SELF-EMPLOYED HOME LOAN TOOLKIT

YOUR GUIDE TO HOME LOAN PREPARATION



LOGAN
HOME LOANS

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UNDERSTANDING SELF-EMPLOYED HOME LOANS

Self-employed borrowers are often assessed differently from PAYG employees because lenders may need to consider business income, financial records and trading history.

How lenders assess income
Lenders may review tax returns, financial statements, business income, expenses and trading history to understand your financial position.

Assessment methods vary between lenders, particularly when income fluctuates or business structures are more complex.

Why preparation matters
Understanding common lender requirements before applying can help you:

- Identify potential documentation gaps.
- Understand how business income may be assessed.
- Recognise areas needing clarification.
- Prepare for discussions with a licensed mortgage broker.

What you'll learn
This Toolkit explains how lenders may assess self-employed borrowers and how to prepare before applying.

HOW SELF-EMPLOYED INCOME IS ASSESSED

Lenders review financial records to understand business earnings, expenses and income stability.

Business Turnover vs Assessable Income
Business turnover is not necessarily assessable income. Lenders may consider business profit, income trends and eligible adjustments (add-backs).

Business Structure Matters
Income assessment varies between sole traders, company directors, contractors, trusts and partnerships.

Trading History
Many lenders request two years of financial records, although some accept shorter trading histories under specific criteria.

Different Lenders, Different Approaches
Lenders use different assessment methods, meaning the same financial information may be treated differently.

Understanding these differences can help you identify questions to discuss with a licensed mortgage broker.

UNDERSTANDING FULL DOC HOME LOANS

Full Doc home loans use traditional financial records to verify self-employed income.

How Income Is Verified
Lenders may review tax returns, financial statements and ATO Notices of Assessment. Many lenders request two years of records, although some may accept one year under specific criteria.

What Lenders May Consider

- Business profit and income stability
- Trading history and business structure
- Eligible adjustments (add-backs)
- Existing debts and financial commitments

Why Financial Records Matter
Lenders may assess income differently depending on business expenses, financial performance and their lending policies.

Preparing for the Next Step
Understanding your financial records and organising your documents can help you prepare for discussions with a licensed mortgage broker.

Documentation requirements vary between lenders.

UNDERSTANDING ALT DOC HOME LOANS

Alt Doc (alternative documentation) home loans may allow self-employed borrowers to verify income using alternative financial records.

When Alt Doc May Be Considered
Some established businesses may not have the standard financial records required for Full Doc lending. Alt Doc may offer another documentation pathway, subject to lender criteria.

How Income May Be Verified
Depending on the lender, income evidence may include:

- Business Activity Statements (BAS)
- Business bank statements
- Accountant confirmation (where accepted)
- Lender-specific income declarations

Important Lending Considerations
Alt Doc loans may have different interest rates, fees, deposit requirements and lending conditions.

Lenders still assess income, expenses, existing debts and repayment capacity.

Alt Doc does not mean No Doc. Requirements vary between lenders.

COMMON SELF-EMPLOYED INCOME CONSIDERATIONS

Lenders may consider several factors when reviewing self-employed income.

Fluctuating or Declining Income
Changes in business earnings may affect how lenders calculate assessable income.

Business Expenses & Tax Deductions
Legitimate business deductions can reduce taxable profit, which may affect income assessments.

Eligible Income Adjustments (Add-Backs)
Some lenders may allow eligible expenses or non-cash deductions to be added back when calculating assessable income, subject to their lending criteria.

Trading History & Business Stability
Lenders may review how long a business has operated and whether its income is consistent.

Why This Matters
Different lenders may assess the same financial information differently.

Understanding these considerations can help you prepare questions for a licensed mortgage broker.

HOW BUSINESS STRUCTURES AFFECT INCOME ASSESSMENT

Business structure can affect how lenders verify and assess self-employed income.

Sole Traders
Lenders may review personal tax returns and business income after allowable expenses.

Company Directors
Lenders may consider salary, dividends and eligible company profits, subject to lending criteria.

Contractors
Income assessment may depend on contract arrangements, employment status and trading history.

Partnerships
Lenders may review partnership financial records and each borrower's share of income.

Trusts
Lenders may review trust distributions, financial records and the borrower's involvement.

Business structures can require different documents and income assessment methods. A licensed mortgage broker can explain lender requirements.

COMMON HOME LOAN PREPARATION MISTAKES

Incomplete Financial Records
Missing tax returns, financial statements or other records may delay an application.

Misunderstanding Assessable Income
Business turnover and taxable profit may differ from a lender's assessable income.

Overlooking Existing Debts
Business loans, credit cards and other financial commitments may affect borrowing capacity.

Not Reviewing ATO Obligations
Outstanding tax debts or payment arrangements may affect a lender's assessment.

Assuming All Lenders Are the Same
Lenders have different income verification requirements and assessment policies.

Applying Before Documents Are Ready
Starting an application with incomplete information may lead to additional requests or delays.

Reviewing your finances early can help you prepare for discussions with a licensed mortgage broker.

THE LOGAN HOME LOANS PREPARATION PROCESS

We help self-employed borrowers understand common home loan preparation requirements and organise their information before speaking with a licensed mortgage broker.

STEP 1 — CHECK YOUR READINESS
Complete our Self-Employed Home Loan Readiness Quiz to explore areas that may need further preparation.

STEP 2 — ORGANISE YOUR DOCUMENTS
Use our Preparation Checklist to gather common financial and business documents.

STEP 3 — BOOK A PREPARATION CALL
Discuss general documentation requirements, preparation steps and our referral process with Logan Home Loans.

STEP 4 — BROKER OR LENDER INTRODUCTION
Where appropriate, we may introduce you to a licensed mortgage broker or lender who can discuss your circumstances and available lending options.

Logan Home Loans provides general education and preparation support, not credit advice.

EXPLORE YOUR HOME LOAN READINESS

Understanding your financial position is an important part of preparing for a self-employed home loan.

TAKE THE SELF-EMPLOYED READINESS QUIZ

Our Readiness Quiz helps you reflect on common preparation areas, including:

- Business structure and trading history
- Income and financial documentation
- Existing debts and commitments
- Deposit savings or available equity
- Potential preparation gaps

WHY COMPLETE THE QUIZ?

The quiz can help you identify questions and information to organise before speaking with Logan Home Loans.

TAKE THE READINESS QUIZ

IMPORTANT INFORMATION

The quiz is an educational preparation tool only. It does not assess loan eligibility, calculate borrowing capacity or guarantee loan approval.

LET'S TALK ABOUT YOUR NEXT STEPS

You've learned how lenders may assess self-employed income and why preparation matters. Now let's discuss your next steps.

HOW LOGAN HOME LOANS CAN HELP

We help self-employed borrowers organise financial documents and prepare for discussions with licensed mortgage brokers or lenders.

BOOK A LOAN PREPARATION CALL

During your call, we can:

- Explain common documentation requirements.
- Discuss general preparation steps.
- Answer questions about organising your documents.
- Explain our broker and lender referral process.

BOOK YOUR HOME LOAN PREPARATION CALL

IMPORTANT INFORMATION

Logan Home Loans is not a lender or mortgage broker. We provide general education and preparation support only, not credit advice, eligibility assessments or loan recommendations.

Where appropriate, we may introduce you to a licensed mortgage broker or lender and may receive a referral commission.