Things that could trip you up when applying for a home loan

Buying your dream home is exciting, so the last thing you want is for your home loan application to be held up. While many factors are considered in assessing an application, showing stability and consistency is key for lenders to determine whether you will be able to repay the loan. But sometimes what's happening in your life can trip you up. Here are some things to be aware of.

- If you're at the other end of your kid-wrangling years and looking at returning to work after an extended break, it may be best to wait until you've been back at work for a few months before applying for a loan. This will give you time to show stability and consistency in your employment record.
- Having a consistent employment record doesn't mean you need to have the same job for years, but if you're planning on applying for a home loan, it might be best to hold off changing jobs. If you do have to, it's worth knowing that with some lenders you'll need to show at least two pay slips with the same employer.[1] If you can show over 12 months in the same job that's even better.
- If you have a probationary period in your new role, it could also be difficult to have a loan approved until you've completed it and the role is made permanent.
- For the self-employed, demonstrating a stable income can be particularly difficult, which is why it's a good idea to have an accountant. They can help you put together financial statements, which you'll need to include as part of your loan application. Generally you'll need at least one year's history to support your application.
- If overtime or shift allowances are a significant part of your income, your broker will be able to provide advice on which lenders may take these into account for loan repayment ability, as not all do.