

Arranging Finance

When arranging finance there are several factors banks take into consideration, such as, how much you have for the deposit and how much you can afford based on your financial situation. Let's look at each of these:

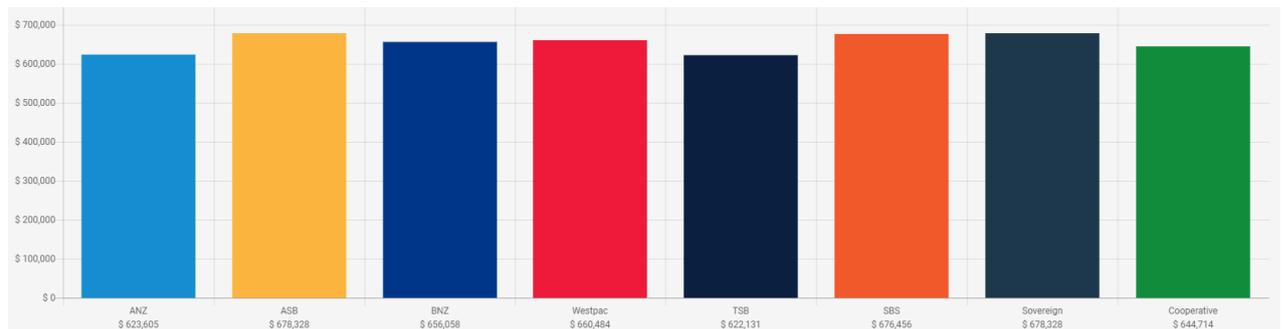
Your Deposit

You may be able to arrange finance for one of these fantastic Kenepuru Landings townhouses with as little as 10% deposit - so between \$60,000 and \$64,000. Of course, the more deposit you have the smaller your loan and repayments will be. Your deposit may include your KiwiSaver funds¹, your personal savings, gifted funds, or funds from the sale of an asset i.e. a car.

Your Financial Situation

Banks need to get a full understanding of your financial situation and will require information about such things as: your income, expenses, student loans, credit cards, hire purchases, personal loans etc.

If you want to find out how much you can borrow, we recommend you speak to one of the Mortgage Advisers (Bernie Upton and Sloan McPhee) at the Home Loan Shop: www.homeloanshop.co.nz. They will help you complete the paperwork and will provide you with a graph like the one below that shows you how much you can potentially borrow based on your incomers and expenses.



¹ If you have been a KiwiSaver member for at least three years you may be able to withdraw all, or part, of your savings to put towards buying your first home. However, at least \$1,000 must remain in your KiwiSaver account. You must also intend to live in the property - it cannot be used to buy an investment property.

If you want to know more about using your KiwiSaver you can find out more at this link:

<https://www.hnzc.co.nz/ways-we-can-help-you-to-own-a-home/kiwisaver-first-home-withdrawal/>

What will your repayments be?

Your repayments will vary depending on the amount you borrow, the interest rate, and how fast you want to your home loan off. Below are a few examples, or you can have a play around with the loan calculator here:

<https://homeloanshop.co.nz/how-much/what-will-my-repayments-be/>

Deposit	Loan Amount	Repayments - weekly		
		30 year term	25 year term	20 year term
\$127,000 (20%)	\$508,000	\$579	\$637	\$727
\$63,500 (10%)	\$571,000	\$784	\$849	\$951

Note: these examples are approximations and are to give you an indication only. They may vary depending on your personal situation and preferences.

What will you need to apply for a loan?

The paperwork may seem a little daunting, but your mortgage adviser will help you with this. Here's what you need to provide to arrange a pre-approval:

- **Application Form:**

This outlines your personal details (name, address, DOB, etc) and financial situation (incomes and expenses, assets and liabilities) – if you use the Home Loan Shop you can use their online application form at this link: <https://application.homeloanshop.co.nz/>

- **Evidence of Incomes:**

- If employed - copies of your last 3 payslips
- If self-employed -copies of your last 2 years Financial Accounts and IRD Personal Tax Summaries

- **Evidence of your Deposit:**

- Copies of your savings statements for the last 3 months
- Copies of the letters/emails from your KiwiSaver providers confirming how much you can withdraw
- A 'Gifting Letter' for any funds being gifted. You can get this letter from your mortgage adviser

- **Identification:**

- A copy of your passport or the front and back of your driver's licence

- **Property Documentation – your mortgage adviser can arrange to get these for you:**

- A copy of the draft (unsigned) Sale and Purchase Agreement and Building Plans for the townhouse you are interested in.
- A copy of the Certificate of Title

- A Registered Valuation Report (RVR). Once your offer on a property is accepted the Bank will require an RVR. A qualified valuer will visit the site and assess what the property value will be once the townhouse has been built. This will cost around \$1,000.