

How your profession dictates your home loan discount

[← GO BACK](#)

Font size : [+](#) [-](#) | [✉](#) [🖨](#)

Some jobs have all the perks – including better deals on home loans. Find out if you can bargain for a better rate...

If you're in the medical profession and paying a standard mortgage rate, then it's probably time to do a check-up on your home loan.

According to Home Loan Experts director Otto Dargan, banks have a list of preferred borrowers and doctors are at the top.

"Some banks have special home loan packages for medical professionals such as doctors. In the past there were specific discounts for the lawyers and accountants as well, however in recent times these have been less competitive than a professional package with a negotiated interest rate."

Banks consider doctors to be good risks, which is why they get the best deals.

"The banks actually monitor the default rate of particular professions and then use this data to tweak their lending policies," Dargan says. "Doctors are known to be a very low risk in fact they almost never default on their loans. In addition to this their income tends to grow exponentially as their career progresses, and so they buy investment properties and apply for many more loans with their bank."

And there are some incredible deals out there, Dargan says.

"We recently helped a client with several large loans to negotiate a 1.10% discount below the Bank Standard Variable rate, which would have been unheard of a year ago. Doctors, people borrowing less than 75% of the property value and people borrowing over \$500,000 should all be negotiating with their lender or using a [mortgage broker](#) to shop around for a better interest rate."

Doctors can choose between waived lenders [mortgage insurance](#) and a discounted interest rate. If you are borrowing more than 80% of the property value, it is usually best to go for waived LMI. But, if you are borrowing under 80% and LMI is not an issue, Dargan advises borrowers to negotiate a lower interest rate.

Teachers and nurses are also considered significantly lower risks for banks than other professions, as both have stable employment and tend to be conservative with their spending habits. While banks do not offer special discounts for these professionals they will bend their lending guidelines to approve their loans.

On the flipside, Dargan says developers and builders (not tradesmen) are considered high risk due to the fluctuating nature of their income. As well, professional property investors that rely on investment as their sole source of income are also considered high risk as many become overcommitted.

"In particular banks are very conservative when assessing a low doc loan for people in these professions. However if you can prove your income, have a good credit history and genuine savings then you should have no trouble getting an approval."

Recent graduates

Dargan says each lender has their own policy regarding length of employment.

"Most lenders will require that you are not on probation, or that you have been in your job for at least six months. However there are lenders that can approve your loan even if you have just started your job today."

University graduates will usually find it harder to get a good deal on a home loan because they cannot prove they have been working in the same industry for at least two years. As a result, they will not meet the approval criteria of some lenders.

However, Dargan says some lenders will consider lending to new university graduates if they are now working in a job that is in the same field that they were studying in.

"They just need to apply with a lender that has more flexible policies for employment history and ideally to be at least one month in their new job," he says.

[+ Bookmark & Share](#)

[Like](#)

[OTHER SECTIONS](#)

Get help choosing the best home loan

Monday, Jul 18, 2011

Top Featured Rates	Top Bank Rates
Ratebusters	6.83
Homeloan HQ	6.85
State Custodians	6.86
Resi	6.89
Collins Home Loans	6.92
Homeloans	7.19



Mortgage Deals

- [Get a special home loan offer](#)
- [6.95% no fee mortgage](#)
- [Mortgage Of The Year - 6.83% SVR](#)

Your Mortgage TV

Using Equity to purchase an Investment Property

First Home Buyers Guide

Refinancing your home loan

Suburb insight - Enmore, Sydney

Other Categories

- [First Home Buyers](#)
- [Refinance Mortgages](#)
- [Property Investment](#)
- [News](#) | [Articles](#) | [Q&A](#) | [Tips](#)

Related Keywords

- [refinancing](#)
- [mortgage brokers](#)
- [mortgage loan](#)
- [check list](#)
- [mortgage insurance](#)
- [mortgage broker](#)
- [interest rates](#)
- [home loan rates](#)
- [first home](#)
- [property investment](#)
- [best interest rates](#)
- [first home owners](#)
- [first home buyers](#)
- [stamp duty](#)
- [refinance](#)

Forum

- [Rain Water Harvesting and its Storage](#)
Rain water harvesting system is becoming one of the important amenities of all [...Read more
- [ADVICE?](#)
Hi there! I am researching a property in a large mining town which consists of ...Read more
- [Which Product would be best?](#)
Hi. I want to build a home with the aid of some qualified friends and family b ...Read more