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Hi ,

Market Update

Topics:

- Tougher Lending Criteria
- Self-employed policy game changer

Tougher Lending Criteria

I alluded to this possibly happening a few months back. The government promised to loosen credit criteria and make it easier for people to get a loan. They have now back flipped on this! As I said before, the housing market continuing to surge, would be problematic for lending criteria. Making money easier to get, would make the market go even more nuts. So, in an effort to slow things down and to make sure people don't bite off more than they can chew; the government has now stepped in.

Basically, shortly everyone's borrowing capacity will reduce slightly. So going forward, do not expect:

- Faster lender turn-around times
- It being easier to get a loan
- To have stronger borrowing power (borrow more)

As always though, there are solutions and niche policies we can explore. So, if you need anything or have any questions, please reach out.

A useful link is below about the APRA/government announcement:

https://www.mpamag.com/au/mortgage-industry/market-updates/apra-ramps-up-serviceability-buffer/312299?utm_source=GA&utm_medium=20211005&utm_campaign=MPAW-Newsletter-20211006&utm_content=CA30880B-6A10-4CD3-A29F-CED151E0472F&tu=CA30880B-6A10-4CD3-A29F-CED151E0472F

Self-employed policy game changer

Last week we had a complete game changing policy introduced for self-employed borrowers! Normally banks always want to look at past tax returns for self-employed borrowers, when assessing income. Now a major bank has introduced the following option:

- Adopting whatever your salary/wage is (i.e. what you pay yourself)
- Not needing to see business financials and tax returns

As you can appreciate, being that you can pay yourself whatever you like, this will open some doors! Its especially a nice way to counter act lower Covid-19 business earnings or the above negative government changes!
To prove your salary, we need to show:

- Six months salary credits to an account

OR

- One payslip showing six months YTD income and your PAYG Income Statement or Tax Return

Best Regards,

Daniel

Contact me if you want to discuss the pros and cons of refinancing.

Contact Us

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