

From Jay at Soulution Finance



Home Loans, Uncensored

The Plain English Guide to Borrowing in Sydney

Built for first home buyers. Useful for anyone with a mortgage.

Free chat: 0451 008 228 | @soulutionfinance

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Hi, I'm Jay

I'm a mortgage broker and the founder of Soulution Finance, and I spend my days helping people in Sydney get home loans that actually suit them, whether it is a first home, a refinance or an upgrade. I built this guide because the lending process is full of things nobody explains until it is too late to ask. Read it, use it, and if you want a second pair of eyes on your situation, the chat is free.

How it actually works

Six stages from first chat to keys in hand. Tap a stage to see what happens, what you need to do and how long it usually takes.

1

Gather your documents

What happens

We start with a Credit Guide and a Privacy Consent. Signing them lets us check your credit file without leaving a mark on it. You then upload your bank statements through a secure text link, so there is no chasing PDFs through email.

What you do

Send through your payslips, photo ID, your most recent income statement from myGov, and any lease agreements if you already own a rental property.

Typical timeframe

Usually two to five days, and it moves as fast as you can gather things.

2

Compare 40+ lenders

What happens

We run your numbers across more than 40 lenders and compare policy, pricing and features side by side. Different lenders treat the same income very differently, which is why the shortlist often surprises people.

What you do

Tell us what actually matters to you. Lowest rate, an offset account, flexibility to make extra repayments, or a lender who understands your kind of income.

Typical timeframe

One to three business days once your documents are in.

3

Review the credit proposal

What happens

You receive a written summary of the loan we recommend, the lender, the structure and the reasons behind it. Nothing gets lodged until you have read it and agreed.

What you do

Read it, ask every question you have, then sign to confirm you are happy to proceed.

Typical timeframe

Same day to a couple of days, depending on how many questions you have. Questions are good.

4

Lodge the application

What happens

We submit the application through the lender's online portal. You receive a text to complete a digital ID verification, and the lender's own application form to sign electronically.

What you do

Complete the ID check on your phone and sign the lender's form. Both take minutes.

Typical timeframe

One to two business days.

5

Lender assessment

What happens

A credit assessor at the lender reviews the whole file. Sometimes they come back with one or two requests for extra information before issuing formal approval. That is normal and not a sign anything is wrong.

What you do

Respond to any requests quickly. Every day a question sits unanswered is a day added to the timeline.

Typical timeframe

Typically two to four business days, longer if the lender is busy or asks for more.

6

Prepare for settlement

What happens

With formal approval in hand we clear the remaining conditions. That means building insurance in place, a discharge form if you are refinancing, and anything else the lender listed. Your solicitor or conveyancer then coordinates the settlement itself.

What you do

Arrange building insurance, sign the loan documents, and keep in touch with your conveyancer about the settlement date.

Typical timeframe

Set by your contract. Purchases in NSW commonly settle four to six weeks after exchange, and refinances depend on how quickly the old lender responds.

Talk it through with Jay

**Inquire at
Soulutionfinance@gmail.com**

Get your paperwork sorted

Tick these off before we talk and you will be weeks ahead of most applicants.

Identification

☐ Driver licence

☐ Passport or birth certificate

☐ Medicare card

Income

☐ Two most recent payslips

☐ Most recent income statement from myGov

☐ Employment contract or letter if you started recently

☐ Two years of tax returns and notices of assessment if self employed

Savings history

☐ Three to six months of statements for your savings account

☐ A letter or statement for any gifted funds

Liabilities

☐ Statements for every credit card and personal loan

☐ Current HECS balance from myGov

☐ Any buy now pay later accounts, even if paid off

Living expenses

☐ Three months of transaction account statements

☐ Rental ledger or lease if you currently rent

What lenders actually look at

It is not just your salary. Here is what moves the number up or down.

Income

Base salary counts in full. Overtime, bonuses, commission and casual income are often only partly counted, and every lender has its own rules. Two people on the same payslip can borrow different amounts at different banks.

Living expenses

Lenders do not just ask what you spend. They read your statements. If your declared expenses look low compared with what your bank account shows, they will use their own higher figure.

