

MORTGAGES FOR NEWCOMERS

■ By Michelle Waitzman

➔ For some newcomers, part of feeling you've settled in New Zealand is to own your own home. Chances are you'll need a home loan, or mortgage, to pay for it. Most people go to a bank for these loans, and use their new property as their security. But if you are new to the country, you will not yet have a credit rating in New Zealand, which can make it difficult to get approved for a loan. Here are some tips for getting that loan, even if you have just arrived.

BRING DOCUMENTS FROM HOME

The bank will want to know about your financial history. Bring as much information with you as you can when you come to New Zealand. Make sure you have at least three months' worth of bank statements and loan statements (if you were paying off a loan) from before your move, so that it is clear whether you were in a good financial situation before migrating. If the bank still isn't sure about your past, they can get an international credit check which will reveal any bad debts you left behind, so be honest about your past problems.

PROVE YOU CAN PAY

Bring your offer of employment or other documents that clearly show how much income you will have in New Zealand. The bank will want to see that you make enough money to cover your loan payments plus your other expenses. If you have sources of income other than your job, bring documents to show how much you will earn.

SHOW THEM YOUR ASSETS

Even if you don't have a large income (or any income) yet, you may be able to get a mortgage if you have other assets. If you own property in your home country, or have other investments that you could draw money from, this will assure the bank that they will be able to get their money back from you.

PUT MORE MONEY DOWN

Some people borrow the entire price of their new home from the bank, but this is considered risky for the bank. If you have sold a house before moving, or have money from another



source, think about using that money to pay for part of your new home. This will mean that you are asking the bank for less money, and they will be more likely to say yes.

BE REALISTIC

Houses in New Zealand are more expensive now than ever before. It's possible that you will not be able to afford your dream home when you arrive. Think about buying something cheaper at first, and moving on to a more expensive home later. Units and townhouses can be a less expensive way to enter the property market, and also build your credit rating. By asking for a smaller amount of money, you are more likely to get approved. If you still can't get approval for a mortgage, think about renting a home until you are in a stronger financial situation.

Some banks have managers who work specifically with newcomers. Find out if your bank has someone who understands the needs and challenges of newcomers, and can help you to meet their loan requirements. There are several banks in New Zealand that offer home loans and other services, so if you are not comfortable with the first manager you talk to, feel free to try someone else. Some of the major banks in New Zealand offering full services are: The National Bank, ANZ, Kiwibank, BNZ, TSB, Westpac, and ASB. Different banks also set different interest rates for their mortgages, so you should compare before you decide on a bank. ■