

# Buying a Home on One Income

A SIMPLE GUIDE TO UNDERSTANDING WHAT  
LENDERS LOOK FOR AND HOW TO PREPARE



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SHE'S GOT THE KEYS MORTGAGE SOLUTIONS

# Buying a home on one income can feel overwhelming...

Many people assume buying property on one income is impossible, but that's not necessarily true. Lenders don't only look at your income. They assess a range of factors including your financial habits, existing commitments, and overall financial position.



This guide will help you understand some of the key things lenders consider when assessing a home loan application, and how you can prepare before applying.

Whether you're single, recently separated, or simply buying independently, understanding the process can help you feel more confident about your next steps.

The information in this guide is general in nature and does not take into account your personal objectives, financial situation or needs. You should consider whether the information is appropriate for your circumstances and seek independent advice if required.

*"The ache for a home lives in all of us. Where we can go as we are and not be questioned."*

MAYA ANGELOU

# What Lenders Look At

- **Your Income**

Lenders look at how stable and reliable your income is. This may include salary, overtime, bonuses, or other income sources depending on the lender.

- **Your Expenses**

Banks assess your living expenses to understand how comfortably you can manage loan repayments.

- **Your Existing Debts**

Credit cards, personal loans, car loans, buy now pay later accounts and other commitments can affect borrowing capacity.

- **Your Savings History**

Demonstrating consistent saving habits for at least 3 months can strengthen your application.

- **Your Credit History**

Your credit report helps lenders understand how you have managed credit in the past.



# SINGLE PARENTS 2% DEPOSIT SCHEME

Some single parents may be eligible for an Australian Government initiative that allows them to purchase a home with a minimum 2% deposit.

Under this scheme, the Government provides a guarantee to the lender, which means eligible buyers may be able to purchase a home without needing a large deposit and without paying Lenders Mortgage Insurance (LMI). This can significantly reduce the amount of savings required to purchase a home

## Basic Eligibility Requirements\*

To be eligible for the scheme, applicants must generally:

- be an Australian citizen or permanent resident aged 18 or over
- be a single parent or single legal guardian of one or more dependent children
- have saved a minimum deposit of 2%
- not own another property at the time of settlement
- purchase a home within the scheme's property price caps
- live in the property as their primary residence
- apply for the loan individually (not as a joint application)

Applicants must also meet the lender's normal credit and loan approval criteria.



\*Eligibility criteria, scheme availability and price caps may change. The information provided here is general in nature and does not take into account your personal objectives, financial situation or needs. You should seek independent advice to determine whether the scheme is suitable for your circumstances.

# How to prepare before applying

- **Review your expenses**

Understanding where your money goes can help you identify opportunities to improve your borrowing position. Go through your bank statements for the past 2-3 months and categorise all of your spending. You may be surprised how much money you are spending on little extras here and there.

- **Reduce unnecessary debt**

Paying down and closing buy now/pay later accounts, credit cards and personal loan accounts can also make a big difference to borrowing capacity, depending on your situation. Many people don't know that if the account is open, the lender will assess on the limit available to spend, not how much has actually been spent.

- **Build a savings buffer**

Consistent savings can demonstrate financial discipline.

- **Check your credit report**

It's helpful to know what lenders will see when they review your credit history. Websites like Equifax offer a free credit report every 3 months.

- **Speak with a mortgage broker early**

A broker can help you understand your options and explain how different lenders assess applications. You could be surprised how differently each lender assesses each application- it can be worth having a mortgage broker check many lenders at once!

# Why speaking with a Broker Can Help

Every lender assesses applications differently, which means the right lender for one person may not be the right fit for another.

A mortgage broker can help by:

- explaining how the lending process works
- comparing loan options from multiple lenders
- helping prepare a well-presented application
- guiding you through the process from enquiry to settlement

Speaking with a broker early can help you understand your options before making big financial decisions.



*There is something permanent, and something extremely profound, in owning a home.*

KENNY GUINN



## HAVE A QUESTION ABOUT YOUR SITUATION?

Everyone's circumstances are different, and general information can only go so far.


If you'd like to talk through your situation, you're welcome to book a free 15-minute discovery call.

This is simply a short conversation to discuss your goals and help you understand possible next steps.

**BOOK A DISCOVERY CALL**

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The information in this guide was correct at the date of publication in March 2026 and the information is subject to change. The information in this guide is general in nature and you should seek personalised advice prior to obtaining any financial product to ensure it is suitable for you.

