website.

Separation from the ADF

After separating, you will have only one opportunity to apply for one final subsidy certificate. It is important to note that if you separate from the ADF before completing 20 years of service, your subsidy payments will be paid at the Tier 1 level. If you complete 20 or more years, your payments will remain at the Tier 3 level.

If you are a Reservist, you need to be aware that if you do not complete at least 20 days of paid Reserve service within a financial year, you will be deemed to be separated from the ADF and this can impact on your DHOAS eligibility and entitlement.

Further information required?

Should you have any further queries regarding DHOAS, or would like to confirm how the scheme conditions apply to your particular circumstances, please visit our website or contact the DHOAS customer service team on 1300 434 627 or by emailing dhoas@dva.gov.au.

Please Note: All decisions relating to the administration of the Defence Home Ownership Assistance Scheme are made pursuant to the *Defence Home Ownership Assistance Scheme Act 2008* (the Act). Whilst due care has been taken in the preparation of this advice, in the event of any inconsistencies between the information provided herein and the Act, the Act will take precedence.