

First home check list

So, you reckon you're ready to take the plunge? Before you get down to business, you'll need to make sure you've got all your nuts in a row.

What	Requirement	Check	Tip
Deposit	Minimum 5% deposit in savings account and/or KiwiSaver		Irrespective of how much deposit you have, a minimum of 5% must be genuinely saved over 3 months or more (that includes KiwiSaver). Put your KiwiSaver into ' Conservative ' mode so market movements don't destroy your deposit.
	Less than 20% deposit		Ideally aim for a minimum 10% deposit . You'll be paying a higher mortgage interest rate while your loan is above 80% of the value of the property.
Registered Valuation	Less than 20% deposit		If you have less than 20% deposit, a valuation will be required.
Parental Guarantee	Parents need to be in a strong financial position and have enough equity to absorb 20% (less any cash from your deposit)		We only secure the part of a 20% deposit you don't have over your parents' property or term deposit, not the whole loan .
Residency visa	Must not have travel conditions if been in job for less than 12 months and not university qualified		
First Home Grant	Must buy under regional price thresholds and earn under \$130,000 as a couple or \$85,000 as an individual to be eligible		
Consumer debt	Consumer finance debt is less than half your deposit		Use a Squirrel debt consolidation loan to simplify your other commitments and improve your credit record.
Servicing	Maximum borrowing 5 times your gross annual income		Anything over 5 times your income is a stretch if you have any additional costs like servicing existing debts or childcare.
Affordability	Can you demonstrate that you can afford: \$400,000 = \$2,660 per month \$500,000 = \$3,230 per month \$600,000 = \$3,990 per month		Add up (1) what you are paying in rent and (2) saving and (3) discretionary costs you can cut. Does it add up to enough so we can show you can afford the stress-tested monthly payment amounts to the left?
Employment	Been in role for over 90 days		Make sure sure you are through any probation period before you apply.
Student loans	Can you pay it off?		If you have student loans these will significantly impact on your ability to borrow more than five times your gross annual income. If you can – pay it off.
Credit bureau record	No adverse credit (missed payments on your loans or even utility bills)		Positive credit means that when a lender checks your credit file they can not only see all of your loans but they can also see if you have missed any repayments along with other commitments like utility bills. You can check your own credit history via www.creditsimple.co.nz before you apply.
Bank statements	No missed payments		Sloppy account conduct can kill your chances. Don't have too many bank accounts if you don't manage them well. Make sure you manage your money well at least for the 3 months before you apply for a home loan. If you have any direct debits make sure they are timed to go out after your salary is paid.
Acceptable security	No compliance issues with the property		If you have less than 20% deposit don't buy monolithic plaster houses or houses with compliance issues .