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Securing Property Valuations for Your Property Investment Loan by [Crowin Smith](#)

Article published on March 20th 2012 | [Loans](#)

Before you decide on which property to purchase, your lender needs to know the general price tag of the property. Strictly speaking, banks and lending institutions in general will refuse to accept the property valuations you will provide. They will also refuse the estimate provided by your real estate agent, as well as the taxation notices from your local council.

So how exactly do you acquire property valuations for your property investment loan? The valuation process will be conducted and accomplished by no other than an independent valuation firm. Some of the factors that will be considered in the valuation process are the property's condition as well as the most recent sales of similar properties in your area.

Aside from determining whether or not the property you want is qualified for the home mortgage amount that you need to borrow, it will also be used as the basis for qualification for the:

Lenders Mortgage Insurance (LMI)

This insurance is meant to protect your lender from financial loss in case you end up defaulting on your mortgage loan. You will be asked to cover this particular insurance when you borrow more than 80% of the total price of your property. A mortgage calculator called the LMI calculator will help you determine the amount of your LMI premium.

First Home Owners Grant (FHOG) and other government-sponsored concessions

The First Home Owner Grant was introduced back in 2001 to counter the effects of the GST on home ownership. As a national scheme, it is funded and administered by the states and territories. The scheme grants qualified first home owners a one-time payment of \$7000. However, the exact amount can vary per state. Consulting with a mortgage broker would be the best option to know exactly how much you will get for the FHOG and other grants you might be qualified to receive. Take note that you will not be able to qualify for the grant unless you already have a pre-approval and a contract of sale.

Of course, you can apply for the FHOG and other state-sponsored concession schemes on your own. But still, it would still be more convenient and easy for you if you just hire brokers who will take care of your home loan application from start to finish. This saves you a lot of time and effort.

Strictly speaking, the valuation report that will be accomplished and provided by the independent third-party firm will play a huge role in determining how much you will receive and whether or not your property investment loan application will be approved. But if by any chance you believe that the amount you were approved and provided is very low, you will have the option to complain and challenge the valuation.

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Article Keywords:
property loans, refinance home loans

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