

First Home Buyers Guide to Applying for a Home Loan

The basics always apply:

- you will need at least a 10 per cent deposit to be able to cover stamp duty and conveyancing;
- you need to show you can service the loan. This is in most cases a 25 year commitment, so take your time and get your preparation right;
- always buy a property within your means.
- finally, we are here to help you every step of the way.

Here are some tips that will hopefully give you the best chance of obtaining a home loan and realise the dream of owning your own home.

1. **Have a clear goal** - Use our loan calculators to see the amount you will need to save and how much the repayments will be.
2. **Have a budget and a plan** - You need to save for a deposit and to reduce your weekly outgoings. You need to do this for at least six months.
3. **Show consistent savings** - We will want to see evidence of good financial management rather than monetary gifts or windfalls. Use our Achieve Saver Account to save for your deposit.
4. **Prove stable and consistent income** - If you do change employment, stay in a similar field and hopefully show increased income.
5. **Understand your budget** - We will want to know your gross income and your financial and living expenses to gauge your disposable income.
6. **Have a stable history** - Minimise credit inquiries, job changes and changes of address.
7. **Lower your credit card limit** - Every dollar of credit card limit stops you borrowing up to five dollars on a home loan. Reduce that card's limit to what you use.
8. **Stop applying for credit cards** - This suggests you live outside your means and can reduce your net income which affects your serviceability to meet the required loan repayments. Reduce credit cards to one, pay off and cancel any additional cards you have.
9. **Reduce any other debts** - Don't take "interest-free period" store finance, and ensure your bills are paid on time as this can also affect your loan repayment serviceability.
10. **Ensure your bank accounts are in order** - No late payments, over limits or overdraws. We generally check or require account statements for the last three to six months when assessing your loan application.