



Freedom Loans bad credit home loan page



By Glenn

You CAN still own your own home

It's incredibly frustrating and stressful when you know you have the income to support a home loan, but the banks won't give you one because of a credit problem. We see people in your situation, day in and day out. People from all walks of life who, thanks to bad choices, bad timing or just plain bad luck, find themselves with a bad credit record, and are unable to get a home loan. And in almost every case, we're able to help. We can probably help you too...

The REAL reason most banks don't do bad credit home loans

Most banks will only give you a home loan if you're low-risk. Better yet, no risk.

Why? Because that makes the paperwork easy.

The simple fact is they rely on high volume, straightforward work. So they cater to the easy borrower... Fill out an easy form, tick all the same boxes as usual, rubber stamp the application, and move on to the next customer.

But bad credit home loans are different. The paperwork is tricky, the accounting is tricky and the legals are tricky. They take time to set up and a lot of thought, because every situation is different. It's all too hard for most banks.

It's not that they're incapable of doing it, it's that they don't want to. It just doesn't fit their business model. So much so that they still won't give you a home loan even if your credit problem was only trivial, you didn't know about it, and you resolved it as soon as you found out about it. Because even then, they'd have to complete some difficult, time-consuming paperwork.

In their eyes, once the sums say you're a risk, you're always a risk. Unfair (and nonsensical) as it is, once they've turned you down, they generally won't touch you again.

But some banks WILL still lend to you

There are a handful of reputable banks in Australia that do offer bad credit home loans. But they're very few and far between, and, more importantly, their paperwork is anything but easy. It's a completely different proposition to applying through a bank like CBA or Westpac. They expect you to fill in a LOT more forms, get all the facts and figures right the first time, jump through a crazy number of hoops, and do hours and hours of legwork.

And while it's good news that you have options, the even better news is that you don't have to do any of the work yourself.

We can do it all for you.

We know which banks to apply with, and we can make it happen

Bad credit home finance is our specialty. We've been doing it since 2003, and in that time, we've helped thousands of people into their dream homes – despite their less than perfect credit histories.

The secret? Well, it's not really a secret at all. All we do is take the time to learn exactly what's causing your credit problems before we start your application. It's different for everyone. We go through, in great detail, what's been happening in your financial life – your assets, your liabilities, your income – then we talk about what you're trying to do, and what responses you've received from your previous applications. We then draw on the experience of thousands of previous applications, for clients in all sorts of situations, to decide if we need to rectify the problem and, if so, how.

Then, and only then, do we choose the most appropriate lender from our specialist network, and complete and submit your application. And when we do, we go through a credit manager we actually know, personally. We've been doing this for nearly 15 years, so we know who's who, we've built relationships, and we can even negotiate exceptions to their standard requirements, here and there.

As a result, our clients hardly ever get declined.

Why not do it yourself?

It's natural that you'd ask why you shouldn't just do it all yourself. After all, who knows your financial situation better than you? But knowing your financial situation is only part of the solution. You also have to know which banks offer bad credit home loans, and how those offerings are different. Because they are different...

Outside of a few minor differences like rates and fees, they all look very similar on the surface. But once you've completed the paperwork for all of them (many times!), and you've gotten to know the decision-makers at all of them, you learn that they're really worlds apart. They may all call themselves bad credit home loan banks, but each one has its own specialty, and – like the big banks – they steer clear of anything outside of their comfort zone, simply because they're not set up to handle it confidently, safely and, above all, efficiently enough to make a decent profit.

In other words, each bad credit home loan bank has only one way to solve a problem. One product, and one very strict set of rules. And if you don't fit neatly into their equations, they simply say no. Then you're back to square one, and you've wasted weeks, or even months, of valuable time.

We, on the other hand, have multiple ways to solve a problem. We have access to all the solutions, and we know – without wasting your time on countless applications – which ones are most likely to bear fruit.

Plus, unlike the (usually junior) loan officer at the bank who gets paid no matter what, we don't get paid unless you get a loan. So we're far more motivated to see that it happens. The loan officer, on the other hand, is more interested in minimising the bank's risk. They may even look for reasons to say no.

Indeed, you can be rejected simply because you said or showed the wrong thing. (And when you have a bad credit history, there can be many wrong things to say or show. It's a minefield!)

Put simply, the deeper you dig, the more complex it gets, and the more likely you are to trip over a hidden gotcha. Usually this results in another rejection and more wasted time. But if you're 'lucky' enough to actually be given a loan, chances are it won't be the right one.

So, yes, if you have the time, patience and financial proficiency to get to know all the bad credit home loan banks, their products and their rules, then by all means, you should definitely do it yourself. Otherwise, it makes a lot more sense to get help from the people who know it already.

Why not use a normal mortgage broker?

Most mortgage brokers deal only with the big banks. And most of their clients are just time-poor people, who merely want someone to shop around for them and fill in the paperwork. They don't have credit problems.

So, like the banks themselves, brokers build their businesses on quick, simple, turn-key loan applications. They're not interested in bad credit home loans, and have little to no experience dealing with them. They can't identify the cause of your problem, and even if they could, they don't know all the lenders who can help, much less which one to choose for your particular situation. (In fact, most brokers will just present you with a list of lenders and say pick one!)

Put bluntly, if you go with a run-of-the-mill mortgage broker, you'll probably just get turned down again or wind up with a home loan that's completely wrong.

Get approved today

If you've been turned down by a bank – or more than one – because of bad credit, give us a call on 1300 327 297. We'll tell you, straight-up, how we can help, so you can stop worrying and get back to living.

Find out today how we can help you.