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# Low Doc vs Full Doc, Explained Plainly

Not a lesser loan - a different way of proving the same thing. Here's what actually changes, written for business owners, not brokers.

## The one-line version

A full-doc loan proves your income with two years of lodged tax returns and a Notice of Assessment. A low-doc loan proves the same thing a different way - BAS, an accountant's declaration, or business bank statements - because plenty of self-employed people simply don't have (or don't yet have) that two-year tax-return history in the shape a bank wants to see.

## What actually changes

| | FULL DOC | LOW DOC |
|---|---|---|
| Income proof | 2 years tax returns + NOA | BAS, accountant's declaration or bank statements |
| Typical max LVR | 90-95% | 80% (sometimes less) |
| Rate | Standard rate card | Usually a modest loading above full-doc |
| Lender pool | Most lenders | A smaller panel who specialise in it |
| Assessment focus | Taxable income on paper | Actual cash flow through the business |

> **The part that surprises people:** low doc isn't "less scrutiny" - it's different scrutiny. A low-doc lender will look harder at your business bank statements, your BAS trend over time, and your accountant's standing, precisely because they're not relying on a tax return to do that work for them.

## Who actually ends up on low doc

- Business owners who structure income for tax purposes, so taxable income understates real cash flow
- Anyone who hasn't lodged this year's return yet, or changed accountant/structure recently
- Newer businesses with less than two years of tax history but strong, provable turnover
- Contractors and sole traders whose income varies year to year in a way a single tax return doesn't capture well

## Is it worth the loading?

For most people in this situation, the real comparison isn't "low-doc rate vs full-doc rate" - it's "low-doc rate vs not buying at all this year." A slightly higher rate on a loan you can actually get usually beats waiting another 12-24 months to build a full-doc file, especially in a market that keeps moving. It's also rarely permanent - many low-doc borrowers refinance to a standard full-doc loan once they've got two years of returns lodged and rates catch up.

Want to see where you'd realistically land? **Run the free Self-Employed Loan Check** at smartselfemployed.com.au - takes about 60 seconds, no obligation.

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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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