

# Bank Said No ?



**REJECTED**



**420**  
I Don't Smoke Pot.  
That's My Credit Score.

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## Loan declined ?

There are so many reasons why a lender or Bank could say no. So many it's too hard to list them all.

Don't be discouraged, there are lots of solutions that are now available that did not exist even a year ago as new funders come to market catering for the niche that is seen as out of the square of super clean perfect home loan customers, with same employment and residential address for 3 plus years, and no credit enquiries at all in the last year.

### Your credit file history

**Bad Credit** because of a **Defaults or Judgements** or simply because your **Loans Are In Arrears**, or you have **Tax Debts**. These items are now listed on your credit history and regular lenders prefer to pass on these types of loans.

### Credit Score

A poor credit score is another reason and one of the most difficult things to understand. There are reporting agencies like VEDA which will give each of us a credit score but also needs to be understood is that many lenders will also credit score you based on the loan application. Some factors that can affect your score are listed below, but it is not conclusive but it will lead us to the right direction.

#### Reasons :

- ❖ Failed capacity assessment
- ❖ Missed payments
- ❖ Loan to valuation too high
- ❖ how many credit enquiries you have on your file
- ❖ your asset position
- ❖ how many debts you have
- ❖ how long you have been at your address and
- ❖ your place of employment
- ❖ Irregular income ( Cash Flow ).
- ❖ Age which may impact on the term of the loan .

The credit score often prevents a loan to progress to a credit assessment of serviceability as it is the very first thing lenders do, is to check your score.

It is not however the end of the road.

Remember also there are sometime credit reports on your history file, that are wrong or inaccurate, and even these errors or omissions can be corrected.

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## **Common reasons why a bank has said NO**

Below is a short list of the main reasons why the bank might have said no :

- Poor credit history
- Poor credit score
- Insufficient income
- No proof of regular income from tax returns
- Insufficient self-employed income
- Missed or late repayments
- Property valuation too low
- Unacceptable security

You need to know there are options.

We have many years' experience in dealing with loans out of the norm.

It is most likely that a well packaged loan submitted to the *right* lender with the full story can still be found in all sorts of scenarios. Whilst we do not promise to fix all scenarios immediately, if we are unable to, we will be able to guide you forward to a position of strength to overcome the current status you may have found yourself in.

Our experience by your side we will find a home loan in most instances.

We will ensure the loan application is correctly and completely filled out

We will ensure the background information on any "issues" are fully explained.

We will negotiate with our wide network to approach the lender most inclined to do the loan even before we submit. We can this pre-vetted loan scenarios that allows us have an in principal positive indication of willingness to do the loan.

We will hold your hand through the process to make it easier for you.

We understand all of the loan options from all the different lenders, and we are kept informed all credit policy changes that could impact on loan applications. The ongoing education we do, is so you benefit from our ability to make it happen.

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## Here's a little more information on the common reasons for a decline.

- **Credit history** – To get a loan through a mainstream lender you generally need to show a good credit history. This includes your credit report which will show any defaults, judgements, writs, bankruptcies and others. It also shows when you have applied for credit in the past 5 (although not the outcome, as credit file is based on submission only) and will give an indication to the lender of your credit pattern. This is sometimes referred to as credit scoring. Refinancing will also take into account your statement history and in home loan arrears in particular. If your home loan is in arrears, you may still be able to get a loan!
- **Employment** – Lenders want stable employment histories so that you have a better chance of keeping your job and paying the loan. There are all sorts of interpretations of “stable” and some lenders require you to be in your job for longer than others. Self-employed people generally need to be in the same business for 2 years before a mainstream lender will look at them.
- **Serviceability** – The law requires that you have to prove you can afford the loan without financial hardship, whether that's on wages or self-employed. It's not your opinion of whether you can or not, it's the lenders opinion and they use the lenders calculators to determine whether you can or not. All lenders have subtly different calculators so what might not work with one, may work with another.
- **Security** – lenders like properties that are easy to sell if your loan goes bad for whatever reason. So the more unusual the property or zoning or even if it's in a small town in the middle of nowhere the harder it is to get finance on. Sometimes the property can be just too big. In acreage areas, anything over 25 acres could be a challenge. Properties in a poor state of repair or half constructed are some of the ones the banks particularly don't like.

The good news is that we have lenders that will look at all these situations and whether you are an employee with salary or wages income or if you are self employed you may need a **Lo Doc Loan** because your financials are not up to date we have the experience and lenders that will listen even if it is a short term solution while we help get your house in order.

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## **We have a solution for you.**

- ✓ Poor credit in most instances we can help
- ✓ Low valuation – again there are solutions
- ✓ Low serviceability, it is often the hardest one, but lets look at your scenario. We often find solutions via lenders who will take a different view on incomes
- ✓ Self employed, often the ones who do well with the tax situation only to find lenders will not add back enough so they can get a loan, or they have limited recent stable tax declared income, or the income has changed significantly, but the lenders is averaging several years. There are lenders again who will look at the today scenario with an eye on the future.

Let us guide you through the home loan maze to find a solution based on our broad experience.

We are here to help you.

**Contact Rocco the home loan expert now.**

**The sooner we get started the sooner we can help you.**

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**Turn**



**into**



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