



PRE APPROVALS

THE FACTS

Ensure you have the best start to your property purchase venture with a finance pre-approval

WHY YOU NEED A PRE-APPROVAL

You don't need to find your new home before you can apply for a loan. It's actually better to get your loan sorted beforehand. You'll know exactly how much you can afford to pay for a property. Once you find the right property, you'll be able to focus on the purchase—rather than having to sort out the finance at the same time.

You'll have a better idea of what properties to look for, because you won't waste time looking for something outside your price range.

With a pre-approved loan, there are fewer chances of hiccups with the sale process. Sometimes, sellers will accept an offer below list price, because they have peace of mind that the property really is sold. The seller can take the property off the market with confidence knowing the buyer is serious.

If you decide to make an offer you'll be in a position to move quickly if your finances are sorted – this will help you avoid being gazumped.

MAKE SURE IT'S WORTH THE PAPER IT'S PRINTED ON

There are many 'versions' of home loan pre-approvals and many are only *indications* of what the bank will lend you. Be very wary of fast or instant pre-approvals as they cannot always be relied upon. Ask for your application to be assessed. Ensure the bank verifies your details such as identification and employment so they have an understanding of your financial position when providing you with a pre-approval. It will take a little longer but is worth the time you invest as it will reduce the time spent proceeding from pre-approval to full approval once you have found your perfect property and that is when you need things to move quickly.

YOU WILL STILL NEED A SATISFACTORY VALUATION

Almost all pre-approvals are conditional to a satisfactory valuation of the property you are to purchase. In slower real estate markets, valuations can often come in lower than you might expect. Given this, it is always advisable that you have a valuation undertaken and obtain full approval before buying at auction or entering into a contract.

HOW LONG DOES A PRE-APPROVAL LAST?

The length of time a pre-approval lasts for depends on the lender. It can range from 3 months to 12 months and remain valid only if your circumstances remain unchanged. So don't think that once you have a pre-approval you are able to change your financial position such as a change in employment or a new liability and still rely on your pre-approval, this is not the case. If you are considering a change after you obtain your pre-approval, always discuss the repercussions on your approval with us. We can assist you to make educated decisions.

WHAT DOCUMENTS DO YOU NEED FOR A PRE APPROVAL?

Every application is unique and given this, the documentation required for pre-approval varies from application to application. As a rule, then following documents are almost always required:

- Copies of identification such as your Drivers Licence, Passport and/or Birth Certificate
- Copies of income documents such as pay slips, tax returns, employment letters and rental statements
- Verification of any assets such as Rates Notices for properties owned and statements for savings accounts
- Recent statements for any liabilities such as credit or store cards and personal loans

To find out what loan is right for you and to obtain a pre-approval [contact us](#) on 02 8004 0592 or email info@keystonefinancial.com.au. We look forward to assisting you.

