Get Buyer Ready

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Questions & Answers

Property Finance: Common Questions

Q: What is a loan pre-approval?
A: A preliminary approval of money from a lender to a borrower towards the purchase of a property. This allows the borrower to know their maximum loan amount to help narrow their search and negotiate with more certainty.

Q: Why do I need a pre-approval?
A: Having a pre-approval allows you to understand how much you can afford to pay for a property. It also makes you a more attractive buyer to a seller as it is less likely for the deal to fall over due to finance.

Q: How long does a pre-approval last for?
A: On average 90 days (3 months).

Q: How long does it take to get a pre-approval?
A: On average it takes 3-5 days once all the required documents have been submitted to the mortgage broker. If your financial position is more complex, expect 2 weeks.

Q: What is typically assessed in the pre-approval process?
A: Your current financial position such as income, assets, debt and expenses. Also, lenders will look for any pre-existing home loan pre-approvals that are held within your credit report/profile.

Q: What is a credit report?
A: A historical record of your credit history that includes your credit rating, the credit products you hold and your repayment history.

Q: What is a credit rating?
A: Also known as a Credit Score, this is a number based rating that outlines how trustworthy your reputation is as a borrower, the higher the better.

Q: Where can I find my personal credit rating for free?
A: Canstar - Check Your Credit Score

Q: What are the main credit score ranges?
A: There are a number of different ratings providers, Equifax is one of these, who outline the following Score Bands:
Below Average: 0-459
Average: 460-660
Good: 661-734
Very Good: 735-852
Excellent: 853-1,200
Q: How can I improve my credit score?
A: Pay off any credit card debt, dispute inaccurate dates on your credit report, pay your bills on time, discuss further with your mortgage broker and accountant.