

Alternative Loan Options for Self-Employed Borrowers

Are you self-employed and finding it challenging to secure a home loan with the traditional income verification requirements? Is your income not meeting the banks requirements and leaving you feeling like you have no alternative options? Are you placing your plans on hold? The good news is that there are other methods available that may work for you!

One Year's Tax Returns and Financials

While many lenders typically require two years of tax returns and financials to assess your businesses income stability, some of our lenders are willing to consider just one year's financials in isolation. This is great news for people who have a new business with a low profit in the first year or for businesses that had a one-off bad year.

You will need to provide:

- Last years' financial statements (Profit & loss and balance sheet).
- Last years' business tax returns.
- Last years' personal tax returns.
- Last years' notices of assessment

Self-Employed Salary as Income (Company or Trust)

Are you self-employed and have been paying yourself a regular salary from your business for at least 6 months? If so, some of our lenders can use this income to apply for a home loan and will treat you as a PAYG applicant.

To support this, you may need to provide evidence that you have been paying yourself for a minimum of six months with a letter from your accountant confirming the business can cover its commitments and is trading profitably.

- Your business' ABN/ACN registration must be at least 18 months old.
- No need to provide all your personal and business financials to support the loan.

Low-Doc Income Verification

While specific requirements can vary between lenders, typical documentation for a low doc loan might include:

- BAS statements covering at minimum 6 months OR
- An accountant's letter confirming the declared income OR
- 3 Months Business bank statements.

Because low-doc loans carry higher risk for lenders due to the reduced documentation, they often come with higher interest rates and fees compared to standard home loans. Lenders may also require a larger deposit or offer a lower loan-to-value ratio (LVR) to mitigate the risk.

Ready to explore alternative loan options and find your dream home?

Contact us today on **02 9095 6888** and talk to one of our specialist mortgage brokers who can help you navigate the process as a self-employed borrower. Don't let traditional income verification requirements hold you back—let's find the right solution for you!