

Getting Prepared

YOUR ULTIMATE PRE-APPROVAL GUIDE

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Introduction

So you've decided it's time to get into the property market and you want to answer what is a pretty important question: "What can we actually spend on a property?"

It's a question that we're asked all the time when clients first get in touch and is naturally something you want to know when you start looking at properties.

For us, it's the most important question to answer and we want to make sure that you get the best answer possible.

Setting the budget for your purchase gives you the power to know whether a particular property is within reach and allows you to make sure that you're getting the best start you can in the property market.

We've created this little guide so you have an idea of what you might be expected to provide to get the answer to your questions.

Have a read through each page and start thinking about how you can get the required info together so you can hit the ground running when it comes time to get in touch!

***Keep in mind that any documents provided to us will need to be as up to date as possible in order for us to use them in an application to a lender

Getting Prepared

YOUR ULTIMATE PRE-APPROVAL GUIDE

1) Your Income

In order to ensure we fully understand not only how much money you earn but also, how you earn it, we'll need the following to get started...

Your latest 3x payslips



Providing us with your latest 3x payslips give us an important insight into how you earn your income and also what regular deductions or contributions we need to consider.

*** Self employed? We have a guide for your income requirements on our website.

IRD Earnings Summaries



We use your IRD Earnings Summaries for a couple of reasons. 1) To show your full taxable income from all sources and 2) To show, where required, that you meet any income cap requirements when looking at Kainga Ora lending products and grants.

Other Income Information



There are several other types of income we can use to show how much lending you can service. Maybe you get paid a monthly, quarterly or yearly bonus. Or maybe you have someone coming to live in the property with you who will be paying you to live there?

***Check out our “Resources” tab on our website for templates that can help or ask us about any other forms of income you will or might receive and we can give guidance around how we can use that income to help.

Getting Prepared

YOUR ULTIMATE PRE-APPROVAL GUIDE

2) Your Expenses

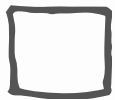
Now that we have the info we need to understand how you earn your money, it's time to look at how you spend it.

***Pro Tip - Don't wait until you've tidied up your spending habits.

You'd be amazed at how often clients think they're in a worse position with regard to this than they actually are!

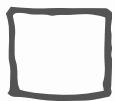
Let us look at things and we'll let you know if there's things we need to work on.

Insurance Breakdown



A significant part of our household expenses these days are to do with insurances. By providing a breakdown of the insurances you have we make sure that we are accurate with what your expenses will be once you're into a home of your own.

Debt Statements



We use your latest 3 months statements for Personal Loans, Store Cards / Buy Now Pay Later facilities, Hire Purchases and Credit Cards to look at your outside debt situation, understand if it may effect your application and offer advice where needed on how best to approach these.

Bank Statements



This is how we understand your day to day spending and put together your household expenses for your application. We have a handy online retrieval tool we use for this which makes it really easy to provide the latest 3 months worth of these too which is safe and secure and saves you a heap of time.

Getting Prepared

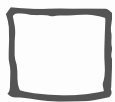
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3) Your Deposit

There's a fair bit to think about when getting your deposit together and it all adds up so making sure you have considered all of your options is incredibly important.

You can find more info on exploring some of these in our "Resources" tab on our website or just get in touch for a chat.

Cash Savings



If you have some savings that you're looking to put forward as deposit then it's as simple as us being able to evidence the amount you have for this from your bank statements you will provide.

Kiwisaver / Superannuation



This one is super simple to sort out, just get in touch with your provider and let them know you're looking at buying a property and would like to get a confirmation of the amount available for withdrawal and they'll send you an email with the info we need.

Gift from family



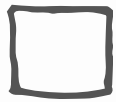
Mum and Dad helping out with some cash to give you a head start? Legends! Head over to our "Resources" tab on the website and we have a handy Gifting Certificate template to use.

Getting Prepared

YOUR ULTIMATE PRE-APPROVAL GUIDE

3) Your Deposit

First Home Grant



If you've been in Kiwisaver for at least 3 years and have contributed the whole time you could be eligible for \$1,000 a year up to 5 years to put towards an existing home or \$2,000 a year up to 5 years for a new build. There are some strict eligibility criteria for this so simply Google First Home Grant and head to the Kainga Ora website for more info on whether you're eligible and to get your application for the grant underway. Either that or give us a call to chat about the process.

The deposit sources mentioned above are the common ones we see clients using regularly. That's not to say they're the only acceptable forms of deposit, there are others so if you have another way of coming up with your deposit feel free to get in touch and we can offer some advice on if and how we can work with that for you!

As you can see, it doesn't actually take all that much to get the ball rolling and get the answers to your questions around your potential budget for purchasing a property. There are some other items we need to get from you in order to submit your application but the info in this guide gives us the ability to start our analysis and see where you sit.

If you have any questions or want to pick our brains feel free to get in touch otherwise, if you're ready to see what your property purchasing budget might look like then get started and get in touch!

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YOUR ULTIMATE PRE-APPROVAL GUIDE

Disclaimer

The information provided in this guide is not personalised financial advice and is intended purely for general knowledge to help individuals better understand what may be expected when engaging Matt Walton Mortgages for financial advice.

This guide in no way implies that an offer or approval for finance has been offered or is being offered.

A full application process is required to be followed in order for any application to be considered for approval.