

Borrowing money with someone else?



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Find out what it means to be a co-borrower.

What's a co-borrower?

If you're applying for a home loan or personal loan, you might choose to borrow money with someone else. We call this co-borrowing, and you become a 'co-borrower' for the loan.

If you're buying a property, having someone else contribute to the deposit can help increase your borrowing capacity. And if you're buying a new car, you could pay it off sooner if you're sharing repayments.

Before you become a co-borrower

You're both responsible for the loan, so it's important to understand how co-borrowing works upfront and in the long run.

How co-borrowing works:

- Application details (like your personal and financial info) are shared with the people you're applying with
- If the other person falls behind on their share of the repayments, you're responsible for their share
- If your relationship with the other person changes, you're both still responsible for the loan, unless you take over the debt
- If the loan defaults, it could affect your credit rating and ability to borrow later.

Weighing up the pros and cons

As a bank and responsible lender, we want to make sure you know what you're getting into and you're substantially benefitting from the loan by receiving 50% or more of the benefit as a co-borrower.

If you're not substantially benefitting, that's ok, as long as:

- You understand the risks
- There's a clear reason for being a co-borrower
- You understand the difference between being a co-borrower and a guarantor
- You're comfortable being a co-borrower and aren't feeling pressure from others.

Here are a few examples to explain it a bit more.

You're applying to	And the plan is to	Will you substantially benefit?
Buy a house	Share a property where you own 50%, and the other person owns 50%.	Yes
	Share a property where you own 20%, and the other person owns 80%.	No
Refinance debt	Use 100% of the loan to refinance your debt.	Yes
	Use 60% of the loan to refinance the other person's debt.	No
Pay for a holiday	Use 70% of the loan funds for your holiday expenses.	Yes
	Use 70% of the loan funds for the other person's holiday expenses.	No

If you change your mind

Please contact your Home Finance Manager or Broker directly. Otherwise, visit bankwest.com.au/contact-us.

Things you should know: This fact sheet doesn't consider your individual objectives, financial situation or needs. Before basing any decisions on this information please:

- Consider how appropriate it is to your circumstances.
- Consider obtaining professional advice specific to your needs, including financial taxation and legal advice.
- Loan applications are subject to credit approval, and any loan offer includes terms and conditions.
- Fees and charges apply – see our fees and charges brochure.
- This fact sheet is subject to change without notice.