

CHAPTER ONE - HOME LOAN FACT SHEET

Deposit & Equity

Your deposit is the single biggest lever you've got at the start of your home loan journey. Here's how much you really need - and what to do if you don't have 20%.

What is a deposit?

A home loan deposit is your **initial contribution** toward the purchase price of a property. A bigger deposit means you don't need to borrow as much — which leads to less interest charged over the life of the loan, and ultimately paying it off sooner.

How much do you actually need?

The gold standard starting point — for a free standing dwelling in a metropolitan suburb, and avoiding Lenders Mortgage Insurance (LMI) — is a deposit of **20% of the property value or purchase price**.

Some scenarios will require a larger deposit (around 30%) due to location, security type, or low-documentation lending where no financial documents are being provided.

The Deposit Ladder — a reality check on what's possible today

20%	Gold standard No LMI, broadest lender choice, best rates
10%	Best case Strong position with most lenders, LMI may apply
5%	Real life Achievable with the right lender or scheme

REALITY CHECK

Ten years ago, a 20% deposit was, on average, achievable. Today, 10% — or even as little as 5% — is genuinely possible for the right borrower. The key is knowing which lender to go to.

What if I don't have 20%?

Everyone's circumstances are different, and the main thing to remember is this: **there are options.** Understanding what you'd like to achieve — and what you've got to work with — will determine which solution fits best.

<p>1</p> <p>First Home Buyer Schemes</p> <p>Government-backed schemes that let eligible buyers get in with as little as 5% and no LMI.</p>	<p>2</p> <p>Security Guarantor</p> <p>A family member uses equity in their property to help cover the gap in your deposit.</p>	<p>3</p> <p>Cash Gift</p> <p>A genuine, documented gift from a family member can boost your deposit position.</p>
<p>4</p> <p>Deposit Top-Up Provider</p> <p>A specialist provider can help bridge the gap to 20% if your income exceeds first home buyer scheme caps.</p>	<p>5</p> <p>Proceed with LMI</p> <p>Pay Lenders Mortgage Insurance and proceed with as little as 5%. The premium is added to your loan and protects the lender if you can't repay.</p>	

Got a question this raises?

Every situation is different. Book a free, no-obligation chat with Jonny and let's walk through your numbers.

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