Existing debts

Car loans, personal loans and buy now pay later balances all reduce what you can borrow, because the repayments come out before the lender works out what is left for a mortgage.

Credit card limits

The limit matters, not the balance. A card with a high limit and nothing owing is still counted as if you could max it out tomorrow. Cutting limits you do not use can lift your borrowing power.

HECS and HELP

Your student debt is treated as a repayment that comes off your income, not as a lump sum you owe. The higher your income, the larger the repayment, and the more it reduces your borrowing power.

Buffers

Lenders assess whether you could still afford the loan if rates rose by a set margin above what you would actually pay. It is a safety check, and it is why the number you can borrow is lower than the raw maths suggests.

The real cost of buying

Your deposit is only part of the money you need on day one.

Deposit

The portion of the purchase price you pay yourself. A smaller deposit is possible with some lenders, but it usually means paying for Lenders Mortgage Insurance.

Stamp duty

A NSW government tax on the purchase, paid at settlement. First home buyers may qualify for a full or partial exemption depending on the price and the property, so check Revenue NSW for the current rules.

Lenders Mortgage Insurance

A one off insurance premium that protects the lender, not you, when your deposit is below their threshold. It can be added to the loan, but you pay interest on it for the life of the loan.

Legal and conveyancing

A solicitor or conveyancer reviews the contract, handles searches and runs settlement. Get a quote up front and ask what is included.

Inspections

A building and pest inspection for houses, or a strata report for units. Skipping them to save a few hundred dollars is how people discover very expensive problems after settlement.

Lender fees

Application, valuation and settlement fees vary a lot between lenders. Some waive them, some do not, and some hide them inside a higher rate. We list every fee in your credit proposal.

For current concessions, grants and scheme eligibility, go to the source rather than a headline:

Revenue NSW First Home Buyers Assistance Scheme and First Home Owner Grant

<https://www.revenue.nsw.gov.au>

Housing Australia Home Guarantee Scheme, including the First Home Guarantee

<https://www.housingaustralia.gov.au>

Australian Taxation Office First Home Super Saver Scheme

<https://www.ato.gov.au>

Not sure what you qualify for? Ask Jay

**Text: Qualify
0451008228**

Speak lender

Search any term you have seen on a bank website and get the plain English version.

Comparison rate

A rate that bundles the interest rate with most of the fees so you can compare loans more fairly. It is calculated on a standard loan size and term, so it is a guide rather than your exact cost.

Conditional vs unconditional approval

Conditional means the lender is happy in principle but still needs something, often a valuation or a signed contract. Unconditional means every condition is met and the lender is committed to funding the loan.

Cooling off period

In NSW, a short window after you sign a contract for a private treaty sale during which you can pull out, usually with a small penalty. It does not apply to auction purchases.

Cross collateralisation

Using more than one property as security for a single loan or group of loans with the same lender. It can make it easier to borrow but harder to sell or refinance one property on its own.

Exchange

The moment the buyer and seller swap signed contracts and the deposit is paid. From here the deal is legally binding, subject to any cooling off period.

Fixed vs variable

A fixed rate stays the same for an agreed period, so your repayments are predictable. A variable rate moves with the market and usually comes with more flexibility, such as unlimited extra repayments and an offset account.

Genuine savings

Money you have saved yourself over time, usually shown through three or more months of statements. Some lenders require it when your deposit is small, and gifts alone may not qualify.

LMI

Lenders Mortgage Insurance. A premium you pay when your deposit is below the lender's threshold. It protects the lender if you cannot repay. It does not protect you.

LVR

Loan to value ratio. The loan amount divided by the property value, shown as a percentage. A lower LVR generally means less risk for the lender and better pricing for you.

Offset account

A transaction account linked to your loan. Every dollar sitting in it reduces the balance that interest is charged on, while staying available to spend.

Pre approval

A lender's indication that they would likely lend you a certain amount, based on a review of your finances. It helps you shop with confidence, but it is not a guarantee. See the uncomfortable truths.

Redraw

A feature that lets you take back extra repayments you have made on your loan. Similar in effect to an offset account, but the money is inside the loan rather than in a separate account.

Serviceability

The lender's assessment of whether you can afford the repayments, after your expenses, debts and a rate buffer are taken into account. It is the main driver of how much you can borrow.

