

# Mortgage with No Deposit: Options Every First Home Buyer Should Know

What if you could buy a home without saving a deposit for years? Sounds unrealistic, right? But the truth is—there are real pathways that make [how to get a mortgage without deposit](#) possible in Australia. The catch? Most buyers don't know how these options actually work or which one is right for them.



If you've been stuck thinking homeownership is out of reach, this guide will show you the exact options, benefits, and steps to move forward—without the traditional 20% deposit.

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## Can You Really Get a Mortgage with No Deposit?

Yes—but not in the way most people expect.

A no-deposit mortgage doesn't always mean you bring zero money to the table. Instead, it means you use alternative strategies like guarantors, equity, or government-backed support to secure a loan without a cash deposit.

For first home buyers, this can be a game-changer—especially when property prices keep rising faster than savings.

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## Why Consider a No Deposit Mortgage?

Before diving into the options, it's important to understand why so many buyers are exploring this path.

### **1. Enter the Market Sooner**

Saving a full deposit can take 5–10 years. A no deposit option helps you buy now, not later.

### **2. Avoid Rising Property Prices**

Waiting could mean paying more in the future. Buying sooner can lock in today's prices.

### **3. Stop Paying Rent**

Instead of paying someone else's mortgage, you start building your own equity.

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## **Option 1: Guarantor Home Loans**

This is one of the most common ways of **how to get a mortgage without deposit**.

### **How It Works**

A family member (usually parents) offers their property as security for your loan. This reduces the lender's risk, allowing you to borrow up to 100% of the property value.

### **Benefits**

- No deposit required
- Avoid Lenders Mortgage Insurance (LMI)
- Higher borrowing power

### **Things to Consider**

- The guarantor is financially responsible if you default
  - It's a big commitment—clear communication is key
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## **Option 2: Government Schemes & Support**

The Australian Government offers several schemes that reduce or eliminate the need for a large deposit.



These include:

- First Home Guarantee Scheme
- Family Home Guarantee
- Regional Home Buyer Support

While not all are “zero deposit,” they significantly reduce upfront costs and make [getting a mortgage without a deposit](#) more achievable.

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## Option 3: Using Equity Instead of Cash

If you or your family already own property, you may be able to use existing equity as a substitute for a deposit.

### How It Works

Equity is the difference between a property’s value and the remaining loan. Lenders can use this as security instead of a cash deposit.

### Benefits

- No need to save cash
  - Faster loan approval
  - Can be combined with other strategies
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## Option 4: Specialised Lender Options

Some lenders offer flexible products designed for first home buyers.

These may include:

- Low deposit loans (5% or less)
- LMI waivers for certain professions
- Family pledge loans

While these aren't always true zero-deposit loans, they reduce the barrier significantly for those [buying a house with no deposit australia](#).

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## Risks You Should Know

While no deposit options are powerful, they come with responsibilities.

### Higher Loan Amount

Borrowing more means higher repayments.

### Stricter Approval Criteria

Lenders will closely assess your income, expenses, and credit history.

### Limited Flexibility

Some options (like guarantor loans) involve family commitments.

Understanding these risks helps you make a confident and informed decision.

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## Smart Strategies to Improve Your Chances

If you're serious about **getting a mortgage without a deposit**, preparation is everything.

### ✓ Improve Your Credit Score

Pay bills on time and reduce debts.

### ✓ Show Stable Income

Lenders prefer consistent employment history.

### ✓ **Reduce Existing Liabilities**

Lower debts increase your borrowing capacity.

### ✓ **Work with Experts**

Mortgage brokers can guide you to the right lenders and options.

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## **Step-by-Step Process to Get Started**

Here's a simple roadmap to follow:

### **Step 1: Assess Your Situation**

Understand your income, savings, and eligibility.

### **Step 2: Choose the Right Option**

Guarantor, equity, or government support.

### **Step 3: Get Pre-Approval**

This gives you clarity on your budget.

### **Step 4: Find the Right Property**

Make sure it meets lender and scheme requirements.

### **Step 5: Finalise Your Loan**

Submit documents and complete the purchase.

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## **Is This the Right Path for You?**

A no deposit mortgage isn't for everyone—but for the right buyer, it can be a powerful shortcut into the property market.

If you:

- Have strong income but low savings
- Have family support available
- Want to avoid years of saving

Then this strategy could be exactly what you need.

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## Understanding Your Loan Option

When exploring your choices, you'll come across terms like [home loan without deposit](#). These loans are structured differently and often rely on added security like a guarantor or equity.



The key is choosing a structure that fits your financial situation—not just the fastest way in.

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## Final Thoughts + CTA

Buying your first home without a deposit isn't just a dream—it's a strategy. But the difference between success and stress comes down to choosing the right option and understanding the process.

If you're ready to explore your options and want expert guidance tailored to your situation, [First Home Buyers Australia](#) is here to help. From understanding eligibility to securing approval, you'll get step-by-step support to make confident decisions.

Don't wait years to save—take the smarter path into homeownership today.