



HAVE YOU DELAYED BUYING YOUR NEXT PROPERTY DUE TO RISING INTEREST RATES AND INFLATION? THERE ARE SEVERAL REASONS WHY YOU COULD BE MORE OPTIMISTIC...

There is no doubt that rising interest rates have put a dampener on many Australians purchasing their next property.

You (or people you know) may have recently been rejected for a loan and might be thinking that there's just no point in applying for a loan right now.

However, if you know more about the approval policies and lending criteria used by the financial institutions, then you may very well be surprised and could soon be heading towards buying your new property.

Lenders don't often make their approval policies public, and that's possibly why mortgage brokers are now more popular than ever.

More than 70% of borrowers are now using mortgage brokers because we understand the various lending criteria across many financial institutions and help take the guesswork away from your loan application.

Lending criteria you are not told about

There are age restrictions

Firstly, you must be over 18 years to secure a home loan. While there is no maximum age limit to qualify for a home loan (thanks to anti-discrimination laws), lenders have a responsibility to ensure that borrowers can repay their debt.

Considering the term of a home loan can be up to 30 years, 'older borrowers' (those over 50) are now usually required to provide a mortgage exit strategy because their working life is expected to decrease as they approach retirement.

If you find yourself in this category, it means you need to present a plan to your lender that maps out how you are going to repay your home loan over the applied term.

Most people would not know the first thing about creating an exit plan.

That's where we step in – we help you create a plan for the lender and document as to why we believe you might be a safe bet for that loan period.

Your employment type and status are considered

The length and type of employment (eg full time versus casual OR self employed) could impact your application.

Having your employment history reported and explained correctly could be the difference in being approved or not, so don't go it alone on this one.



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How they view your financial position

Lenders will scrutinise your income (including overtime and bonuses), spending patterns, financial history, assets, liabilities and expenses.

Just like your exit strategy, your financial position needs to be presented and explained in the most positive light for approval.

Your credit history

A lender may reject your loan application due to a negative repayment history on your credit report.

This is where we can assist by accessing your credit report prior to submitting an application.

We can refer you to someone who could assist with a clean up of your credit history – BEFORE submitting your application. Then you can put forward your best financial report to your lender and perhaps avoid spoiling your chances of approval.

Of course everyone's personal circumstances are different. That's where the help of a mortgage broker should be able to determine, before submitting your loan application, the likelihood of being accepted or, if rejected, having a bad note on your credit file.