

A man and a woman are looking at a document together in a kitchen setting. The man is on the left, wearing a light pink shirt, and the woman is on the right, wearing a pink sweater and glasses. They are both smiling and looking at the document. A yellow sticky note is in the top left corner. A large yellow diagonal shape is on the left side of the page, containing the main text.

Making sense of your home loan application outcome.

If we've decided not to progress your application, it may be because your personal financial situation does not meet our lending criteria. We must comply with our regulatory requirements and ensure that we don't give you credit if we determine the loan is not suitable for your needs, or it is likely that you might not be able to keep up with the repayments. We need to balance your goals with what's right for you at the time you apply.

This guide is designed to help you understand some of the common reasons we don't progress with a home loan application. We've also included some useful tips to help you improve the likelihood of being approved next time you choose to apply. We're here to help and support you to achieve your future financial goals.

Common ways you can improve your financial wellbeing for your next application.



A report from a Credit Reporting Body

Your credit report provides information about your credit history and we use it to assess your suitability for a loan. Sometimes we can't progress an application because of the information contained in this report, as it might show a default or missed repayments to a credit provider.



TIP: Ensure your information is correct and up to date. You can contact the relevant Credit Reporting Body to request a free copy of your report within 90 days of your loan application. Incorrect information may affect your ability to take out credit. For more information on understanding your credit report go to commbank.com.au/support/credit-reporting



Reduce your debts and review any loans you can get rid of

Consider paying off or reducing your other debt obligations. When we consider your ability to repay your home loan, we must consider any other liabilities you have – which does include credit cards, or buy now, pay later facilities. We take the limit of the card, not just what you owe on the card as a potential liability.



TIP: Cancel or reduce the limit of any credit cards you no longer need, even if they have a zero balance.



Display a good account history

Sometimes life gets on top of us and as a result, you may sometimes overdraw your account. It is important that you correct this as soon as possible and try to avoid it in the future. This not only saves you money by not paying interest charges and overdrawing fees, but also shows that you can manage your finances.



TIP: You can set up automatic and regular payments in the CommBank app and NetBank to ensure your bills are paid on time. To view a guide on how to set up regular payments go to commbank.com.au/support.digital-banking.set-up-regular-netbank-transfers



Create a budget

A budget is like a blueprint for financial success. Some factors that we take into account when assessing your application is how much you earn after tax and how much you spend each month. Usually, the more spare income you have, the more you may be able to borrow.



TIP: Calculate your current living expenses during an average month and decide if there are ways to cut back. To use our expense spend tracker and see exactly what you're spending go to commbank.com.au/digital-banking/spend-tracker-insights



Show you can save regularly

Putting a set amount of money aside each week, fortnight or month, demonstrates your ability to save. Genuine savings is looked at favourably in a home loan application as it demonstrates you're good with money and can potentially manage regular loan repayments.



TIP: Set a savings goal. Go to commbank.com.au/savings to find out how much money you can put away.



Deposit your salary into your CommBank account

If you've already got an account with us, we'll have an indication of your financial situation. Regardless of how much you earn, arrange with your employer to have your salary paid into your bank account. If you are paid in cash, deposit it into your account to establish a transaction history as well.



TIP: To view our Everyday accounts go to commbank.com.au/banking/everyday-accounts



Avoid submitting multiple applications

Although it is important to compare lenders to find the best deal, submitting numerous applications for loans with different lenders may also affect your chances of getting your loan approved.



TIP: Each time you apply for credit, it is recorded on your credit history and can impact your credit rating. Ask questions to credit providers so you clearly understand their product suitability before you apply.



Know your limits

Work out how much you are able to borrow. This will depend on your income, current living expenses, existing liabilities, commitments, and the type of loan you want. Look at recent sales data for the area you're interested in and the type of property you're trying to buy. Consider how your expenses might need to change if you bought a property in the future.



TIP: To calculate how much you may be able to borrow go to commbank.com.au/borrowing and to research property go to commbank.com.au/digital/home-buying/search



Employment status

It's important to show you have a stable employment history. Receiving a regular income for least six to twelve months in a job in the same company, will be looked upon as more favourable than shorter periods in a job.



TIP: Consider how long you've been at your workplace to decide when's right for you to apply.



Seek help

Our Financial Assistance Solutions teams have helped thousands of CommBank customers from helping people manage bills on time to making ends meet for families.



TIP: If you have, or are experiencing financial difficulty, we can offer guidance and support through our Financial Assist Team. Alternatively, you may seek independent financial counselling.

For more information go to commbank.com.au/support/financial-difficulty



Low value of secured assets

We have a range of criteria around the type of property you can use as security, strict loan to value (LVR) ratios and some post code restrictions may apply. If the property you are seeking to purchase does not meet one or more of our internal criteria, your loan application may be declined.



TIP: Make sure you check this carefully with your lender before you apply for your home loan so you know exactly how much you need to save before you can proceed. See more at [commbank.com.au/support.home-loan.loan-to-value-ratio](https://commbank.com.au/support/home-loan.loan-to-value-ratio)

We're here to help

If you have any questions or want more information:



Book an appointment with a Home Lending Specialist at commbank.com.au/appointment or contact your Broker.



Call us on 13 2224



Visit commbank.com.au/homeloans



Things you should know: This guide doesn't consider your individual objectives, financial situation or needs. Before basing any decisions on this information please:

- Consider its appropriateness to your circumstances.
- Consider obtaining professional advice specific to your needs, including financial, taxation and legal advice.

Loan applications are subject to credit approval and any loan offer includes full terms and conditions. Fees and charges apply – see our fees and charges brochure.

All examples and scenarios are illustrative only. This guide is subject to change without notice.

If you have a complaint in respect of this product, the Commonwealth Bank's dispute resolution service can be accessed on 13 2221.

Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945 Australian credit licence number 234945.