

Case Study – Ian: Short-Term Employment and Gifted Deposit

Ian has a clean credit history and a good job in trade. The problem was he'd only been in the job for a couple of months. Prior to that, he had taken 6 months off and before that he had been in various different jobs but all in the same trade. This is not very positive from a lender's perspective. His other challenge from a lender's perspective was that while he had some savings, he didn't have enough to complete the sale and required a family member to gift him some funds. Ian wanted to do a 95% home loan with short term employment and gifted funds and the mortgage insurers didn't want to know about it. Their response is to come back in 6 months when you've been in your current job for that long and have worked on your savings.

“We went through his numbers and, with the help of a family member gifting a little more, we could get the loan down to 90% of the property value.”



The property was well priced and seemed quite a good buy so he was very keen to buy it, even if he had to pay a slightly higher interest rate. His income was great so serviceability wasn't an issue.

We took the loan to a specialist lender who accepts gifted deposits rather than genuine savings and were flexible with the employment history, particularly when we pointed out that he wasn't on probation and that he had worked for this employer previously. The lender agreed & the loan was approved. Ian is now in his own home and happy with his purchase. In 6 or 12 months, Ian's rate

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should revert to mainstream rates and the money he made on the property more than outweighs the slightly higher interest rate, particularly with recent figures coming out showing the property market may be improving.

If he had of waited the 6 or 12 months before he purchased, he may well have to pay an extra \$20,000 for the same property.

Sometimes getting in at the right time on the right property is more important than an extra \$300 a month in repayments for a short term.

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