

When you purchase a new home, it's important to establish your existing financial situation and understand the process of obtaining finance for your dream home. Below is a checklist of items to assist with your planning:



Determine your borrowing capacity

This will depend on your existing financial situation including your employment status, savings history, whether you have equity in your existing home or whether or not you're a first home buyer.

Research home loan products and interest rates

Whether you're new to the home loan market or already have an existing home loan - now is the time to compare each bank and lender's home loan products. Each lender will offer you something different in terms of home loan flexibility, borrowing amount, interest rate and services. Research is important to make sure you've found the home loan that suits your situation best.

Ensure you're aware of bank and government charges

Stamp duty, registration fees, legal fees, lenders mortgage insurance, loan application and valuation fees are all costs that can easily be forgotten. These need to be incorporated into your overall home loan amount. It's best to chat to a mortgage broker or bank about these fees.

Obtain home loan pre-approval

So you're 100 per cent prepared, it's best to get home loan pre-approval from your bank or lender so that the amount you can borrow is clear to you from the outset. You don't want to find your dream home and then find out that you can't get finance! Knowing your budget also gives you freedom in your home planning stage.

First Home Owner Grant

If you are a first home buyer, check that you are eligible for the First Home Owner Grant (FHOG). As an eligible first home buyer, you will receive \$10,000 from the Government* and a 40% reduction in stamp duty*.

*\$10,000 First Home Owner Grant (FHOG) saving amount available to eligible First Home Buyers of newly constructed homes on building contracts signed after 1 July, 2013 for homes valued up to \$750,000. The FHOG and 40% Victorian Stamp Duty reduction is subject to eligibility criteria - visit www.sro.vic.gov.au for further information.