



## buildADVICE



### TOP TIPS

Home loans can be secured without a deposit but they can come at a cost, says Oracle Lending Solutions director Angelo Benedetti

**1. Move quickly** Get into the property market sooner. This is the main advantage of a no-deposit loan. With the strength of the current property market, prices are rising by the week and could out-pace the amount you can save for

a deposit. So getting in early means you can quickly take advantage of the property's capital gain.

### 2. Assess affordability

Ensure that you can manage the repayments, which will be higher having not paid a deposit on the property, and check affordability should interest rates rise by at least 1 per cent.

**3. Get help** Consider speaking to your family or parents about a family pledge loan. This involves using the equity in their property in lieu of a deposit. Make sure all parties understand the full ramifications of such a loan.

### 4. Understand costs

Be aware that 100 per cent loans come at a cost, the interest rate is often higher and your credit rating has to be exceptional for lending institutions to even consider such a product. And remember, additional fees often apply.

### 5. Do your homework

Check the cost of mortgage insurance. You will need to pay mortgage insurance on a 100 per cent loan.