

Fact Sheet: How much can I borrow?

Borrowing capacity depends on many factors such as your income, credit history, savings and existing loan commitments. If it's a home or investment property you're looking to buy, bcu can help you understand how much you can borrow, what the costs are and what value of property you can afford to buy. We can even arrange a pre-approval for you to go 'shopping' with confidence.

Always remember:

1. Do the numbers.

Make sure you have an accurate and detailed purchase budget which takes into account all the expenses associated with buying a property including (where applicable), stamp duty, legal fees, mortgage insurance, council rates, strata fees, insurance, pest and building inspections and anything else you can think of. If you are unsure of how much things like legal fees and inspections cost, ask your lawyer or conveyancer - they should be able to assist you with an accurate cost projection. Of course we'll help you too!

2. Don't stretch yourself.

Make a weekly budget and be sure you fully understand the impact of your regular spending. Allow yourself a buffer in case interest rates rise or something unexpected pops up. Compare how much you pay in rent and how much you will pay with the proposed loan commitment to give you an indication of your affordability comfort levels.

3. Be prepared to change your lifestyle.

A mortgage is a big commitment and you may have to make changes to your regular spending practices if you are to meet your repayments with ease.

4. Take the time to consider which loan best suits your needs.

Think carefully about the loan product, what it offers and how this relates to you and your spending habits. There are a number of bcu products that will suit your needs including loan offset account and redraw facility, so take the time to get it right.

5. Back to basics.

Managing a home loan is a big commitment, and it's important to be realistic about what you agree to borrow and what you can afford.

6. If you are in trouble, ask for help.

In many cases, a solution can be negotiated if bcu is involved early and give the opportunity to work with you to help you to stay in your home.

Online calculators to help you work out how much you can borrow are now available on our website. Visit www.bcu.com.au.

Loans available to approved applicants only. Normal lending criteria, fees, charges, terms and conditions apply. A Home Loan Key Facts Sheet is available on our web site and in branches