
YOUR SELF-EMPLOYED HOME LOAN GUIDE

Being your own boss shouldn't cost you a home loan.

Self-employed borrowers get knocked back or under-quoted more than anyone else — usually because of how their income is presented, not because the numbers don't stack up. Here's what lenders actually look at, what to have ready, and where the room to move usually is.

 **We'll call you within one business day.**

THE BASICS

How lenders actually see your income.

Self-employed income isn't assessed the same way as a payslip. Here's the shape of it — the detail always comes down to the individual lender's policy, which is exactly why it pays to have someone shopping it around for you.

Two years, usually

Most lenders want two full years of financials to see a stable trading history, not just a good year.

Under two years trading?

You still have options — some lenders now accept as little as 18 months' trading with just one year's tax return lodged, instead of the usual two. See "Not quite two years yet?" below — it's more common than you'd think, and rarely a dead end.

GST registration

If your business turns over more than \$75,000 a year, you'll need to be GST-registered and have BAS statements ready to show.

Your business structure

Sole trader, company or trust each need slightly different paperwork — a company or trust usually means extra financials and distribution statements.

How your figure is set

Lenders differ — some take the lower of your two years, some average them, and some will use the most recent year if your income is clearly trending upward.

Consistency matters

A steady or growing trend across your two years counts for more than one exceptional year sitting next to a quiet one.

GOOD TO KNOW

None of this means self-employed borrowers get a worse deal on rate or loan type — it just means the income story needs to be told properly. That's most of what a broker is doing behind the scenes on a self-employed file.

THE BIT MOST PEOPLE MISS

Your taxable income isn't your borrowing power.

A good accountant minimises what you pay tax on — which is exactly why your tax return often understates what you can actually afford to borrow. Lenders know this, and "add back" certain expenses to your declared income before assessing you.

COMMON ADD-BACKS

- **Depreciation** — a non-cash expense that reduces taxable income without costing you anything day to day.
- **Interest on debts being paid out** — if a business loan is being refinanced or cleared as part of your application, that interest won't continue.
- **One-off expenses** — a one-off legal bill or equipment purchase that won't recur every year.
- **Instant asset write-offs** — usually treated as a one-off rather than an ongoing cost.
- **Personal-use portion of motor vehicle expenses** — some lenders will add back a share of this.
- **Director's superannuation above the minimum** — voluntary contributions on top of what's required.

WHY IT MATTERS

A sole trader who declares \$80,000 in taxable income might be assessed at \$100,000 or more once legitimate add-backs are applied — sometimes lifting borrowing power by well over \$100,000. Which add-backs a lender will accept, and how generously, varies a lot — another reason it's worth having your file presented to the lenders most likely to see it your way.

Add-backs depend on your specific tax returns and the lender's policy at the time — we'll go through yours properly rather than estimating from general rules of thumb.

GETTING ORGANISED

What you'll need to gather.

More paperwork than a PAYG applicant, but nothing unusual for your business to produce. Here's the full list — we'll confirm exactly what applies to your situation once we understand it.

Identification ALL REQUIRED

- ☐ Driver's licence — front
- ☐ Driver's licence — back
- ☐ Passport
- ☐ Medicare card

Personal income

- ☐ Last two years' personal tax returns
- ☐ Last two years' ATO Notices of Assessment

Business financials

- ☐ Last two years' business tax returns
- ☐ Last two years' financial statements (P&L and balance sheet)
- ☐ Most recent depreciation schedule
- ☐ Last four to six lodged BAS statements, if GST-registered

Business structure IF APPLICABLE

- ☐ ABN registration details
- ☐ Company or trust structure documents
- ☐ Trust deed and distribution statements

Savings & other debts

- ☐ Savings account statements — last 3 months
- ☐ Statements for any existing loans or credit cards

To make providing bank statements easy, we use Illion Bankstatements — we'll send you this link once we progress your application.

Exact requirements vary by lender and by how your business is structured — we'll confirm precisely what's needed once we understand your circumstances. Nothing here needs to be ready before we speak.

Not quite two years yet?

Plenty of self-employed people want to buy before they hit the two-year mark. It's more limited, but it's rarely a dead end.

One to two years trading

Some lenders will still consider you on full-doc terms, especially with relevant industry experience before you went out on your own.

Under twelve months

Harder, but specialist lenders exist — usually through an alternative documentation pathway rather than a standard application.

Alt doc (sometimes called low doc)

Today's version of "low doc" — a properly assessed loan that accepts different evidence instead of two full years of tax returns.

What it typically accepts

Six months of business bank statements, six months of lodged BAS, or a signed accountant's declaration of your income — usually alongside at least six months of ABN and GST registration.

The trade-off

Alt doc loans are generally capped at a lower loan-to-value ratio than standard loans, and can carry a slightly higher rate or fees.

Still worth exploring

Even if alt doc isn't the right fit, it's often better to know your realistic options now than to wait and hope your file looks different in a year.

GOOD TO KNOW

Alt doc availability and terms vary a lot between lenders and change over time — we'll tell you honestly whether it's worth pursuing now, or whether waiting a little longer gets you a meaningfully better outcome.

GOOD QUESTIONS

Questions self-employed clients ask us most.

If you're wondering about any of these, you're already asking the right things.

Q1 Will my low taxable income hurt my application?

Not necessarily — see "Your taxable income isn't your borrowing power." Legitimate add-backs often paint a very different picture to your tax return's bottom line.

Q2 Do I need exactly two years of ABN registration?

It's the standard most lenders prefer, but it's not a hard rule everywhere. One to two years can still work with the right lender, and there are alt doc options under that.

Q3 What if my income varies a lot year to year?

Tell us early. Some lenders average your two years, some take the lower figure, and some will look favourably on a clear upward trend — which lender you go to can make a real difference here.

Q4 Can I still buy with a small deposit?

On a standard full-doc loan, generally yes — the same deposit and LMI rules apply as for any other borrower. Alt doc loans usually require a larger deposit.

Q5 Does trading through a company or trust change anything?

It means a bit more paperwork — financials and distribution statements — but it doesn't inherently reduce your borrowing power.

Q6 What can I do now to improve my position?

Keep your BAS lodgements current, keep business and personal accounts separate, and talk to us before your next tax return is finalised — sometimes small, legitimate timing decisions make a real difference to what you can borrow.

READY WHEN YOU ARE

Let's find out what's actually possible.

Book a free, no-obligation chat with JNT Finance and we'll go through your actual financials — not general rules of thumb — to see what you can borrow and which lenders will look at your file the right way.

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This guide provides general information only and doesn't take into account your personal objectives, financial situation or needs. It isn't personal financial, credit or tax advice, and doesn't constitute accounting advice regarding add-backs or tax treatment — please speak with your accountant on those matters. Lending criteria, documentation requirements and alt doc/low doc availability vary by lender and are subject to change — we'll confirm exactly what applies to you.

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