

1. Using a broker to refinance your home loan

What is a mortgage broker?

A broker is an independent lending professional who will facilitate your loan application on your behalf. A broker:

- Will canvas the market and look at multiple lenders before recommending one best suited to your unique situation. This contrasts with a branch lender, private banker, and business banker, who can only offer advice based on their bank's credit policies and products.
- Will save you money. As an objective, independent third-party to the loan process, a good broker will help you avoid unnecessary fees and identify the best interest rates.
- Is remunerated by the bank upon settlement. This fee is not built into consumer rates or loan fees, meaning a broker's service is free to you as the client.
- Will know which banks will approve your individual financial situation, and will relieve you of much of the administrative time and effort involved in coordinating a loan application.
- Has access to industry rates that are often cheaper than going direct to bank.

Why should barristers use a broker?

The lending landscape has changed with the times and a finance broker can be particularly useful for barristers. They will take the time to understand how you are remunerated, your cash flow based on case load and chambers work and how to correctly verify your income. A specialist broker can utilise your prior work history to maximise your borrowing capacity if you are a new barrister.

What is the process of organising a home loan?

Buying property is the biggest purchase most of us will make in our lives. Enlisting the representation of a specialist broker can save you from grief and wasted money. What this process will look like:

1. A first meeting to understand your needs and individual situation.
2. Your broker will request relevant supporting documents from you to assess your situation and prepare for your loan application.
3. Your broker will scour the market and identify the most suitable solution for your finance needs. With your approval, your broker will submit your application.
4. The bank will come back with pre-approval of your specified amount, allowing you 90 days to house hunt.
5. With a certain property chosen, you may place an offer. The bank will conduct a valuation of the property to check if your offer is in line with market value.
6. Once valuation is passed, formal approval will be granted by the lender.
7. Loan documents will be issued for signing.
8. Settlement will occur on the date agreed with the vendor and funds will be transferred accordingly.

Top tip: Always ensure you have a conveyancing solicitor involved in your purchase from the very beginning. Many legal professionals attempt to cover this themselves, but it is highly recommended to outsource this service to a specialised, objective third party.

Expert advice can help you understand the what options really are available in the market, and the best way to prove your income and maximise your borrowing capacity. Speak to a specialist broker the next time you're thinking of borrowing money.

For more information, get in touch with Legal Home Loans today:

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