

First Home Buyers Guide

The following are some FAQ (frequently asked questions) that are often asked by First Home Buyers - those who are new to mortgages and lending.

Lending from banks for the first time can be confusing - an information overload at times. As a first home buyer you need to have things explained clearly and fully - without assumptions that go over your head. As a mortgage broker, we find many people are not clear about the answers to these types of questions regarding a loan or mortgage when buying their first home.

The questions and answers below on our **FAQ for First Home Buyers** regarding home loans and lending may get you thinking about purchasing your own home. We want to guide you in the right direction financially. If you have more questions, please call Chris on 07 577 1209 or use the email form to Connect with Us: select the service "First Home Buyer" and we will respond with clear answers.

FAQ for First Home Buyers

Who can help me with a home Loan?

Talk to a broker at Rapson Loans & Finance. We will make sure you are on the right path to get into your first home.

Do I need to have a Kiwi Saver account?

If you are not currently a member – join. After three years you may be able to withdraw your contribution plus your employer’s contributions. This can contribute hugely to your deposit. You may also be eligible for the Home Deposit Subsidy of \$1,000 per year, up to a maximum of \$5,000. So yes, Kiwi Saver is a great help for first home buyers.

Can I get a home loan when I have other loans - like a car loan, credit cards, hire purchase or student loan?

Yes you can get a home loan when you have other debt. But it is a good idea to minimise your debt. This other debt can significantly reduce the amount you are able to borrow for your first home. Discuss this with us as we can guide you where to apply surplus funds and maximise the opportunity.

Do I need to have savings?

Yes you need to have savings to show the bank. The bank will be more comfortable providing a home loan when they see you are careful with money and can save.

🔒 How much credit limit should I have on my credit cards?

Ensure credit card limits are at the minimum limit required. Even though you may not use your credit card, the limit is likely to be used by lenders for debt servicing assessment purposes.

🔒 How do I manage the other costs of purchasing a home?

Yes, there are other costs involved in purchasing a home. We can assist to minimise these costs as well as preparing you for them. We make you aware – no one likes this kind of surprise.

🔒 I have been in overdraft – will this affect my first home loan?

For your bank accounts, it is important that you ensure your accounts are kept within approved limits at all times. Past Bank Statements are required to confirm your good banking history. If you have been over your approved limit with the bank we can help you minimise the damage.

🔒 What is a deposit to secure the property?

This is an agreed amount on the Sales and Purchase Agreement contract that is to be paid to either the Solicitor or the Estate Agent when finance is approved. This can be negotiated.

🔒 What deposit do I pay to the bank?

You do not pay the deposit to the bank; you contribute money towards the deposit to secure the property, and towards paying for the property on the day you get the keys. We can look at getting you into your first home with as little as a 5% deposit (\$5,000 per "\$100,000 of home value). This amount must be saved, and can include KiwiSaver.

🔒 Can I get my loan approved before I start looking for my first home?

Yes, Pre-approval is a good idea. We can arrange pre-approval for up to six months. This will give you confidence when looking for a home with a maximum price that will fit your situation.

Were these FAQ's regarding home loans helpful? If so, please tell us by using the email form on the right to Connect With Us. We would love to hear your views and answer your questions.

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www.rapson.co.nz