

WANT TO REFINANCE OR THINKING OF PURCHASING?

YOUR HOME LOAN ASSESSMENT GUIDE!
WHY LENDERS DIFFER



 **WhiteStar**
FINANCE & CONVEYANCING
HOME LOANS | ASSET FINANCE | CONVEYANCING

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WHAT HAPPENS WHEN LENDERS LOOK AT A YOUR APPLICATION

Each Lender will look at 4 key criteria when assessing a new refinance application.

1 Credit History & Credit Score

2 Income & Servicing Capacity

3 Conduct & Spending Habits

4 Security & Equity



CREDIT HISTORY & CREDIT SCORE

Credit Score LENDER

- A credit score is different to a credit check or credit history. So **poor credit score** is different to **poor credit history**.
- Lenders have their own credit scoring system and it varies.
- Some lenders do not credit score.
- Some lenders decline straight on credit score some don't.
- A credit score can be affected by - payment history, defaults, how many credit enquiries you have on your file, current debts plus years at address as well various other details.

Credit History

COMPREHENSIVE CREDIT REPORT (CCR)

- All lenders perform a credit check
- Lenders leave an enquiry on your file
- Payment History is now also shown and reports as far back as 2 years plus any defaults.
- It is expected that utility bill payment history may appear on the report in the near future. I.e. phone, electricity.



Hint Using a mortgage Broker doesn't make a credit enquiry so it won't affect your credit score! Also the Broker can see your file before selecting a lender- this can avoid a decline by not applying with the wrong lender.

2

INCOME & SERVICING CAPACITY

Income & Employment

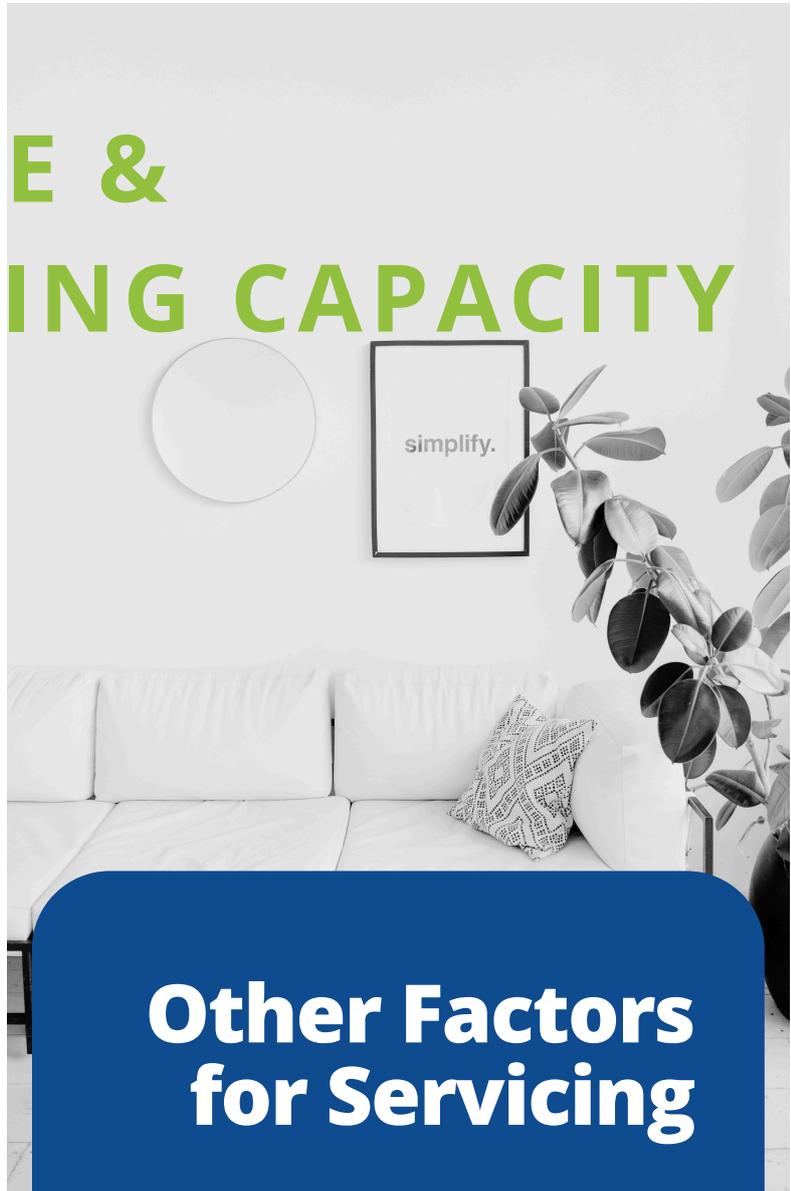
- Lenders servicing calculations and income policy vary.
- The income amount used for assessment can vary across lenders
- Assessed repayment amounts vary across lenders
- Minimum employment criteria also can vary across lenders.

Other Factors for Servicing

- Number of dependents
- Other debts continuing
- Living expenses
- Details of the new loan amount requested
- Marital status/ relationship status



Hint Using a mortgage broker again can provide you an opportunity to have many lenders checked to see who will offer you the best loan based on your personal situation using the lenders criteria. Example: Some lenders may use 100% of overtime and others may only use 60% or 80% or none if you have not been in your role long enough.



3

CREDIT CONDUCT & SPENDING HABITS

How is this checked?

- Loan statements on current debts (some lenders don't require these)
- Statements on everyday savings account (some lenders do not require these).
- Credit Report and Reported Repayment History

What is being checked?

