

**lendstreet**



# Home Loans for Professionals

EVERYTHING YOU NEED TO KNOW

ABN 24 601 471 416 | Credit Representative Number 509687 authorised under Australian Credit Licence 389087.

[www.lendstreet.com.au](http://www.lendstreet.com.au)



What are home loans for professionals? How do you qualify? If you meet the eligibility criteria, you might be able to borrow a professional home loan and save yourself a fortune. Whether for a residential property or investment property, professional home loans [waive LMI](#), allow a higher LVR, and [lower interest rates](#).

So, if you work within the medical, accounting, legal, or mining sector, read on to find out how you can make significant savings on your home loan journey.

## Who qualifies for professional home loans?

Many lenders offer special discounts to certain professionals, generally those with high incomes. This is because they are considered low-risk borrowers. Professions include:

1. Doctors, dentists, veterinarians, optometrists, and pharmacists
2. Accountants, chartered accountants, financial analysts, actuaries, finance managers, and auditors
3. Solicitors, barristers, and lawyers
4. Professional athletes, such as NRL or AFL players, soccer players, cricketers, basketballers, cyclists, tennis players, and Olympians
5. Entertainment professionals, such as DJs, actors, musicians, models, photographers, filmmakers, journalists, directors, and writers
6. Mine surveyors, geologists, or anyone working in the mining and energy sector

Specific professions vary from lender to lender. However, generally speaking, most high-income borrowers from the medical, legal, and [accounting industries](#) are eligible for particular cost savings.

### ▶ Other requirements

Unfortunately, simply working within these industries isn't enough to qualify for discounted interest rates and fee waivers. There are specific other requirements you need to adhere to.

Firstly, you have to be an Australian citizen. Lenders only reward low-risk borrowers who are residents of Australia.

Secondly, you need to provide evidence of qualifications and registrations required to practice in your field.

Some lenders might also request that you be a preferred industry body member. For instance, lenders would prefer CPA registered accountants. Examples of evidence might include an annual membership receipt, a valid membership card, or written confirmation from the industry body.

Thirdly, you must be buying your own home or investment property. You'll need to provide the property details to your mortgage broker or lender. The maximum loan amount must not exceed \$2 million unless you're a medical professional. Doctors can borrow up to \$4.5 million.

Finally, you must earn a minimum of \$150,000 per year. This might include your salary and rental income. Although, you might be able to negotiate the minimum income amount with specific lenders.

### ▶ Other high net worth borrowers

Outside of the primary industries, other professionals might qualify for specific discounts on their home loans. You may not receive all the features home loans for professionals offer. However, you should be able to negotiate interest rate discounts. Typically, to qualify for discounted fees, you'll need to earn a minimum of \$200,000 a year.

Other borrowers might include:

1. Advertising professionals
2. Accountants
3. Architects
4. Business owners
5. CEOs, directors, executives and managers
6. Some contractors and consultants
7. Insurance professional
8. IT manager or consultant
9. University lecturers

Anyone with a higher income has greater borrowing power. Not only are you considered low risk, but you'll probably be able to save a more significant deposit. Accordingly, lenders offer better interest rates and deals on your home loan.

It's worth speaking to your mortgage broker about whether your personal circumstances can secure you a better loan. The lender typically assesses applicants on a case-by-case basis.



## What are the benefits of professional home loans?

Depending on your lender, you might be able to access discounted interest rates as low as 0.5 – 1% on a standard variable rate loan. With a fixed-rate home loan, you might get a discount of up to 0.25%. Some lenders might require a minimum borrowing amount of \$250,000 with a maximum of \$2 million. Generally speaking, the more you borrow, the better the discounts.

Mortgage brokers will explain what's on offer from various lenders. Here are the benefits of opting for a professional package home loan: Outside of accounting and finance, other professional experience in high-income jobs might meet eligibility criteria:

1. Low-interest rate discount of between 0.5% and 1% on a [variable rate home loan](#)
2. Discount of up to 0.25% on a fixed interest rate home loan
3. Discounted or waived annual fees, e.g. no redraw fees or early repayment fees
4. Fee waivers on other financial products with the same lender, e.g. credit cards
5. Extra features, such as an [offset account](#) linked to your home loan
6. [Waived LMI](#) if you work in the medical, accounting, legal, mining, athletic, or entertainment fields
7. Higher loan to value ratio – professionals can borrow up to 95% of the property value



## Why do lenders offer better home loan deals to professionals?

What's in it for the lender? Firstly, Australian banks and lenders recognise that professionals are at a lower risk than the average borrower. Typically, those working in the above industries are high earners with stable jobs and valuable skills. Therefore, they are less likely to default on their monthly loan repayments than other borrowers.

In addition, many banks and lenders are willing to waive fees and offer discounts in the hopes that professionals will recommend their services to people of similar standing. Therefore, the bank or lender gets more business from other low-risk borrowers.

