

FACT SHEET

EMPLOYMENT REQUIREMENTS

Employment status/history is one of the lender's and mortgage insurer's main requirements for approval of a home loan. Very specific rules apply and this fact sheet will help you understand some of the important basics.

What types of employees are acceptable?

Many types of employees are acceptable, although some employment types have additional requirements imposed on them. In general, the following may be possible: full time, part time, casual/temporary, contractor and self employed.

How long do I have to be employed?

This requirement varies significantly depending on your employment type. A good rule of thumb to follow (if you are PAYG, not self-employed) is as follows: You must be at least 12 months in your current role OR you must have at least 2 years continuous employment in the same industry or role.

Can I be on a probation period and still be eligible?

There are only a couple of lenders that will allow you to be on a probation period and still be eligible for a home loan.

In order to be eligible with these lenders, you will need to have at least 2 years continuous employment in the same industry or role.

Can I change jobs before my loan is approved?

Generally no. This may seriously affect your eligibility and you should always tell your MORE consultant if you are planning to move jobs soon.

The only way this may be ok is if you have over 2 years continuous employment in the same industry or role. You may also have a probation period issue as well (see above).

I am self-employed - am I treated the same?

Unfortunately not. Self employed people are treated differently than PAYG employees. If you are self-employed, your business/company must have been trading for more than 2 years and you must also be able to provide full financials (Profit & Loss and Balance Sheet) for at least this time period. If you cannot provide full financials, your only option will be a lo-doc or no-doc loan.

I live and work overseas. Can I be eligible for a home loan?

Australians living and working overseas are acceptable borrowers with a quite a few lenders. In general though, you will be limited to a loan amount equal to 80% of the purchase price and not eligible for Lenders Mortgage Insurance.

If you are a foreigner without permanent residency, you may still be eligible if your income is strong however your loan amount will also be limited.

I am a casual/temporary employee - is it really possible for me to get a loan?

Casuals or Temps are acceptable with only some lenders. In general, the lenders treat these applications on a case by case basis. You will need to be in your current role longer than 12 months – and the longer the better.

I am on government benefits - am I eligible?

Some government benefits are acceptable (eg. Family Payment Part A & B). However if you rely solely on government benefits, you will more than likely not be eligible. If you are employed and have additional income from government benefits, then depending on the benefit(s) being paid, these may be acceptable.

Please refer to our [Glossary of Terms](#) for a full explanation of terms used in this fact sheet.