

Home Loans for Accountants

EVERYTHING YOU NEED TO KNOW

Do you own or work for an accounting firm? Well, you're in luck. Banks and other lenders offer discount home loans for accountants. Since accounting professionals are low-risk borrowers, lenders offer lower interest rates, higher LVR, and Lenders Mortgage Insurance waivers. This guide will provide everything you need to know about getting your accountant home loan.

How much can I borrow?

Can accountants borrow higher home loans than those with other professions? The good news is that if you qualify for an accountant loan, you're eligible to borrow up to 90% of the property value.

Most lenders assess your eligibility criteria based on LVR (loan to value ratio). During the application process, the borrower will need to state the size of their home deposit. Typically, a deposit of less than 20% of the property value results in paying additional LMI (we'll come to that later).

However, you can borrow as much as 90% for your home or investment property as an accountant. Sydney house prices are currently nearing 2 million dollars. In terms of money, as an accountant, you could borrow up to \$1,800,000 without repercussions.

Moreover, you could borrow between 100-105% of the property value with a guarantor home loan.

▶ **Minimum Income Requirement for Accountant Loan**

Unfortunately, the job title isn't enough. To be considered a low-risk borrower, you need to meet several requirements.

Firstly, there are minimum income requirements. In New South Wales, you need a minimum income of \$150,000, classing you as a high-income borrower. Both regular income and rental income count. Although, your spouse's income isn't included unless they can prove they also work for an accounting firm.

Furthermore, some banks may reduce the minimum income requirement if you work for certain industry bodies. These include the following firms:

1. Ernst & Young
2. KPMG
3. Minter Ellison
4. Allens Arthur Robinson
5. Gadens
6. Henry Davis York
7. Corrs Chambers Westgarth
8. Freehills
9. Mallesons Stephen Jacques
10. Clayton Utz
11. PKF
12. PWC
13. Deloitte
14. McGrath Nicol
15. Grant Thornton

You might need an employment letter or financial statements as proof of income.

▶ Special Discounts for Accountants

Beyond the minimum income requirement waived, accountants might also qualify for further special discounts on their home loans. Discounts depend on the maximum loan amount, the loan to value ratio, and your profession.

Firstly, you might not have to pay [Lenders Mortgage Insurance](#). Or secondly, you might be eligible for discounted interest rates on your home loan.

▶ No Lenders Mortgage Insurance (LMI)

Generally speaking, borrowers with a deposit lower than 20% of the property value have to pay LMI. However, as we've mentioned, accountants can borrow up to 90% [without paying LMI](#).

Lenders Mortgage Insurance is an additional sum high-risk borrowers must pay. As a high loan to value ratio suggests that the borrower isn't good at saving, LMI loans protect the lender should the borrower default on a payment. Borrowers can pay Lenders Mortgage Insurance upfront or capitalise it onto the total loan amount.

LMI is a significant expense. Say you had a deposit of \$50,000 for a home worth \$500,000. Your LVR is 90%. Therefore, your LMI would cost \$10,125. Furthermore, if you capitalise on your 30-year variable loan, you could end up paying an additional \$3,530 in interest. Use our [repayment calculator](#) to determine your interest repayments.

The extra \$13,655 is at the lower end of the scale. Some home loans could result in more than tens of thousands in LMI payments. Yet, qualified accountants with sufficient professional experience can avoid this hefty expense.

▶ Which other occupations are eligible for the LMI waiver?

Accounting isn't the only profession eligible for an LMI waiver. Other job titles include:

1. Actuary
2. Auditor
3. Chief Financial Officer
4. Director
5. Finance Director
6. Finance Manager
7. Financial Controller
8. Partner
9. A Financial Firm's Administration Manager
10. Tax Accountant

Outside of accounting and finance, other professional experience in high-income jobs might meet eligibility criteria:

1. Lawyers and conveyancers
2. Doctors and surgeons
3. Veterinarians
4. Professional athletes
5. Dentists
6. Engineers
7. Financial planners
8. Mining specialists
9. Some entertainment professionals

► Interest Rate Discounts

On top of LMI waivers, public accountants might also receive discounted interest rates on their home loans.

