



## 9 Common Mistakes People Make When Getting A Home loan

Looking for the right home loan can be a very stressful situation. It is important that you find the best loan possible to suit your situation because it could end up saving you tens of thousands of dollars over the life of the loan. It is also important that you do not make any of the common mistakes below when getting a loan because this can end up costing you a lot more over the life of the loan.

**1. Not using a broker:** Brokers know a lot more about the huge variety of products on the market than you ever will and can therefore save you a lot of time researching the market. They know how to compare all the different deals and can work out which is the one most suitable for your particular circumstances. They can also help you with the confusing loan application process and because they know how the different mortgage lenders assess applications, they can save you a lot of time and emotional stress.

**2. Getting a loan with a bank just because you bank with them:** This is a mistake that people often make. Most of the time the institutions that you do you're banking with will not have the ideal loan that suits your situation. Different situations call for different loan products and it is highly unlikely that the one place you bank with will have the ideal loan for you.

**3. Fishing around your loan:** Fishing your loan around to different banks and lending institutions is not the way to go. It can cause you a lot of problems because every time you apply to a Bank/Finance Institution for a loan they do a credit check. After a couple of credit checks are done on you in a short period of time, the lenders will start getting suspicious as to why you have these checks in such a short period of time and this will in turn make it more difficult to have a loan approved. The best way to approach finance is going to a company that can source you all the best loans without having to resort to getting a credit check each time.

**4. Going for the cheapest rate:** Going for the loan with the lowest interest rates can sometimes be a mistake. Some loans offer a honeymoon period to get your business but after a certain period can revert to an interest rate that is higher than the average rate. Also, lower interest rates can look good from afar but the lending institution may charge you a lot more in annual fees which in turn will make your loan more expensive in the end.

**5. Having early exit fees:** If possible you should try to avoid any loans that have early exit fees if you leave the loan. Sometimes this cannot be avoided because of your personal circumstances and the type of loan you need but avoid if possible.

**6. Not checking your credit history:** Not checking your credit history before you apply for a loan can be detrimental. If you have put down a deposit on a property and then you apply for a loan without realising that you have what is considered bad credit. We have seen cases where people have been knocked back for a loan because they moved home and forgot to take a DVD movie back to the Video Shop and the video shop has put a \$50 default on their credit file.



**7. Bidding or negotiating for a property before getting pre approval:** It is important to know how much money you are capable of borrowing. Making the mistake of putting down a deposit, bidding at auction or negotiating for a property before you know how much you can borrow, can cost you a lot of money and time if your are unable to obtain finance.

**8. Putting a large deposit down before having the loan approved:** This can be a disastrous situation. We have seen people put down 10's of thousands of dollars on a deposit only to not be able to obtain finance and lose all their deposit money.

**9. Not having the money for settlement:** There are many fees associated with purchasing real estate. Generally you should have between 5 – 6% of the real estate purchase price for stamp duties, legal costs etc plus your deposit.

*If you are interested in having us find the best possible loan for your situation on your behalf, please call us NOW on 1300 00 2734.*

*We are confident that we can get you the right loan from the right lender that will save you many thousands over the life of your loan for your situation.*

*We are so confident in what we can do for you, that we work on a “No Success, No Fee” basis.*

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