

Abolition of NSW mortgage duty

Mortgage Duty is the **Duty on mortgages** (**not** the stamp duty on the property).

- **Owner occupied housing**

From 1 September 2007, mortgage duty is not chargeable if the mortgage secures an advance or advances made for the purpose. Borrowers must be natural persons.

- **Investment housing**

From 1 July 2008, mortgage duty is not chargeable if the mortgage secures an advance or advances made for the purpose of investment housing and no other advances. Borrowers must be natural persons.

How is mortgage duty charged? (approx. 0.4%)

Duty is chargeable on the amount secured by the mortgage.

If the mortgage secures no amount or if the amount secured by the mortgage is not more than \$16,000, the duty is \$5. If the amount secured by the mortgage is more than \$16,000, the duty is \$5 plus a further \$4 for every \$1,000, or part, by which the amount secured exceeds \$16,000.

- Duty is **not chargeable** on advances made to natural persons on or after **1 September 2007** for **owner occupied** housing.
- Duty is **not chargeable** on advances made to natural persons on or after **1 July 2008** for **investment housing**.

There is no duty payable on additional advances secured by a mortgage if the total of the additional advances does not exceed \$10,000 in any 12 month period, not being the 12 months following the initial advance.