Demystifying the Kāinga Ora First Home Loan

Your ultimate guide to buying your first home with just a 5% deposit.

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options. service. advice.

Welcome to the team

Buying your first home is a massive milestone, but figuring out how to get there can feel like a bit of a maze. That's where we come in.

The team at My Mortgage is all about taking the stress out of the process, breaking down the numbers into plain English and helping everyday Kiwis get straightforward, honest advice they can actually use.

While we're proud to have picked up some great industry awards, like being named the KAN Outstanding Advice Winner for 2026 and NZMA Regional Brokerage of the Year in 2025, our real win is seeing our clients unlock their own front door.

We know that saving for a massive deposit is one of the hardest parts of buying a home these days, which is why we specialise in helping first-time buyers navigate options like the Kāinga Ora First Home Loan.

We handle the paperwork and chat with the banks so you don't have to worry about the nitty-gritty.

Whether you're just starting to save or you're ready to hit the open homes this weekend, we've put this guide together to give you a clear, down-to-earth look at how it all works and show you exactly how we can help.

What's inside?

Let’s bust the 20% deposit myth!

Let’s be honest… saving a 20% deposit in New Zealand’s housing market can feel like trying to catch a train that’s already left the station.

If you are waiting until you hit that magic 20% number, you might be waiting a long time. But here’s the good news: these days, you don’t always need 20%.

Through the Kāinga Ora First Home Loan scheme, you can get a foot on the property ladder with as little as a 5% deposit.

At My Mortgage, we love helping first-home buyers navigate these options without the techy bank jargon or stressful paperwork. We do this every day, we make it fun and best of all? Our service is completely free to you (the banks pay us!).

This quick guide breaks down exactly how the First Home Loan works, whether you qualify, and how to get your hands on those keys faster.

What exactly is the Kāinga Ora First Home Loan?

Most standard banks require a 20% deposit to avoid extra fees or strict lending rules. This is a requirement of the Reserve Bank who sets the rules on how much money banks can lend to those with less than a 20% deposit.

The First Home Loan is a government-backed scheme designed specifically to support people into homes quicker.

Kāinga Ora doesn’t actually lend you the money. Instead, they underwrite the loan. Think of them as a giant, supportive guarantor. Because the government is backing your loan, selected banks and lenders are allowed to lend to you with just a 5% deposit.

Why is it a game-changer?

Get it sooner

You can buy a home much faster than waiting to save a 20% deposit.

Use Your KiwiSaver

Your 5% deposit can come entirely from your KiwiSaver withdrawal.

Fewer Roadblocks

While banks are usually incredibly picky with low-deposit borrowers, the Kāinga Ora backing softens their rules, the main one being that First Home Loans are unlimited.

Do you qualify?

To keep the scheme fair for genuine first-home buyers, Kāinga Ora has set a few clear boundaries. Let's see if you tick the boxes.

The Income Caps

Your gross (before tax) income over the past 12 months must be:

$95,000

or less for a single buyer.

$150,000

or less for a single buyer with dependents.

$150,000

or less for two or more buyers combined (regardless of dependents).

The General Criteria

Citizenship:
You must be a New Zealand citizen, permanent resident or a resident visa holder.

Your Intent:
You must intend to live in the house as your primary residence for at least 6 months. This cannot be used for an investment property.

First-Timer Status:
You cannot currently own any other property or land (there are "second chance" exceptions if you've been through a separation - ask us about this!).

Employment:
You typically need to have been in your current job for at least 12 months, or have a solid 24-month track record in the same industry.

Important note on your deposit: Because this scheme is designed for people who genuinely need it, you are required to put your available deposit funds forward first. You aren't allowed to hold back more than $5,000 in cash for renovations or furniture.

The "hidden" hurdles & how we cross them

Ticking the Kāinga Ora boxes is only half the battle. You still need a bank to actually approve the loan. This is where many buyers get stuck, but where a mortgage adviser is your secret weapon.

1. Debt Serviceability
Even with a 5% deposit, the bank needs to know you can afford the weekly repayments. When banks calculate this, they don't use today's current interest rate - they test you at a higher "test rate" to ensure you can handle future market changes.

2. Clean Account Conduct
Banks will look closely at your last 3 to 6 months of bank statements. They want to see that you manage your money well. Avoid unarranged overdrafts, late payments, or heavy usage of Buy Now, Pay Later (BNPL) schemes in the lead-up to your application. But all is not lost if you do have these - talk to us if you're not sure.

3. The Property "WOF"
The house you buy needs to pass the bank's standards. It needs to be located in an area with comparable properties, be structurally sound and free of major unconsented works.

Your step-by-step road map to buying

01

The initial chat

Reach out to the My Mortgage team. We'll look at your income, debts, and KiwiSaver to confirm if the First Home Loan is your best option.

02

Get pre-approved

We gather your documents and pitch your application to the right lenders to secure a conditional pre-approval. This tells you exactly what your budget is.

03

Go hunting

With confidence in your budget, you can start hitting open homes and looking for the perfect place.

04

Make the offer

When you find the house, we work alongside your lawyer to review the contract, satisfy the bank's conditions and get you to settlement day!

The Mortgage Adviser Difference

We're your partner for life
Our job doesn't end when you get the keys. We're here to help you manage your fixed rates and pay off that mortgage faster in the years to come.

We know policy inside out
We have the understanding of every bank and how they tick so we can use this to work in your favour. Every bank has a different policy and that can make a big difference to your lending application and what you're approved for.

We're independent
We compare the big banks and non-bank lenders to find the best rates and terms for your specific situation.

We're also human
Banks use algorithms; we use conversations. We know how to present your application in the best light to get that "Yes."

Best of all? In almost every case, our service is completely free to you (the lender pays us).

Ready to stop renting? Let’s make it happen.

The rules around first-home buying change often and trying to figure it out on your own can feel overwhelming.

At My Mortgage, we take care of the heavy lifting, the phone calls to the banks and the fine print so you can focus on the exciting part: finding your home.

Let’s find out what you qualify for.

Book a free 15 minute call with an adviser today.

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