Just as there are lenders who specialise in professional home loans, there are [brokers who similarly specialise](#).



## How do home loans for these professions work?

You can use professional home loans to buy your first home, your next home as an owner-occupier, an investment property, or build a new home. They work the same way as a standard loan. However, if you earn above \$150,000 and work in a preferred profession, lenders often offer attractive benefits to attract your custom.

Features included in a professional package home loan usually include:

1. Waived LMI
2. Discounted interest rate
3. Waived loan fees

Of course, you'll also need to share your credit history with your lender. Even if you earn above \$150,000 and work for one of the preferred professions, they might deny your application if you have a poor [credit score](#). Other than the size of your deposit, most of the same eligibility criteria apply to standard and professional home loans.

### ▶ **Waived Lenders Mortgage Insurance (LMI)**

The most attractive benefit of home loans for professionals is that you don't have to pay LMI. Lenders Mortgage Insurance is an upfront cost charged to those with a deposit below 20% of the property value. Deposits can consist of genuine savings, home equity, or guarantor equity. For most borrowers, if you have a deposit of less than 20%, you will have to pay LMI – an expensive sum.

This is because those with little genuine savings are considered high risk. The lender protects themselves against the chances of the borrower defaulting on their repayments.

However, with a professional package, you can offer a deposit as low as 10% without incurring LMI. As a high-income earner, it's considered that you're less likely to skip a payment. As LMI can cost tens of thousands of dollars, the waiver could save you a lot of money.

### ▶ **Higher Loan to Value Ratio**

As we mentioned, professionals can borrow up to 90% of the property value without paying LMI. A higher loan to value ratio allows borrowers to purchase more affluent properties without a smaller deposit.

### ▶ **Negotiating home loan interest rate discounts**

Finally, many professionals receive better interest rates on their home loans. There is no standard discount rate – this usually depends on your lender and broker. Make sure you shop around as one lender might offer better rates than another. Moreover, check comparison rates to reveal hidden costs and save you money.

## **Is it always better to choose a professional home loan over a standard home loan?**

Just because a professional package offers waived LMI and other benefits don't guarantee that it's the right loan for you. It's good to compare standard and professional home loans from different banks to find the right home loan.

If you have a good credit score and the liquidity to offer a 20% deposit, you might fare better with a

standard mortgage. As we mentioned earlier, the more money you borrow, the more interest you'll have to repay. If you can afford to outright pay for 20% of the property, you'll save yourself a lot of money in the long run. That said, you'll typically pay lower interest rates over the loan term.

It's worth determining what you want from your loan and looking at different comparison rates to find the perfect option. Furthermore, mortgage brokers can assist your search.

## How to apply for a professional home loan

To apply for a professional mortgage, you need to ensure you meet the requirements. Most professions have to earn a minimum of \$150,000 and borrow up to 95% LVR. Despite being a high-income borrower, you still need to have a good credit score. If you find a loan product you're interested in, [apply for pre-approval today](#).

## Can a mortgage broker help?

Contact a [Sydney Mortgage Broker](#) to find the right professional home loan to suit your situation. Mortgage brokers are industry experts; they know which lenders offer the best deals for your risk category. Additionally, your broker can help you negotiate better interest rates and other features with the bank to ensure you get the best possible outcome on your home loan.

### FAQs

#### ▶ Are there any fees associated with a professional home loan?

Some lenders might charge an annual fee for your professional home loan. This is why you must shop around and look at the comparison rate. Even if you do have to pay a fee, you'll make better savings elsewhere on your professional loan to make it worthwhile.

#### ▶ Are professional package home loans suitable for everyone?

If you're willing to switch to a new lender and don't have the liquidity to afford a 20% deposit, a professional home loan might be just what you need. However, don't assume it's the best option for you. As a low-risk borrower, you'll likely be able to negotiate a good deal on a standard loan as well.

**► Do lawyers get better mortgage rates?**

Lawyers, doctors, accountants, mining specialists, and entertainment or athletic professionals all qualify for professional home loans. These loan products often waive LMI and offer lower interest rates, among other benefits. If you're a high-earning professional, it's worth considering whether you can save money with a professional home loan.

**► How much can I borrow with a professional home loan?**

Most professionals can borrow up to 95% of the property value. The maximum loan amount is \$2 million. However, some medical professionals can earn up to 100% LVR with a maximum loan amount of \$4.5 million.



# lendstreet

Suite 17, 20-40 Meagher St,  
Chippendale, NSW 2008

Phone: 1300 317 042  
Email: [support@lendstreet.com.au](mailto:support@lendstreet.com.au)

[www.lendstreet.com.au](http://www.lendstreet.com.au)



ABN 24 601 471 416

Credit Representative Number 509687 authorised under Australian Credit Licence 389087.