

RESOURCE - RISK ASSESSMENT

Risk Assessment

A side-by-side look at what makes an application low risk or high risk in a bank's eyes - across the five fundamentals of getting approved.

The risk lens, side by side

Every lender views your application through a risk lens, applied to the five fundamentals: Deposit, Income, Commitments, Securities, and Conduct. Here's how each fundamental reads as low risk versus high risk in a typical lender's view.

Fundamental	✓ Low Risk	! High Risk
Deposit & Equity	20%+ deposit Genuine savings, low LVR, no need for LMI, broad lender choice.	5% or less deposit Limited genuine savings history, high LVR, requires LMI or scheme support.
Income	Stable PAYG with tenure Long tenure with one employer, base salary plus regular ongoing income.	Variable or short tenure Casual work, multiple recent employers, heavy reliance on bonus/commission.
Commitments	Minimal existing debt Low or no credit card limits, no personal loans, no BNPL exposure.	High limits & multiple debts Large credit card limits, multiple personal loans or leases, high BNPL usage.
Securities	Standard metro property Free standing dwelling or established unit in a metropolitan suburb.	Non-standard or remote High-rise, small studio, unusual zoning, regional or "high risk" postcode.

Conduct	Clean credit & accounts On-time payments, no overdrafts, no defaults, healthy credit score.	History of issues Defaults, late payments, regular overdrafts, recent bankruptcy or Part 9.
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BEYOND THE FIVE

There are other risk factors lenders weigh — short-term employment, multiple employers, certain industry types, and so on. New or existing lending also feeds into their assessment. Banks are individuals, and each weighs these slightly differently.



What to do if you’ve got high-risk areas

Being high risk in one or two areas isn’t a verdict — it’s a starting position. The right strategy is usually one of three:

Match to the right lender. Different lenders have different risk appetites. The lender that says “no” might be the wrong lender, not the wrong borrower.

Reduce the risk. If commitments are pulling you down, dropping a credit card limit or paying out a personal loan may shift you. If conduct is the issue, six months of clean account history can change the picture.

Wait and prepare. If multiple areas are high risk and not easily fixable now, the right move may be a roadmap to come back to it in 6–12 months.

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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