

How to prepare and what to bring when applying for a loan

When you apply for a loan, lenders must complete an affordability and suitability assessment to make sure it's not difficult for you to pay back a loan.

This means they'll need detailed information and documentation about what the loan is for, your income, expenses and current circumstances, and any likely changes to the income you'll rely on to repay the loan.

The loan application process may take longer and be more involved, even if you are only applying for a small loan or a top up to existing credit.

What to expect from lenders

Lenders will ask questions about;

- the income you will be relying on to repay the loan
- any plans or things you know about that might change your future income or expenses
- how any unexpected expenses could affect your ability to repay the loan
- how much extra you might need in your budget after the proposed loan payments are included.

Provide the right information

Lenders need reliable information to make good lending decisions.

Be upfront

Try to give the lender as much information as possible, especially about circumstances that may impact your income or expenses after you get the loan.



When applying for a loan, you'll need documents that show:

- your regular income, like payslips or bank statements
- your current expenses
- other debt repayments
- bank statements from your usual transactional account for the last three months
- other relevant documents, for example your employment contract if your work is part-time or temporary, or if you're on a three month trial period.

If you are getting income from other sources, like a boarder, consider how you might show the lender proof of that income and how long it might last.

Support from your community

Most of us need support to make good decisions about money, at times it can be helpful to talk to someone independent.

MoneyTalks is a free helpline available to provide free advice about money to individuals, family and whānau. Moneytalk mentors can help you; understand your financial situation, manage your debt, plan for the future, or get you in touch with a financial mentoring service in your community

Phone MoneyTalks on **0800 345 123** or visit **[moneytalks.co.nz](https://www.moneytalks.co.nz)**.

