

# HOME LOANS:

## WHAT YOU NEED TO KNOW

### How Much Can I Borrow?

Know your budget.

Ensure you are aware of what you believe you can afford as a weekly home loan repayment, on top of your existing expenses.

The amount you can borrow will depend on many factors including the type of property you are purchasing and the location, your income, your expenses, whether or not you are purchasing, refinancing, or consolidating.

Your Broker is there to help with all these considerations and will be able to give you a full rundown of the costs involved with your loan, and how much you will be eligible to borrow.

### Do I need a Deposit?

Most Lenders will require a 5% or 10% deposit.

However if you are borrowing more than 80% of the purchase price or value of the property, you will need to pay Lenders Mortgage Insurance. In most cases this LMI can be added to your loan amount.

The larger the deposit you have the less you will have to borrow, and therefore the lower your repayments and costs will be.

We can also advise you and help you with a Deposit Bond which is a guarantee, by the insurance company providing the bond, to the seller that they will receive their 10% deposit. There is a small fee for the Deposit Bond payable to the insurance company.



### Should I get a Pre-approval?

If you are ready to start looking into purchasing a home, a pre-approval will give you the confidence to go out into the market knowing your maximum purchase price and borrowing power. There is no obligation to proceed with the loan once you have a pre-approval if your circumstances change or if you would prefer a different Lender.

The pre-approval is usually valid for 3 months and affords you the time to locate the property that is right for you, and to give you the peace of mind that you are purchasing within your pre-determined price-range.

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