

# Will the bank be impressed with your new job?



Approximately half the Australian workforce is considering a job change at any one time<sup>1</sup>. Younger people are the most active in the job market with those under 30 almost twice as likely to change jobs as those aged over 40<sup>2</sup>.

## Did you know that lenders may not view a new job as positively as you do?

If your new role comes with a pay rise it may increase your borrowing potential as your income level is obviously a key to your ability to repay a loan. However, lenders might be more concerned about the security of your new employment than your potential greater capacity to repay.

Lenders will consider how often you change jobs, and whether you are staying within the same industry or taking your career in a new direction. These factors influence the lenders assessment of whether you are a good credit risk.

They tend to prefer applicants who have been in the same job for two years or more. If you have changed jobs during this period, staying within the same industry **and** in a similar role is regarded more positively.

## Lenders' policies do vary considerably and they are sometimes open to making exceptions.

If you have a significant deposit and your income means you can comfortably make the expected monthly repayments, lenders are more likely to be flexible than if you are asking to borrow at the limit of your repayment capacity. Most lenders will not consider applications if you have been in a job less than three months and are still within your probationary period, but there are some who will.

## Did you know that mortgage insurers have stricter requirements?

If you need to borrow more than 80% of the property value you will require lender's mortgage insurance (LMI). The insurer is likely to have a more conservative policy regarding lending risks and will make the final decision on approving your loan.

If you can increase your deposit, you will only have the lender's criteria to meet.

## If you are considering a career change, or have recently changed jobs, it does not necessarily mean you need to put your borrowing plans on hold.

Increase your lending options by talking to us when you **first start thinking** about any life changes and **definitely** before making any decisions.

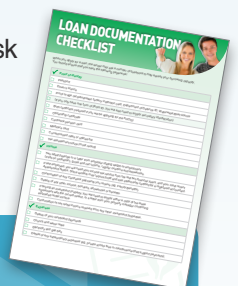
We keep up to date with the constantly changing borrowing criteria of most lending institutions and other smaller credit agencies so we can assess your individual situation.

Our role is to review lenders' current policies and prepare an application for the lender most likely to be flexible enough in meeting your individual circumstances now, whilst also considering your future requirements.



## Call us when you start THINKING about your next loan or life change, and reap the reward of peace of mind.

When you apply for a loan, the lender may ask a number of questions to fully assess your borrowing capacity. Ask us to send you our Loan Documentation Checklist to ensure you are fully prepared.



## Do you move house often?

The stability of your home address is also considered, along with many other factors in lenders' sophisticated credit scoring analyses to assess whether you are a good long term risk.

If you are currently renting and planning to seek finance soon, speak to us before your next move to allow us to prepare your application in the most positive light.

## Please contact us:

<sup>1</sup> Leadership Management Australia report May 2010.

<sup>2</sup> Families, Incomes and Jobs report, University of Melbourne 2011