

Did you know... about non-bank lenders?

Deciding where to go for your home loan is one of the most important decisions you'll make. While many prospective property owners will choose to use a mainstream lender, non-bank lenders also have their advantages.

What are non-bank lenders?

Essentially, a non-bank lender is a lender that's not a bank, credit union or building society. It has its own source of funds, which it lends out with a margin for profit.

A non-bank lender may also be a company or individual who borrows money from a bank at wholesale rates and then lends the money with a profit margin added.

Most mortgage brokers work with both banks and non-bank lenders.

Potential benefits of a non-bank lender

There are several benefits associated with taking out your home loan through a non-bank lender, including:

- **Lower overheads, generally meaning lower fees.** Non-bank lenders usually have smaller overheads, because they have fewer offices and fewer expenses when it comes to marketing and labour. This should lead to lower fees and better rates.
- **Customer service.** Non-bank lenders try to offer a more personalised service because they tend to have a smaller database. It's likely that you'll be given more attention right through your home loan process, even after you've signed on the dotted line. Also, while you sometimes might deal with multiple people at a bigger bank, with non-bank lenders it's more likely that you'll be dealing with one person from the beginning.
- **Approvals.** Sometimes it can take a while to get a home loan approved by a big bank. With a smaller, non-bank lender, you may be approved more quickly because you're potentially talking to the loan decision-maker.
- **Range of choice.** Given the range of non-bank lenders out there, you have a decent chance of finding one that suits your particular needs and circumstances. **Go with what works for you**

There are pros and cons for both big banks and non-bank lenders, so finding the right lender for you is what's most important. You'll be the one making the repayments, so you need to be happy with the rates, service and fees that are offered. Your mortgage broker is an ideal go-to person to discuss your situation and what might be right for you.