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What Lenders Actually Accept Instead of Tax Returns

No two years of lodged tax returns doesn't mean no loan. Here's what a low-doc specialist lender actually looks at instead - and when each option applies.

The assumption that stops people applying

Most self-employed people assume a home loan needs two full years of tax returns showing a healthy taxable income. For plenty of business owners - especially anyone who's structured their affairs to minimise tax, changed structure recently, or simply hasn't lodged this year's return yet - that rules them out before they've even asked. It shouldn't. A meaningful slice of the lending market exists specifically for this situation.

What lenders will actually accept

DOCUMENT TYPE	WHAT IT SHOWS	TYPICALLY SUITS
BAS (Business Activity Statements)	Last 12-18 months of reported turnover, GST-registered	Businesses with strong, verifiable turnover but modest taxable profit
Accountant's declaration	Your accountant formally declares your income is consistent with what you've stated	Established businesses with a long-standing accountant relationship
Business bank statements	6-12 months of business account transactions	Sole traders and businesses without formal BAS lodgement
One year's tax return	A single year, rather than the usual two	Newer businesses, or a recent strong year after a weaker one

> **The trade-off worth understanding:** low-doc lending generally comes with a slightly higher rate and a lower maximum loan-to-value ratio (commonly 80% rather than 90-95%) than a full-doc loan. It's not a lesser product - it's a different risk assessment - but it's worth knowing going in so the numbers aren't a surprise.

What actually gets a file over the line

- **Consistency** - the story your BAS, bank statements and accountant's declaration tell should line up with each other
- **An ABN of 2+ years** - most lenders want to see the business has been trading a while, though some will consider less with strong compensating factors
- **A clean personal credit file** - low-doc lenders weigh this more heavily when business income documentation is lighter

- **A genuine deposit or usable equity** - the lower LVR cap means the deposit matters more than it would on a full-doc loan

The part most people get wrong

They assume there's one answer - "yes" or "no" - from a single lender. There isn't. Different lenders on our low-doc panel weight BAS turnover, accountant's declarations and bank statements differently, and each has its own appetite for the type of business, industry, and structure involved. The file that gets declined at one lender can often be approved at another, using the exact same documents.

Want to see what your own numbers could look like? **Run the free Self-Employed Loan Check** at smartselfemployed.com.au - takes about 60 seconds, no obligation.

This guide provides general information only and does not constitute credit advice. Figures and lending criteria are indicative, current as at September 2026, and vary between lenders and individual circumstances - confirm exact requirements before making a decision.
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