



FIRST HOME BUYERS INFORMATION GUIDE

KEY THINGS THAT YOU NEED TO KNOW ABOUT HOME LOANS
By Empower Wealth

About Empower Wealth

Empower Wealth is a leading property advisory firm offering unique property market research and analysis along with expert insight and advisory services to households looking to invest or buy residential property. Its integrated team of experienced and qualified specialists work together to provide tailored solutions for its clients to build a wealthier tomorrow, whether that tomorrow is about buying a new home or building a passive income for life through personal investment activities. For further information visit www.empowerwealth.com.au.

Loan Requirements

When applying for a home loan the lender will perform a full assessment of your income, expenses, assets and liabilities. There are two key criteria you must pass in order to get a loan.

1) Deposit

You must meet the minimum deposit requirements of the lender. At a minimum this is 5% of the property value plus mortgage costs although most lenders will want 10% plus mortgage costs.

Deposit	Cash Required*		
	Purchase = \$400,000	Purchase = \$500,000	Purchase = \$600,000
5%	\$30,250	\$38,400	\$48,010
10%	\$50,250	\$63,400	\$78,010
20%	\$90,250	\$113,400	\$138,010

* Estimate of fees only. Mortgage costs for each lender varies so make sure you are aware of the full costs involved.

The cost of acquiring a property includes but is not limited to stamp duty and land title transfer fee, lenders mortgage insurance, independent legal and financial advice, guarantors advice and property insurances. To learn more about this, you can [click here](#) to watch a short video on Acquisition Costs.

2) Loan Servicing

This is your ability to repay the loan amount you are seeking. Loan servicing is focused on your income and what current outgoing expenses you have. What you need to realise is that each bank assesses income and expenses in different ways. Because of this your borrowing power will be different with each lender. Take regular overtime payments for instance. Depending on the lender, some will include 100% of the overtime you earn whilst other lenders may only include 50%. This can have a major affect



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