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Brisbane inhabitants who are suffering from the effects of having poor credit can now secure home loans just like any other in Australia who have good credit. While the probability exists, getting a bad credit mortgage would be harder than the usual. Follow these tips to increase your chances of getting your bad credit home loan application approved.

Compare home loans. Having success in finding a property that sells for a good price or under the market value could definitely increase your chances of getting your mortgage application approved. Thatâ€™s because lenders would look at it as similar to giving a down payment for your home. They usually take into consideration the loan-to-value ratio before they decide to approve or reject your home loan Brisbane application. As a matter of fact, most lenders are willing to grant loans even to people with bad credit as long as the loan-to-value ratio is less than 90%.

Yes, it helps to compare home loans. Get quotes from different lenders and see which one can work for you. If your credit is not that good, be prepared for the difference in interest rates. Make it known to your lenders that you are looking for the lowest interest rates. That way, they could be willing to lower their rates in an effort to do business with you. If you have a mortgage broker working for you, they will be the ones to compare home loans with the lenders they work with.

Seek creative financing. Some sellers are very eager to sell their properties to the point where they are willing to offer you a second home loan for it. Once approved, you can have a contract with the owner of the house stating that you will be willing to make monthly payments for the house as a second home loan. It would be wise to give the seller a specific date as to when you plan to repay the debt. This way, the seller wonâ€™t feel permanently locked into your contract. Most contracts of this type require at least 2 years to complete the refinancing of the second mortgage.

Meet the down payment requirement. In Australia, people with bad credit can qualify for as much as 95% home loan. But keep in mind though that being able to pay the 10% downpayment at the least means your interest payments will be lower. Brokers emphasize the importance of saving for your home loan. Try to wait at least for a couple of months to give yourself enough time to come up with the down payment and lower your interest payments.

Having a bad credit does not necessarily mean that you canâ€™t apply for a home loan Brisbane. All you have to do is find the right people to help you and seek the best strategy that will work for your circumstance.

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