- Repayment history on debts remaining or being consolidated
- Looking for debts not declared and checking on spending habits
- Zip-Pay / After-Pay, gambling online or in person including excessive excessive spending online with gaming apps
- Verification of Declared Living Expenses

 **Hint** Some lenders do not review savings statements or loan statements. Using a Mortgage broker gives you an opportunity to apply to a lender that will accept your documentation. Responsible Lending and Criteria still applies when using a Mortgage Broker.

4

SECURITY & EQUITY

- Lenders have different rules regarding the security they accept and how much they will lend.
- The security type (apartment , house, Land Only) and postcode can also affect lending options.
- The security value plus the assessed income is what is used to to decide how much you can borrow and what deposit or equity is needed.
- Lenders Mortgage Insurance (LMI) generally applies over 80% of the value of the property.
- Are you eligible for any government incentives and fit the criteria with the lenders that offer some of these extra options



DO LENDERS POLICIES VARY THAT MUCH?

MyStateBank 

 UniBank

bankSA 

resi
Own your dream

 CommonwealthBank


MACQUARIE

La Trobe
financial

 Health Professionals Bank

 RESIMAC
Financial Services

peppermoney

 Bendigo Bank

SUNCORP
BANK

Thinktank..


BLUESTONE.
MORTGAGES

firstmac


Beyond Bank
AUSTRALIA

 nab

 st.george

 Westpac

ING  DIRECT

 Firefighters
Mutual Bank

ANZ 



 Bank of
Melbourne

 Liberty

 Teachers
Mutual
Bank

REFINANCE SCENARIO

Need to refinance and consolidate and close all debts to ease cashflow pressure.



Current Loan

\$ 560,000 @ 6.44% / \$3,510 pm



2 adults & 2 children



F-Time Incomes of \$90k + \$10k
Overtime & \$45k



Declared & verified living
expenses of \$4,500 p/mth



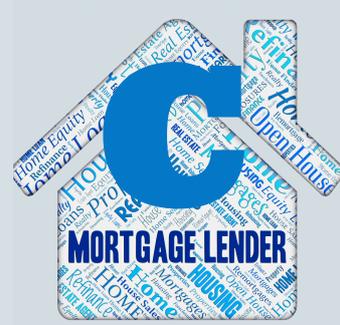
Two Credit Cards total owing \$18k,
Personal Loan of \$25k/\$450 pm,
Car Loan \$11k / 380 pm.



Assuming good credit history and
average credit score

Disclaimer Please read Scenario Run and valid as at February 2026 and Subject to change with changes to lending criteria and interest rate and fee changes.

Disclaimer: Scenario and information used is based on example information provided. This is not a recommendation of credit and is general in nature. Responsible lending criteria applies and rates, fees and Lending credit criteria is subject to change.



Max Loan due to lender servicing

\$675000

\$565,000

\$655,000

Loan Amount Needed

\$616,000

\$616,000

\$616,000

Surplus or Shortfall

+\$59,000

-\$51,000

+\$39,000

Current Repayments on all Liabilities

\$4,880.17

\$4,880.17

\$4,880.17

New Interest Rate

5.74%

5.59%

6.39%

New Repayment on \$616,000

\$3,590.90

\$3,532.44

\$3,849.08

Improved Cashflow Per Mth

\$1,289.27 per month
(\$15,471.24 PA)

NA – Cannot qualify

\$1,031.09 per month
(\$12,373.08 PA)

TIPS

RECOMMEND USING A BROKER

- EACH LENDER HAS DIFFERENT LENDING CRITERIA AND POLICIES. THEY CAN HELP YOU AVOID A DECLINE BY UNDERSTANDING YOU AND THE LENDER
- BROKERS REVIEW THE CREDIT FILE AND PAPERWORK PRIOR TO RECOMMENDING A LENDER



WATCH OUT FOR AFTERPAY FACILITIES AND MULTIPLE ENQUIRIES

- AVOID ZIP-PAY, AFTER-PAY AND INTEREST FREE FACILITIES. IF POSSIBLE
- AVOID MULTIPLE CREDIT ENQUIRIES. THIS CAN AFFECT YOUR CREDIT SCORE



OBTAIN A PRE APPROVAL IF POSSIBLE FOR ANY PURCHASE

- CONFIDENCE FOR THE PURCHASER
- OFTEN PRE APPROVED BUYERS AND CUSTOMERS ARE VIEWED AS MORE GENUINE

N.B MOSTY LENDER WILL NOT ISSUE ASSESSED PRE APPROVALS ANYMORE - ANOTHER REASON USE A BROKER



CREDIT HISTORY

- IN TIMES OF FINANCIAL STRUGGLE THE MORTGAGE IS THE MOST IMPORTANT TO STAY UP TO DATE, FOCUS ON THE MORTGAGE BEFORE OTHER DEBTS
- MORE THAN 14 DAYS OVERDUE. EVERY TIME IT WILL BE RECORDED THAT YOU ARE OVER 14 DAYS LATE ON A PAYMENT. STAYS ON FILE FOR 2 YEARS
- LENDSERS OFTEN LIST "HARDSHIP " ON CREDIT FILES IF YOU ASK FOR PAYMENT ARRANGMENTS



WATCH YOUR SPENDING AND TRANSACTIONS.

- MAKE SURE YOUR TRANSACTIONS ARE WITHIN YOUR BUDGET AND YOU KNOW WHERE YOUR MONEY IS GOING



We are Ready to Chat
when You Are