With a high income and stable job, some lenders and other banks might lower your interest rate. Even a discount of 0.5% could result in significant savings. For example, a borrower wants a \$780,000 30 year home loan. They have a 20% deposit. With an interest rate of 3%, they would pay a total of \$1,183,864 in interest and principal. The interest total is \$403,865.

However, if they negotiated a lower rate of 2.5%, their [interest payments](#) would drop to \$329,500 over 30 years. It's worth using your profession to arrange better rates. Additionally, a mortgage broker could help you get the best deal and other fees waived.

Are all accountants eligible?

As long as you hold one of the above professional job titles, you should be able to secure interest rate discounts and waive LMI. However, other eligibility criteria apply. For example, most lenders require a minimum of \$150,000 in income in NSW. On top of this, some banks ask for proof of your industry membership.

To be a practising accountant, you must register with one of the accepted industry bodies. Each credit provider might have further requirements for your financial situation. It's worth speaking to a mortgage broker about how you can reduce the size of your home loan.

Which industry memberships are recognised?

To qualify for an LMI waiver, you should be a CA, CPA Australia, or FIAA. Also, you probably have to show evidence of your registration with one of the following industry bodies:

1. Chartered Accountants Australian and New Zealand (CAANZ), including Global Accounting Alliance
2. Certified Public Accountants Australia (CPA)
3. Chartered Financial Analyst Institute Australia (CFA)
4. Institute of Public Accountants (IPA)
5. The Fellowship of the Institute of Actuaries of Australia (FIAA)

Other types of industry membership are considered on a case-by-case basis. The same is true of overseas qualifications.

▶ How can I prove my membership?

Lenders typically accept the following types of evidence:

1. Annual membership payment receipt (or any other proof of payment)
2. Current valid membership card
3. Internet print out confirming membership
4. Written confirmation from the industry body
5. Practising Certificate

Will my home loan application get approved?

To meet your lender's accountant loan eligibility criteria, you must pay attention to the following:

1. You must be an accountant, finance manager, internal auditor, actuary, or work in another professional service.
2. If you wish to borrow more than 80% of the purchase price without paying LMI, you must earn a minimum total income of \$150,000 (including salary and rental income).
3. You may need to supply evidence of your membership with a relevant body, such as the Chartered Financial Analyst Institute of Australia, among others.

Additionally, you'll need to meet general home loan requirements. This means you'll need a [strong credit score](#) and deposit (up to 10%). The latter doesn't have to be cash savings. Remember, if you're not a first-time buyer, you can use the equity on another property to reduce your loan amount.



Consider working with a Mortgage Broker

Consider working with a [Sydney mortgage broker](#) to ensure that you get the best mortgage rates, avoid paying LMI, and optimise your accountant home loan. Mortgage brokers are industry experts. With a panel of lenders at their back, they can negotiate the best interest rates for you.

Moreover, an experienced broker will do the hard work for you. Shopping around for home loans is a time-consuming task. Significantly few professional workers can spare time to secure the best home loan. A mortgage broker works on your behalf at no extra cost, ensuring the home buying process is stress-free for you.

Bottomline

Home loans don't have to be so expensive. As an accountant, you should take advantage of the discounts and waive LMI. Speak to a mortgage broker about how you can supply evidence of your profession. Not only can they help you save upfront costs, such as LMI, but they can ensure Australian citizens save significant sums throughout the entire course of their home loan.

FAQs

► Can accountants get a higher mortgage?

Accountants with a minimum income of \$150,000 can borrow up to 90% of the property value without paying LMI. Typically, borrowers have to pay Lenders Mortgage Insurance with less than 20% deposits. However, you might be eligible for an LMI waiver as an accountant. Additionally, your high-income profession might result in lower interest rates.

► Can accountants avoid LMI?

Accountants can avoid paying LMI by providing evidence of their industry membership. Qualifying industry bodies include the Chartered Accountants Australian, Certified Public Accountants Australia, Chartered Financial Analyst Institute Australia, Fellowship of the Institute of Actuaries of Australia, and the Institute of Public Accountants.

► How much can you borrow with a professional mortgage?

Accountants, doctors, lawyers, and other professions qualify for higher mortgages. You can borrow up to 90% of the purchase price. For a property worth \$2,000,000, you could borrow \$1,800,000 without paying LMI.

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