

# The Home Loan Process

## Step 1: Find out how much you can borrow

Our mortgage consultants will work with you to find your borrowing capacity with our full range of lenders. Many banks and mortgage lenders can differ significantly in how much they are prepared to lend you.

## Step 2: Discover which is the right type of home loan

Meet with our mortgage consultants to find out which type of home loan is right for your individual situation. Discover strategies to possibly save thousands on your mortgage.

- Home to Home Finance
- Basic Home Loan
- Standard Variable
- Line of Credit
- Fixed

## Step 3: Find the most suitable home loan lender

Once you've found the most appropriate type of home loan, Lion Financial Mortgage Consultants will show the most competitive lenders in the market.



## Step 4: Ensure you have adequate loan protection for you and your family

It is imperative you have steps in place, that in the event you are unable to work, you have adequate insurance, so you don't risk losing your most important asset, your home.

# Loan Types Explained

	Basic Home Loan	Standard Variable	Professional Package	Line of Credit	Home to Home Finance	Fixed
Application Fee	Yes	Yes	No	Yes	Yes	Yes
Redraw Available	Yes	Yes	Yes	Yes	Yes	No
Extra Repayments	Yes	Yes	Yes	Yes	Yes	Restricted
Ongoing Fees	In most cases	Yes	Yes - Annual	Yes	Yes	In most cases
Available for Construction	Yes	Yes	Yes	No	Yes	No
Offset Account Available	No	Yes	Yes	No	Yes	No
Reduced Fee Transaction Account	No	Yes	Yes	No	Yes	No
Low Doc Lending Available	Limited	Yes	Yes	Limited	Yes	Limited
Maximum Loan to Value Ration	100%	100%	100%	90%	80%	100%

## Basic Home Loan:

The **Basic Home Loan** is one of the most popular loans. It has the lowest running costs and less extras - so you pay a lower interest rate.

## Standard Variable:

This is the most common home loan. It is usually at the lender's standard variable rate, and usually offers numerous features.

## Professional Package:

A **Professional Package** offers you interest rate discounts depending on the loan size. It offers fee free transaction accounts and credit cards free of charge and a range of other special offers. It is a misnomer that the **Professional Package** is just for professionals! This is not the case. In fact, the only requirement you need to access these loans is to meet the lender's minimum loan amount (which can start at \$100,000).

## Line of Credit:

With this type of loan, you can access funds up to your approved limit at any time. Your salary can be paid directly into the loan account and you can access the balance of the loan at any time - like a credit card. You can use these funds to purchase shares, go on holiday, buy a new car, start home renovations and much more!

## Home to Home Finance:

This can simplify the transition between properties. If your home is for sale and you wish to build, the lender advances the money so you can begin building your new home. Depending on the equity in your current home, you may be able to include all the fees too. The interest charged to your loan can be paid by you or capitalised (added to the loan amount). When your original property is sold, the proceeds are deposited to the new loan. The amount owing becomes your end loan and normal repayments commence.

## Fixed:

A **Fixed** term home loan has a pre-determined, set in mortar interest rate for a set, agreed upon period of time. **Fixed** interest home loans provide you with the security of knowing exactly what your repayments will be for the duration of your mortgage agreement.

## Creating a financial solution for you

It's your home and it's your life. So why shouldn't you have the power to secure the best financial package for your individual needs? Introducing **Lion Financial**, a new concept in home finance. **Lion Financial** offers you financial solutions that enable you to make the best decisions about one of the most important investments in your life - your home.

Your personal banker acts as an agent for a wide range of lending institutions, including leading banks.

## Finance for your new home

At different stages of building your new home, paperwork requirements exist between your bank and builder. Our personal bankers will take care of all the paperwork from start to finish so you can concentrate on your new home.

Our personal bankers specialise in construction finance, which differs significantly from normal home lending. To get the right home loan you must have choice. We currently have 10 major and 15 specialty lenders for you to compare. Discover proven techniques to save thousands off your mortgage and build equity faster.



# Essential Document Checklist

## What documents do I need to provide?

### PAYG

- Last 2 payslips
- Last years tax return and/or group certificate
- Latest bank statement showing income into account
- Letter from employer confirming salary, position, duration on company letterhead and signed off

### Self Employed

- Last 2 years tax returns for business and personal
- Last 2 years financials - profit and loss, asset and liabilities and cash flow statement

### Additional Items

- 100 Pts ID (Drivers License 40, Passport/Birth certificate 70, credit card/Medicare 25)
- Rental letter/statement from property manager confirming income from property and latest bank statement
- 6 months bank statements if refinancing
- Proof of deposit – statement, latest bank statements, statutory declaration
- Latest rates notice for existing property
- Latest statements of any loans consolidating
- First Home Owner Grant – 100 pts ID and proof of permanent residence certified copy by a JP

### No Deposit Home Loan

- Latest statements for any credit cards, personal loans or store cards
- Last 3 months statements for all bank accounts
- Evidence of satisfactory rental conduct – i.e. Letter confirming or copy of rental journal
- Medicare card

# Frequently Asked Questions

## How long will my pre-approval take?

Typically a pre-approval will take 3-4 working days.

## What is Mortgage Insurance?

Lenders Mortgage Insurance is insurance your lender will seek if you have less than 20% deposit. This is a one off fee that you will need to pay, and can sometimes be added to your loan.

## When do I start making repayments during construction?

You will only make repayments on funds which have been drawn down by your lender. Initially this may be funds that were used to purchase your block of land. As your builder begins building your new home, your draw downs will increase in line with the ongoing stages of the construction. During this period your repayments are interest only.

## How is my borrowing capacity calculated?

Your borrowing capacity is based on your income against your everyday living expenses. Based on these figures, Lenders will calculate what loan amount you can afford. They will take into account living expenses such as:

- Credit cards
- Personal loans
- Car loans and other mortgages
- Your family unit – ie, number of adults and number of children

## When is the First Home Owner's Grant paid?

The FHOG is processed and paid by your lender. They will pay the \$21,000 on the first draw down of your new home.