



buildADVICE



TOP TIPS

Home loans can be secured without a deposit but they can come at a cost, says Oracle Lending Solutions director Angelo Benedetti

1. Move quickly Get into the property market sooner. This is the main advantage of a no-deposit loan. With the strength of the current property market, prices are rising by the week and could out-pace the amount you can save for

a deposit. So getting in early means you can quickly take advantage of the property's capital gain.

2. Assess affordability

Ensure that you can manage the repayments, which will be higher having not paid a deposit on the property, and check affordability should interest rates rise by at least 1 per cent.

3. Get help Consider speaking to your family or parents about a family pledge loan. This involves using the equity in their property in lieu of a deposit. Make sure all parties understand the full ramifications of such a loan.

4. Understand costs

Be aware that 100 per cent loans come at a cost, the interest rate is often higher and your credit rating has to be exceptional for lending institutions to even consider such a product. And remember, additional fees often apply.

5. Do your homework

Check the cost of mortgage insurance. You will need to pay mortgage insurance on a 100 per cent loan.