Settlement

The day the loan funds are paid to the seller, ownership transfers to you, and you get the keys. Your conveyancer and the lender handle the mechanics.

Guarantor

Someone, usually a parent, who offers equity in their own property as extra security for your loan. It can remove the need for Lenders Mortgage Insurance, but their property is on the line if you default.

Split loan

One loan divided into two or more portions, for example part fixed and part variable. It lets you hedge your bets on rates while keeping some flexibility.

The uncomfortable truths

Things banks are not in a hurry to tell you.

1 Your bank is on its own side, not yours

A bank can only offer its own products, and its job is to sell them. A broker is legally required to act in your best interests and can compare dozens of lenders. Those are very different starting points.

2 Pre approval is not a promise

It is an opinion based on a snapshot of your finances. The lender can still say no after a valuation, a policy change, or a closer look at your statements. Treat it as a strong signal, not a done deal.

3 The lowest rate is not always the cheapest loan

Fees, features and how the loan is structured can cost you more over time than a small difference in rate. The comparison rate helps, but the full picture lives in the credit proposal.

4 Your credit card limit is costing you borrowing power, even at zero balance

Lenders assume you could spend the whole limit tomorrow. A card you never use can quietly shave a meaningful amount off what you can borrow. Reduce or close limits you do not need before you apply.

5 Loyalty does not pay. New customers usually get the better deal

Banks tend to reserve their sharpest pricing for people they are trying to win, not people they already have. If you have not reviewed your loan in a couple of years, you are probably paying for the privilege of staying put.

6 Rejected by one lender does not mean rejected by all of them

Every lender has its own policies on income, deposits, credit history and property type. A no from one is often a yes from another. It is why we compare so many.

7 Brokers get paid by lenders. Here is how, and why it should not worry you

The lender pays the broker a commission when your loan settles, so most brokers do not charge you a fee. The law requires brokers to put your interests first, and you can ask to see exactly what the lender pays. We will tell you before you ask.

Straight answers

The questions we get asked most, answered without the bank speak.

How much deposit do I actually need?

It depends on the lender, the property and whether you qualify for a government scheme. Some lenders will lend with a small deposit if you pay Lenders Mortgage Insurance or have a guarantor. A larger deposit generally means a lower rate and no LMI. The right answer is specific to you, which is what the free chat is for.

Does using a broker cost me anything?

In most cases, no. The lender pays the broker a commission when the loan settles. If a fee ever applied to your situation, we would tell you in writing before you agreed to anything.

What is the difference between a broker and going straight to the bank?

The bank can only offer you the bank's products. A broker compares across many lenders, is legally required to act in your best interests, and handles the paperwork and chasing on your behalf. You still choose the lender.

Will getting pre approved hurt my credit score?

A formal pre approval usually involves a credit enquiry, which is recorded on your file. One or two are fine. Applying to several lenders in a short period can look like desperation to an assessor, which is why we compare first and lodge once.

Can I get a loan with HECS debt?

Yes. HECS reduces how much you can borrow because the repayments come off your income, but it does not stop you getting a loan. Some lenders treat it more generously than others.

How long does the whole process take?

From first documents to formal approval is often two to three weeks if everything is ready. Settlement then follows the timeline in your contract. Delays almost always come from missing documents or slow responses, so preparation is the biggest time saver.

What government help is there for first home buyers?

In NSW there are stamp duty concessions and a grant for eligible new homes through Revenue NSW, a federal guarantee scheme through Housing Australia that can remove the need for LMI, and the First Home Super Saver Scheme through the ATO. Eligibility and limits change, so check the official sites for the current rules.

Can my parents help without handing me cash?

Yes. A guarantor arrangement lets a parent offer equity in their own home as security for part of your loan, which can remove LMI without them giving you money. It carries real risk for them, so it deserves a proper conversation, and we can walk you both through it.

Ready for a straight answer?

Book a free chat. No obligation, no pressure, no bank speak.

Get in touch.

Phone 0451008228

Email Soulutionfinance@gmail.com

Website www.soulutionfinance.com

Instagram [@soulutionfinance](https://www.instagram.com/soulutionfinance)

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