

First Home Buyers FAQs

[How much money can I borrow?](#)

[How do I choose which home loan is best for me?](#)

[How much do I need to save for a deposit?](#)

[What is the First Home Owner Grant?](#)

[How do I know if I am eligible for the First Home Owner Grant?](#)

[How much money will I need to set aside for stamp duty?](#)

[What other costs are involved in a home purchase?](#)

[What is Lenders Mortgage Insurance?](#)

[What documentation will I need to apply for a home loan?](#)

[How often can I make mortgage payments?](#)

[Which banks and lenders does Coastal Lending represent?](#)

How much money can I borrow?

The amount you can borrow, commonly known as your borrowing capacity or borrowing power, will differ from lender to lender. Our home loan calculator will give you an initial idea of how much you can borrow. Your *Coastal Lending Services* broker can give you a complete individual assessment of your situation when you meet.

How do I choose which home loan is best for me?

Coastal Lending Services brokers, using specialised software, can help you find which of the hundreds of home loans offered by our panel of lenders will best suit your needs.

How much do I need to save for a deposit?

The deposit required depends largely on the type of home loan and, of course, the lender you select. As a general rule, if you are an owner-occupier you will require 5-10% of the purchase price as a deposit. If you are an investor, you may require 10% of the purchase price, although it's possible to purchase with less. *Coastal Lending Services* has a savings calculator you can use to help you determine the amount you need to save each month and how long it will take to reach your desired deposit.

What is the First Home Owner Grant?

The First Home Owner Grant scheme is a one-off payment of \$7,000 to assist eligible first home owners with purchase or construction costs.

How do I know if I am eligible for the First Home Owner Grant?

As a basic rule, you are eligible if you are an Australian citizen or permanent resident, buying or building your first home in Australia, with the intention of occupying it as your principle place of residence within 12 months of the settlement and living in it continuously for at least 6 months. It is important to note that if you are buying the property in conjunction with others, they must also meet the first home criteria for the grant to be applicable.

How much money will I need to set aside for stamp duty?

Stamp duty is a state government tax based on a property's selling price. Each state or territory has different rules and calculations; some states offer discounts to first home buyers. Stamp duty can be a significant additional cost when buying property. Use our stamp duty calculator to get an idea of what you will need to pay. This is available at the *Coastal Lending Services* website under the Calculator tab.

What other costs are involved in a home purchase?

As a rough guide, it is recommended that you budget 5-7% of the purchase price, on top of your deposit, to cover fees and charges associated with property purchase. These fees and charges may include (but are not limited to):

- Building/pest inspection and/or strata report
- Loan application and settlement fees
- Valuation fees
- Lenders Mortgage Insurance (LMI)
- Solicitor/conveyancer fees
- Stamp duty
- Property insurance
- Connection fees – phone/gas/electricity/water
- Council rates
- Strata fees (for units/apartments)

Removalist fees

What is Lenders Mortgage Insurance?

Lenders Mortgage Insurance (LMI) premiums are payable by the borrower when the amount borrowed is above a certain percentage, usually 80%, of the lender's valuation of the property. Some lenders will allow you to add the LMI premium to your home loan; others require you to pay it up front. LMI does not protect the borrower should they be unable to make mortgage repayments. It protects the lender from any losses resulting from the borrower defaulting on their home loan. Contact your *Coastal Lending Services Broker* to find out more about LMI.

What documentation will I need to apply for a home loan?

In conjunction with submitting your home loan application, you will need supporting documentation confirming your identity and substantiating your income. Documents can include:

Driver's licence

Birth certificate/passport

Recent pay slips

Tax returns

Bank statements

Find out more from your *Coastal Lending Services* broker who will provide you with an accurate list of what's required for your individual situation.

How often can I make mortgage payments?

Most lenders these days offer flexible regular repayment plans. You can choose to pay weekly, fortnightly or monthly. Repayment can therefore be matched to your pay cycle.

Which banks and lenders does *Coastal Lending Services* represent?

We have access to over 100 home loans provided by our wide range of Australia's leading banks and lenders. The simple way to get all your questions answered is to book an appointment and meet with your *Coastal Lending Services* broker.